

File No. 180956

Committee Item No. _____

Board Item No. 31

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: October 30, 2018

Cmte Board

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

OTHER

(Click on the text of checked items to view documents)

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Appeal Letter - September 24, 2018</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Planning Department Appeal Response - October 22, 2018</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Project Sponsor Appeal Brief - October 10, 2018</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Supplemental Appeal Letter - October 18, 2018</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Hearing Notice and Clerical Documents</u>
<input type="checkbox"/>	<input type="checkbox"/>	_____

Prepared by: Brent Jalipa

Date: October 25, 2018

Prepared by: _____

Date: _____

September 24, 2018

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

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BY



**RE: Case No. 2014-001400ENX 2750 19th Street
Appeal of the August 23, 2018 Planning Commission Decision**

Dear Members of the Board Supervisors:

We are writing on behalf of Our Mission No Eviction regarding our upcoming appeal hearing in front of you for proposed project at **2750 19th Street**. We are appealing the decision of the Planning Commission made on August 23, 2018, including the adoption of CEQA findings under Section 15183 of the CEQA guidelines and Public Resources Code Section 21083.3.1, including the underlying Certificate of Determination and Findings of the Community Plan Evaluation and Initial Study-Community Plan Evaluation and Checklist.

The appeal of the adoption of the Community Plan Exemptions and CEQA Findings are filed on the following basis.

1. The cumulative impacts of this project have not been properly analyzed with the Letter of Determination and Community Plan Checklist erroneously concluding that there would be no significant impacts of this project that were not evaluated in the Eastern Neighborhoods Plan EIR (PEIR), either individually or cumulatively. The assumptions upon which the PEIR is based are now outdated and the PEIR cannot be relied on to accurately evaluate the cumulative impacts of the project. The PEIR examined a cumulative production of 2,054 housing units for the Mission during the period of 2008 to 2025. Currently, these projections for housing, including this Project and those constructed, entitled and/or in the construction pipeline have been exceeded.
2. The PEIR envisioned a scenario of up to 2054 units in the Mission over a 18 year period, evaluating significant impact and proposing mitigation of those impacts. We are just past half way through this period and are exceeding production by a factor of 75%. It would be a mistake to assume that those significant impacts would not become more significant and would not require additional mitigations. It would also be a mistake to assume that other

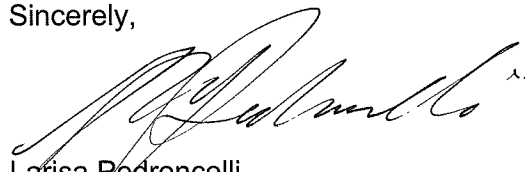
impacts, which may not have been identified as significant in the PEIR would not be significant given the substantial increase in the number of units. However, the PEIR makes these exact assumptions.

3. The CEQA findings did not take into account the potential impacts due to gentrification and displacement of businesses, residents, and non-profits and impacts on cultural resources. Community benefits under the Eastern Neighborhoods Area Plan as outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented or are underperforming. The determinations and findings for the proposed Project rely on the claimed benefits to mitigate impact outlined in the PEIR and are not supported.
4. Substantial new information affecting environmental analysis has become available. When new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Section 15183) Numerous changes have take place on the ground, including:
 - **An Unanticipated Rapid Pace of Development.** The PEIR was prepared in the midst of the the “great recession” and did not project the steep increases in housing prices that has been especially exacerbated by the increase in high paying jobs that have come to San Francisco. As a result, development has accelerated at a faster pace than anticipated by the PEIR. Major unforeseen development projects in the Eastern Neighborhoods such as the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Stadium, and the new Central SOMA plan bringing with it significant - and unanticipated - new office space to the area.
 - **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** The 2017Q1 Residential Pipeline Report states that San Francisco has exceeded it 2015-2022 RHNA housing production goals of 28,869 units and has built or entitled 217.2% of the RHNA Goals for above moderate income housing (greater than 120% AMI). According to Housing Balance Report No. 7, Table 2 Projected Housing Balance Calculation, 2018 Q2, Districts 9 and 10 continue low income housing production (D9 13.6%, D10 17.4%) that is well below targets, even if one equates housing rehabilitation with housing production.

- **Tech Shuttle Gentrification and Displacement Impacts.** The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint but also from the perspective of demand for housing in proximity to these new shuttle stops. The desire by high-earning tech employees to move to areas within a few blocks of a free ride to work has exacerbated the already high demand for housing. These shuttle stops are disproportionately in the Mission. The Anti-Eviction Mapping Project has documented the connection between shuttle stops and higher incidences of no-fault evictions.
<http://www.antievictionmappingproject.net/techbusevictions.html>
- **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted and will continue to result in a substantial increase in the rate of automobile ownership and TNC use in the Mission. It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts, even in transit rich areas such as the Mission. The TNC “ride-share” phenomena, increased frequency of amazon/meal/grocery deliveries and the implementation of Mission St “red lanes” have resulted in significantly changed traffic patterns. Additionally, the rise in “displacement commutes” of Mission families driving back long distances to their jobs and children’s schools in San Francisco, as well as the plethora of new Silicon Valley “reverse commutes” were not anticipated and have significantly changed the traffic picture. A recent INRIX Global Traffic Scorecard shows that *in 2017 San Francisco driving now ranked 5th most congested city in the world*, with its average driver spending 79 hours a year stuck in traffic at a cost of \$10.6 billion per year (<http://inrix.com/press-releases/scorecard-2017/>). Although a traffic study was done for this project, it did not contain any cumulative analysis and based its Mode Share Projections on 2011-2014 projections. **We cannot know the exact issues related to cumulative impacts on traffic and circulation because they have not been studied.**

CEQA requires a cumulative environmental analysis based on current and reasonably anticipated circumstances. Because there have been numerous changes on the ground, substantial new information has become available and their resulting impacts have yet to be studied, San Francisco has fallen short of its CEQA obligation to inform of and recommend mitigation measures that would ease these impacts. This results in the approval of projects that have unexamined environmental effects and insufficient mitigation measures, to the detriment of Mission residents.

Sincerely,



Larisa Pedroncelli

Kelly Hill

Members, Our Mission No Eviction



Attachments: Planning Commission Motion No 20264
Residential Pipeline, Entitled Housing Units 2017 Q1
Housing Balance Report No. 7, 1 July 2008- 30 June 2018

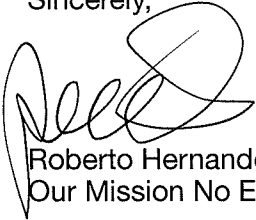
cc: Environmental Review Officer, San Francisco Planning Department

September 21, 2018

To whom it may concern-

I, Roberto Hernandez working for Our Mission No Eviction, authorize Larisa Pedroncelli and Kelly Hill to file an appeal to the Board of Supervisors of the August 23, 2018 Planning Commission decision to the project at 2750 19th Street, San Francisco, CA.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roberto Hernandez', written over a printed name and organization.

Roberto Hernandez
Our Mission No Eviction



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PLANNING DEPARTMENT**

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2018 SEP 24 PM 3:31

BY

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

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Fax:
415.558.6409

Planning
Information:
415.558.6377

**REVISED
Certificate of Determination
Community Plan Evaluation**

Case No.: 2014.0999ENV
Project Address: 2750 19th Street
Zoning: UMU (Urban Mixed Use) Zoning District
68-X Height and Bulk District
Block/Lot: 4023/004A
Lot Size: 15,000 square feet
Plan Area: Eastern Neighborhoods Area Plan, Mission Subarea
Project Sponsor: Steve Perry, Perry Architects 415-806-1203
Staff Contact: Justin Horner, Justin.horner@sfgov.org 415-575-9023

THIS COMMUNITY PLAN EVALUATION (CPE) SUPERSEDES THE CPE THAT WAS PUBLISHED ON NOVEMBER 21, 2017. FOLLOWING PUBLICATION OF THE PREVIOUS CPE, THE PROPOSED PROJECT WAS REVISED.

PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site is on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built between 1880 and 1914, totaling 10,935 sf of Production, Distribution and Repair (PDR) uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

(Continued on next page.)

CEQA DETERMINATION

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

DETERMINATION

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

Lisa Gibson
Environmental Review Officer

5/30/18

Date

cc: Steve Perry, Project Sponsor; Supervisor Malia Cohen, District 10; Ella Samonsky, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

The proposed project would include the demolition of the three existing industrial buildings, retention of the principal two-story façade along 19th and Bryant streets, and construction of a six-story, 68-foot-tall (77-foot, 7-inch tall with rooftop equipment) mixed-use building with approximately 10,000 square feet of ground-floor PDR, 60 residential units (35 one-bedroom units and 25 two-bedroom units) above and bicycle and vehicle parking in a basement (Figures 2-8). The proposed project would include 3,200 sf of common open space on the second floor and a 4,800 sf roof deck. The residential lobby entrance would be located on Bryant Street and basement vehicle parking entry would be located on 19th Street. The proposed project would include 60 Class 1 bicycle parking spaces in the basement, three Class 2 bicycle parking spaces along 19th Street, and 26 vehicle parking spaces in the basement.¹ The proposed project would remove an existing curb cut on Bryant Street and would retain an existing 10-foot curb cut off of 19th Street that would be used for the proposed garage entrance. Construction of the project would require approximately 8,533 cubic yards of excavation to a depth of approximately 15 feet and would last approximately 18 months. The proposed project would be built upon a mat-slab foundation with a series of inter-connected, reinforced concrete footings.

PROJECT APPROVAL

The proposed project requires Large Project Authorization (LPA) from the Planning Commission. The granting of the LPA shall be the Approval Action for the proposed project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

COMMUNITY PLAN EVALUATION OVERVIEW

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

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

This determination evaluates the potential project-specific environmental effects of the 2750 19th Street project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR).² Project-specific studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 2750 19th Street.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{3,4}

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

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

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other

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

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

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

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

topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned to UMU (Urban Mixed Use) District. The UMU District is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Evaluation (CPE) Checklist, under Land Use. The 2750 19th Street site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with building up to 68 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 2750 19th Street is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 2750 19th Street project and identified the mitigation measures applicable to the 2750 19th Street project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{6,7} Therefore, no further CEQA evaluation for the 2750 19th Street project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Determination and accompanying project-specific initial study comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The 15,000-square-foot (sf) project site is on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built in 1907, totaling 10,935 sf of Production, Distribution and Repair uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

The project vicinity is a mix of residential, industrial and commercial uses. The industrial and commercial businesses in the project vicinity are mostly housed in one- and two-story structures. The residential buildings range from two to five stories in height.

Immediately adjacent to the north of the project site is a two-story, approximately 25-foot-tall commercial building constructed in 1964. Immediately adjacent to the project site to the east is a one-story, approximately 20-foot-tall commercial building constructed in 1908. At the northwest intersection of

⁶ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 2750 19th Street, March 23, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.0999ENV.

⁷ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 2750 19th Street, February 22, 2016.

Bryant and 19 streets, which is across the street to the west of the project site, are three residential properties: a two-story, approximately 25-foot-tall building built in 1907, a three-story, approximately 40-foot-tall building built in 1900, and a two-story, approximately 22-foot-tall building built in 1907. A portion of a two-story, approximately 30-foot-tall industrial building built in 1934 is located across Bryant Street from the project site. Across 19th Street, to the south of the project site, is a four-story, approximately 60-foot-tall mixed-use residential building constructed in 1919.

The project site is served by transit lines (Muni lines 8, 9, 9R, 14X, 27, and 33) and bicycle facilities (there are bike lanes on 17th, 23rd, Folsom and Harrison streets). Zoning districts in the vicinity of the project site are UMU, PDR-1-G (Production, Distribution and Repair-1-General) and RH-2 (Residential-Housing-Two Family). Height and bulk districts in the project vicinity include 40-X, 58-X, 65-X, and 68-X.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 2750 19th Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 2750 19th Street project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The proposed project would include displacement of approximately 11,000 of existing PDR use. The proposed project, which includes 10,000 square feet of PDR uses, would result in a net loss of 1,000 square feet of PDR uses. However, the net loss of approximately 1,000 square feet of PDR building space would not constitute a cumulatively considerable contribution to the significant and unavoidable land use impact identified in the Eastern Neighborhoods PEIR. Additionally, as discussed in the CPE initial study, the proposed project would not impact a historical resource, and therefore would not contribute to the significant and unavoidable historic architectural resources impact identified in the PEIR. The proposed project would not generate cumulatively considerable new transit trips, and would therefore not contribute to the significant and unavoidable transportation impacts identified in the PEIR. As the shadow analysis contained in the CPE initial study describes, the proposed project would not cast substantial new shadow that would negatively affect the use and enjoyment of a recreational resource, and would therefore not contribute to the significant and unavoidable shadow impacts described in the Eastern Neighborhoods PEIR.

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

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability to Project	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Not Applicable: pile driving not proposed	N/A
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to Project Mitigation Measure 2: Construction Noise.
F-3: Interior Noise Levels	Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code	N/A
F-5: Siting of Noise-Generating Uses	Applicable for Project: includes PDR, a use that would generate noise at a level that could increase the ambient noise level in the project vicinity.	Project sponsor prepared an acoustic study consistent with Mitigation Measure F-5. Acoustic study found that the project would not exceed applicable standards in the Noise Ordinance.
F-6: Open Space in Noisy Environments	Not Applicable: CEQA no longer requires the consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels	N/A
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: proposed project does not meet BAAQMD screening levels and is not located in Air Pollution Exposure Zone (APEZ).	N/A
G-2: Air Quality for Sensitive Land	Not Applicable: superseded by applicable Article 38	N/A

Mitigation Measure	Applicability to Project	Compliance
Uses	requirements	
G-3: Siting of Uses that Emit DPM	Not Applicable: the proposed uses are not expected to emit substantial levels of DPM	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: proposed project would not include a backup diesel generator or other use that emits TACs	N/A
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: The project site is not located in an area with a previous archeological study.	N/A
J-2: Properties with no Previous Studies	Applicable: The project site is located in an area with no previous archeological study.	Project Mitigation Measure 1: Archeological Resources agreed to by project sponsor.
J-3: Mission Dolores Archeological District	Not Applicable: The project site is not located in the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: Proposed project includes demolition of an existing building.	Project Mitigation Measure 3: Hazardous Building Materials agreed to by project sponsor.
E. Transportation		

Mitigation Measure	Applicability to Project	Compliance
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-4: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-5: Enhanced Transit Funding	Not Applicable: plan level mitigation by SFMTA	N/A
E-6: Transit Corridor Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: plan level mitigation by SFMTA	N/A
E-11: Transportation Demand Management	Not Applicable: plan level mitigation by SFMTA	N/A

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

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on December 3, 2015 to adjacent occupants and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Commenters expressed concerns about

potential shadow impacts, traffic impacts, and air quality impacts from vehicle emissions, and potential wind effects. The Community Plan Evaluation checklist for the proposed project includes analysis of these potential impacts and found that the proposed project would not result in any new, or more severe, impacts in these resource areas that were not disclosed in the Eastern Neighborhoods EIR. There were also comments that were not related to CEQA, including concerns about the physical size of the project, the proposed project's impacts on nearby property values, and the project's compliance with Mission Area Plan policies and objectives. The proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in effects on the environment that are peculiar to the project, or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

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

⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.0999ENV.



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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

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Planning Commission Motion No. 20264

HEARING DATE: AUGUST 23, 2018

Case No.: 2014-001400ENX
Project Address: 2750 19th STREET
Zoning: UMU (Urban Mixed Use) Zoning District
68-X Height and Bulk District
Block/Lot: 4023/004A
Project Sponsor: Mark Loper, Reuben, Junius & Rose, LLP
One Bush Street, Suite 600
San Francisco, CA 94104
Staff Contact: Ella Samonsky – (415) 575-9112
ella.samonsky@sfgov.org

ADOPTING FINDINGS RELATING TO A LARGE PROJECT AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 329, TO ALLOW EXCEPTIONS TO 1) REAR YARD PURSUANT TO PLANNING CODE SECTION 134, AND 2) DWELLING UNIT EXPOSURE PURSUANT TO PLANNING CODE 140 AND TO ALLOW CONSTRUCTION OF A NEW SIX-STORY, 68-FT TALL, RESIDENTIAL BUILDING (APPROXIMATELY 72,635 SQUARE FEET) WITH 60 DWELLING UNITS (CONSISTING OF 35 1-BEDROOM UNITS AND 25 2-BEDROOM UNITS), 10,000 SQUARE FEET OF GROUND FLOOR PRODUCTION, DISTRIBUTION AND REPAIR (PDR) SPACE, AND 24 OFF-STREET PARKING SPACES, LOCATED AT 2750 19th STREET, LOT 004A IN ASSESSOR'S BLOCK 4023, WITHIN THE UMU (URBAN MIXED-USE) ZONING DISTRICTS AND A 68-X HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On May 5, 2016, Mark Loper of Reuben, Junius and Rose, LLP, on behalf of Willin Properties LLC (hereinafter "Project Sponsor") filed Application No. 2014-001400ENX (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Large Project Authorization to construct a new six-story, 68-ft tall, mixed-use building with 60 dwelling units and 10,000 square feet of ground floor commercial space at 2750 19th Street (Block 4023, Lot 004A) in San Francisco, California.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public

hearing on August 7, 2008, by Motion No. 17661, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., (hereinafter "CEQA"). The Commission has reviewed the Final EIR, which has been available for this Commission's review as well as public review.

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

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

On May 31, 2018, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

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

The Planning Department Commission Secretary is the custodian of records, located in the File for Case No. 2014-001400ENX at 1650 Mission Street, Fourth Floor, San Francisco, California.

On October 26, 2107, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to November 30, 2017.

On November 30, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to January 25, 2018.

On January 25, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to March 15, 2018.

On March 15, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to May 10, 2018.

On May 10, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to June 7, 2018.

On June 7, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to June 28, 2018.

On June 28, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX and continued the item to August 23, 2018.

On August 23, 2018, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-001400ENX.

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

MOVED, that the Commission hereby authorizes the Large Project Authorization requested in Application No. 2014-001400ENX, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The project site is a rectangular lot) located at the northeast corner of the intersection of Bryant and 19th Streets. The Project site has a lot area of 15,000 square feet, with 100-foot of frontage along 19th Street and 150-foot of frontage along Bryant Streets. Currently, the subject property is occupied by a single-story brick masonry and wood-frame building (10,934 square feet), which houses warehouse and office space for furniture manufacturing services, the Fitzgerald Furniture Company.
3. **Surrounding Properties and Neighborhood.** The project site is located within the UMU Zoning Districts in the Mission Area Plan. The project site is located within the UMU Zoning Districts in the Mission Area Plan. The neighborhood is mixed in character with residential, industrial, and commercial uses. Immediately adjacent to the project site to the east and north are one to two-story masonry office and industrial buildings. Across, 19th Street is a four-story residential and office building, and a two-story live/work building. Currently, across Bryant Street from the project are two and three-story residential buildings and industrial warehouse building. However a Large Project Authorization (Case No. 2013.0677X) was approved to demolish these building and construct a six-story mixed-use building containing 199 units and ground floor retail and PDR space. The surrounding neighborhood transitions from predominately two to four-story commercial and industrial properties to the north and west to two-to-three-story residential development on small lots on adjacent blocks to the south and east and. Other zoning districts in the vicinity of the project site include: RH-2 (Residential-House, Two Family), PDR-1-G (Production, Distribution & Repair – 1- General) and P (Public) Zoning District.
4. **Project Description.** The proposed Project includes demolition of the existing industrial building on the project site, with the exception of the brick facade, and construction of a six-story, 68-foot tall, mixed-use building (approximately 72,635 square feet). The Project would contain 60 dwelling units, with a dwelling unit mix consisting of 25 two-bedroom units and 35 one-bedroom units, approximately 10,000 square feet ground floor Production, Distribution and Repair (PDR), 24 below-grade off-street parking spaces, 2 car-share parking space, 84 Class 1 bicycle parking spaces, and 6 Class 2 bicycle parking spaces. The Project includes 4,800 square feet of common open space roof deck.
5. **Public Comment.** The Department has received public correspondences regarding the proposed project.

The Department has received communication from United to Save the Mission, La Raza Centro Legal, Calle 24 Latino Cultural District and the Pacific Felt Factory and Spike Kahn in opposition to the proposal. They have expressed opposition to this project because the project is not proposing to provide on-site affordable housing, does not have a commitment to hiring union labor and does not provide replacement PDR space, and because 45 vehicle parking spaces is too high for a transit corridor. They further believe the project to be counter to the goals of the Mission Area Plan or the objective of the Mission Interim Controls and Map 2020, and that it does not contribute positively to the neighborhood and the affordability of housing. They also raise

concerns that the environmental evaluation was inadequate because of the underlying EIR's assumptions on the cumulative total of units built.

The Department has received 17 letters of opposition from neighborhood residents and 1 business owner concerned that the height and density of the building is inappropriate for the neighborhood and requesting it be lowered to three to four stories. One resident encouraged increased on-site parking, two expressed concern for the loss of the PDR space, one wanted on-site affordable housing and one was supportive of more retail space.

The Department has received 51 letters in support of the proposal, including from the Mission Creek Merchants Association, 3 local business owners, and 4 from the Fitzgerald Furniture Company. They expressed support for the design of the building, development of new housing and the proposed community benefits package to develop partnerships with local high school, arts organizations, and community base organization, create an on-site restaurant accelerator space and commitment to hiring small and local businesses.

The Project Sponsor also has provided a list of 64 signatures in support, including employees of the Fitzgerald Furniture Company.

The Department has taken part in the dialogue between community members and the Project Sponsors to review aspects of the project, including the inclusion of on-site PDR space, on-site affordable housing, inclusion of artwork and the project's larger public benefits.

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

A. **Permitted Uses in UMU Zoning Districts.** Planning Code Section 843.20 and 843.79 states that residential and light manufacturing uses are a principally permitted use within the UMU Zoning District.

The Project would construct 60 new dwelling units and 10,000 square feet of ground floor light manufacturing use within the UMU Zoning District; therefore, the Project complies with Planning Code Section 843.

B. **Floor Area Ratio.** Planning Code Section 124 establishes a FAR (Floor Area Ratio) of 5.0 to 1 for properties within the UMU Zoning District and a 68-X Height and Bulk District.

The subject lot is 15,000 square feet, thus resulting in a maximum allowable floor area of 75,000 square feet for non-residential uses. The Project would construct a total of 10, 000 gross square feet of non-residential space, and would comply with Planning Code Section 124.

C. **Rear Yard.** Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth of the lot to be provided at every residential level. The Project would require a rear yard of 25 feet in depth from the rear lot line.

The Project is seeking an exception to the rear yard requirement as part of the Large Project Authorization. The proposed building encroaches into the required rear yard at the second level and above along 19th Street. The Project would provide a rear yard that is approximately 27 feet in depth (measuring approximately 3,216 square feet) at the second level and above. However, this open area is a courtyard and does not extend the full width of the lot (as required by the Planning Code), because of the residential units facing onto 19th Street. While the block does not currently have a clearly defined mid-block open space, the location of the courtyard would align with a developing central mid-block open space.

- D. Useable Open Space.** Planning Code Section 135 requires a minimum of 80 square feet of open space per dwelling units, or a total of 4,800 square feet of open space for the 60 dwelling units. Private useable open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 square feet is located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 square feet if located on open ground, a terrace or the surface of an inner or outer court. Common useable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum area of 300 sq ft. Further, inner courts may be credited as common useable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 square feet in area, and if the height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project satisfies this requirement with a 4,800 square-foot common roof deck.

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

Under the Large Project Authorization, the Project is seeking an exception to the dwelling unit exposure requirements for fifteen of the dwelling units at the 2nd, 3rd and 4th floors that face onto the courtyard, which does not meet the dimensional requirements of the Planning Code. Otherwise, all other dwelling units face onto a public street or compliant open area.

- F. Street Frontage in Mixed Use Districts.** Planning Code Section 145.1 requires off-street parking at street grade on a development lot to be set back at least 25 feet on the ground floor; that no more than one-third of the width or 20 feet, whichever is less, of any given street frontage of a new structure parallel to and facing a street shall be devoted to parking and loading ingress or egress; that space for active uses be provided within the first 25 feet of building depth on the ground floor; that non-residential uses have a minimum floor-to-floor height of 17 feet; that the floors of street-fronting interior spaces housing non-residential active uses and lobbies be as close as possible to the level of the adjacent sidewalk at the

principal entrance to these spaces; and that frontages with active uses that are not residential or PDR be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level.

The Project meets the requirements of Planning Code Section 145.1; all off-street parking is located below-grade, the garage door and curb cut are 10-feet wide, the ground floor ceiling height is 17 feet and the Project features active uses on the ground floor with a 10,000 square feet PDR space and the residential lobby, and residences on the upper floors.

- G. **Off-Street Parking.** Off-Street vehicular parking is not required within the UMU Zoning District. Rather, per Planning Code Section 151.1, off-street parking is principally permitted at a maximum ratio of .75 per dwelling unit in the UMU Zoning District.

The Project would construct 60 dwelling units and therefore is allowed to have a maximum of 45 off-street parking spaces. The Project provides 24 off-street parking spaces, therefore, the Project complies with Planning Code Section 151.1.

- H. **Bicycle Parking.** Per Planning Code Section 155.2, one Class 1 bicycle parking space is required for each dwelling unit and one Class 2 bicycle parking space for each 20 dwelling units. For industrial uses one Class 1 bicycle parking space is required for each 12,000 square feet with a minimum of two, and a minimum of two Class 2 bicycle parking spaces are required.

The Project includes 60 dwelling units and 10,000 square feet of light industrial; use; therefore, the Project is required to provide 62 Class 1 bicycle parking spaces and 5 Class 2 bicycle parking spaces. The Project will provide 84 Class 1 bicycle parking spaces and 13 Class 2 bicycle parking spaces. Therefore, the Project complies with Planning Code Section 155.2.

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

Since the Project includes 60 dwelling units, it is required to provide a minimum of one car-share parking space. The Project provides two car-share parking spaces. Therefore, the Project complies with Planning Code Section 166.

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

The Project is providing off-street parking that is accessory to the dwelling units. These spaces will be unbundled and sold and/or leased separately from the dwelling units; therefore, the Project meets this requirement.

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

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

1. *Unbundled Parking*
2. *Parking Supply*
3. *Car Share (Option B)*
4. *Bicycle Parking (Option B)*
5. *Bicycle Repair Station*
6. *Onsite Affordable Housing (Option B)*

- L. **Conversion of PDR.** Planning Code Section 202.8 requires that the conversion or removal of building space where the prior use in such space was a Production, Distribution, and Repair (PDR) use of at least 5,000 square feet, an Institutional Community use of at least 2,500 square feet, or an Arts Activities use, shall be replaced at a ratio of 0.75 square feet per square foot removed.

The Project would demolish 10,934 square feet of PDR use and would replace it with 10,000 square feet of PDR use. However, the PDR replacement controls do not apply to this project, since the legislation exempts projects which would convert less than 15,000 square feet of PDR, Institutional, Community or Arts Activities use and for which an Environmental Evaluation Application on or before June 14, 2016.

- M. **Dwelling Unit Mix.** Planning Code Section 207.6 requires that no less than 40 percent of the total number of proposed dwelling units contain at least two bedrooms, or no less than 30 percent of the total number of proposed dwelling units contain at least three bedrooms, or no less than 35 percent of the total number of proposed Dwelling Units shall contain at least two or three bedrooms with at least 10 percent of the total number of proposed Dwelling Units containing three bedrooms.

For the 60 dwelling units, the Project is required to provide either 25 two-bedroom units or 20 three-bedroom units or 21 two or three-bedroom units, with no less than 6 three- bedroom units. Currently, the Project provides 25 two bedrooms units; therefore, the proposed project complies with Planning Code Section 207.6.

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

The Project includes approximately 50,175 gsf of new residential use. This square footage shall be subject to the Transportation Sustainability Fee, as outlined in Planning Code Section 411A. The Project shall receive a prior use credit for the 10,934 sq ft of existing PDR space.

- O. **Residential Child-Care Impact Fee.** Planning Code Section 414A is applicable to new development that results in at least one net new residential unit.

The Project includes approximately 50,175 gsf of new residential use associated with the new construction of 60 dwelling units. This square footage shall be subject to the Residential Child-Care Impact Fee, as outlined in Planning Code Section 411A.

- P. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements apply to projects that consist of 10 or more units. The applicable percentage is dependent on the number of units in the project, the zoning of the property, and the date that the project submitted a complete Environmental Evaluation Application. A complete Environmental Evaluation Application was submitted on November 17, 2014; therefore, pursuant to Planning Code Section 415.3 the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 17.5% of the proposed dwelling units as affordable.

The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and Community Development and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on November 17, 2017. The applicable percentage is dependent on the total number of units in the project, the zoning of the property, and the date that the project submitted a complete Environmental Evaluation Application. A complete Environmental Evaluation Application was submitted November 17, 2014; therefore, pursuant to Planning Code Section 415.3 the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 17.5% of the total

proposed dwelling units as affordable. Eleven units (six one-bedroom and five two-bedroom) of the total 60 units provided will be affordable units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable.

- Q. Eastern Neighborhood Infrastructure Impact Fees.** Planning Code Section 423 is applicable to any development project within the UMU (Urban Mixed Use) Zoning District that results in the addition of gross square feet of non-residential space.

The Project includes approximately 72,635 gross square feet of new development consisting of approximately 50,175 square feet of new residential use, 12,460 square feet of circulation, mechanical and utility space and 10,000 square feet of PDR use. These uses are subject to Eastern Neighborhood Infrastructure Impact Fees, as outlined in Planning Code Section 423. These fees must be paid prior to the issuance of the building permit application.

- 7. Large Project Authorization in Eastern Neighborhoods Mixed Use District.** Planning Code Section 329(c) lists nine aspects of design review in which a project must comply; the Planning Commission finds that the project is compliant with these nine aspects as follows:

- A. Overall building mass and scale.**

The Project mass and scale is appropriate for the corner lot, given the larger neighborhood context, which includes one-and-four-story industrial buildings, two-and-three-story residential buildings, and larger six-story mixed use buildings permitted and/or under construction. As part of the Eastern Neighborhoods Area Plan, this portion of the Mission Area Plan was rezoned from industrial to mixed-use to increase the overall height and density. The Project fulfills this intent of the by providing for a new six-story, mixed-use building and introducing new height and density to the neighborhood. The Project defines the corners of Bryant and 19th Streets with the full six-story massing and orients the second floor courtyard to align with the future mid-block open space as the block redevelops. The mass extends to the front property lines on both frontages, and is relatively plane with a regular pattern of recessed window openings, complementary to existing large industrial buildings. Thus, the Project is appropriate and consistent with the mass and scale of the surrounding neighborhood.

- B. Architectural treatments, facade design and building materials:**

The Project's architectural treatments, façade design and building materials include brick, textured fiber cement panel, zinc and copper/bronze metal panels, aluminum storefront, and darkened steel and bronze frame windows. While the project preserves the brick facade of the existing building, it is overall a contemporary in character, with the palette of materials reflecting the nearby industrial uses. Overall, the Project offers a high quality architectural treatment that is consistent and compatible with the surrounding mixed use neighborhood.

- C. The design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and the design and siting of rear yards, parking and loading access;**

Overall, the design of the lower floors enhances the pedestrian experience and will promote street activity by providing entrances to the commercial space on both frontages and a prominent residential lobby on Bryant Street. The retention of the brick facade of the existing industrial building, paired with full wall transparent glass at the ground floor will create a unique streetscape. The vehicular access to the below grade parking is on 19th Street, with a single curb cut. The Project's rear courtyard aligns with the developing mid-block open space.

- D. The provision of required open space, both on- and off-site. In the case of off-site publicly accessible open space, the design, location, access, size, and equivalence in quality with that otherwise required on-site;

The Project provides the required open space via a common roof deck. The project also includes a courtyard at the ground floor and second floor level that is accessible to residents.

- E. The provision of mid-block alleys and pathways on frontages between 200 and 300 linear feet per the criteria of Section 270, and the design of mid-block alleys and pathways as required by and pursuant to the criteria set forth in Section 270.2;

Planning Code Section 270.2 does not apply to the Project, since the project does not possess more than 200-ft of frontage along any single street.

- F. Streetscape and other public improvements, including tree planting, street furniture, and lighting.

In compliance with Planning Code Section 138.1, the Project includes new streetscape elements, such as new sidewalks, corner bulb-out, bicycle racks and street trees. These improvements would vastly improve the public realm and surrounding streetscape.

- G. Circulation, including streets, alleys and mid-block pedestrian pathways;

The Project provides ample circulation in and around the project site. The residential lobby is located on Bryant Street, and connects directly to a ground floor courtyard with open stairs to second floor courtyard. Entries to the ground floor PDR space are located on Bryant and 19th Street. Automobile access is limited to the one entry/exit on 19th Street. An off-street loading zone is provided along Bryant Street, near the residential lobby.

- H. Bulk limits;

The Project is within an 'X' Bulk District, which does not restrict bulk.

- I. Other changes necessary to bring a project into conformance with any relevant design guidelines, Area Plan or Element of the General Plan;

The Project, on balance, meets the Objectives and Policies of the General Plan. See Below.

8. **Large Project Authorization Exceptions.** Proposed Planning Code Section 329 allows exceptions for Large Projects in the Eastern Neighborhoods Mixed Use Districts:

- A. Rear Yard: Exception for rear yards, pursuant to the requirements of Section 134(f);

Modification of Requirements in the Eastern Neighborhoods Mixed Use Districts. The rear yard requirement in Eastern Neighborhoods Mixed Use Districts may be modified or waived by the Planning Commission pursuant to Section 329...provided that:

- (1) A comparable, but not necessarily equal amount of square footage as would be created in a code conforming rear yard is provided elsewhere within the development;

The Project provides for a comparable amount of open space, in lieu of the required rear yard. The Project site is 15,000 square feet and would be required to provide a rear yard measuring 3,750 square feet, or 25 percent of the lot depth. The Project provides a courtyard of 3,216 square feet and a roof deck of 4,800 square feet. The common open space provided by the project exceeds the amount of area that would have been provided in a code-conforming rear yard.

- (2) The proposed new or expanding structure will not significantly impede the access to light and air from adjacent properties or adversely affect the interior block open space formed by the rear yards of adjacent properties; and

The Project does not impede access to light and air for the adjacent properties. The Project is located on corner lot, abutting industrial properties with no established pattern of mid-block open space. The courtyard is designed to appropriately terminate a midblock open space that would develop if the adjacent properties were to redevelop with residential uses.

- (3) The modification request is not combined with any other residential open space modification or exposure variance for the project, except exposure modifications in designated landmark buildings under Section 307(h)(1).

The Project is not seeking an exception to the open space requirements; however, the Project is seeking an exception to the exposure requirements for 15 of the 60 dwelling units. The fourteen dwelling units that require the exception to the exposure requirements face onto the sizeable second floor courtyard, approximately 27 feet in depth, by 117 feet in width, which will provide access to light and air. Given the overall design and composition of the Project, the Commission finds this exception is warranted, due to the Project's quality of design and comparable amounts of open space, provided at the second floor and roof level, in place of a code compliant rear yard.

- B. Where not specified elsewhere in Planning Code Section 329(d), modification of other Code requirements which 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;

In addition to the modification of the requirements for rear yard, the Project is seeking modifications of the requirements for dwelling unit exposure (Planning Code Section 140).

Under Planning Code Section 140 at least one room of all dwelling units must face onto a public street, code-complaint rear yard or other open space no less than 25 feet in every horizontal dimension for the floor at which the Dwelling Unit in question is located and the floor immediately above it, with an increase of five feet in every horizontal dimension at each subsequent floor. As proposed, fifteen dwelling units (five on the second, third and fourth floors) do not face onto an open area which meets the dimensional requirements to increase in area at upper floors. These dwelling units still face onto the second-floor courtyard that provides reasonable access to light and air. The Commission finds this exception is warranted, given the Project's quality of design and suitable access to light and air provided by the courtyard.

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

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1

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

Policy 1.1

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

Policy 1.10

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

OBJECTIVE 4

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

Policy 4.1

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

Policy 4.4

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

The Project is a higher density residential mixed-use development, which provides 60 new dwelling units in a mixed-use area. The project site was recently rezoned as part of a long range planning goal to create a cohesive residential and mixed-use neighborhood. The Project provides a mix of one-bedroom and two-bedroom units, with an average size of 794 square feet, which will suite a range of households. The Project

includes a minimum of 11 on-site affordable dwelling units, which complies with the inclusionary affordable housing requirements. The Project Sponsor has volunteered to increase the amount on-site affordable housing to 20 percent of the total number of dwelling units in the building (equivalent to 12 units). The Project is also in proximity to public transportation options and exceeds minimum requirements for bicycle parking for future tenants.

OBJECTIVE 11

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

Policy 11.1

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

Policy 11.3

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

Policy 11.4

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

Policy 11.6

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

Policy 11.8

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

The design of this Project responds to the site's location within a mixed-use area with industrial, commercial and residential uses, and proximity to existing and proposed five to six-story buildings along the Bryant Street corridor. The massing and scale are appropriate for a corner parcel and is in keeping with the development controls applicable to this site. The Project design includes continuing the ground floor PDR uses with new residences above. The Project retains the existing brick facade at the ground floor and utilizes a limited palette of quality materials that reflect the industrial character of the site to create a contemporary building that is compatible with the diverse neighborhood and visually interesting.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 2:

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

Policy 2.11:

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

OBJECTIVE 3:

IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE

Policy 3.6:

Maintain, restore, expand and fund the urban forest.

The Project proposes landscaped open space at the ground level, second floor and roof deck. The proposed Project will add to the urban forest with the addition of street trees.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 25:

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 25.2:

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

Policy 25.3:

Install pedestrian-serving street furniture where appropriate.

Policy 25.4:

Preserve pedestrian-oriented building frontages.

The Project includes new street trees along the public rights-of-way and streetscape elements, including new sidewalks, curb bulb-outs and bicycle racks. The ground floor frontages are designed with active spaces oriented at the pedestrian level. The new garage entrance/exit is narrow in width and assists in minimizing pedestrian and bicycle conflicts.

OBJECTIVE 30:

PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 30.1:

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

Policy 30.3:

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

The Project includes 84 Class 1 bicycle parking spaces and 13 Class 2 bicycle parking spaces in secure, convenient locations, thus exceeding the amount required by the Planning Code.

OBJECTIVE 36:

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

Policy 36.1:

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

Policy 36.5:

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

The Project proposes accessory vehicular parking at a rate of 0.4, which is principally permitted parking amounts within the Planning Code. The parking spaces are accessed by one 10-foot wide ingress and egress point on 19th Street. Parking is adequate for the project and complies with maximums prescribed by the Planning Code.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

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

Policy 1.3:

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

Policy 1.7:

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

OBJECTIVE 3:

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

Policy 3.1:

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

Policy 3.3:

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

The Project is located within the Mission neighborhood, which is characterized by the mix of uses, in an area of the neighborhood that transitions from predominately industrial and commercial uses to small scale residential uses. As such, the Project provides new high-density residential on top of active ground floor PDR uses in a building that is complimentary in scale and mass to existing industrial buildings in the surroundings. The Project combines the existing brick facade with contemporary facade of vertically oriented panels of metal and glass, which respond to the form, scale and material palette of the existing neighborhood.

MISSION AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1

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

Policy 1.1.2

Revise land use controls in portions of the Northeast Mission Industrial Zone outside the core industrial area to create new mixed use areas, allowing mixed income housing as a principal use, as well as limited amounts of retail, office, and research and development uses, while protecting against the wholesale displacement of PDR uses.

Policy 1.1.4

In higher density residential areas of the Mission, recognize proximity to good transit service by eliminating density limits and minimum parking requirements; permit small neighborhood-serving retail.

OBJECTIVE 1.2

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

Policy 1.2.1

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

Policy 1.2.2

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

Policy 1.2.3

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

Housing

OBJECTIVE 2.1

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

Policy 2.1.1

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

Policy 2.1.2

Provide land and funding for the construction of new housing affordable to very low- and low-income households.

OBJECTIVE 2.3

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

Policy 2.3.3

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

Policy 2.3.5

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

Policy 2.3.6

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

Built Form

OBJECTIVE 3.1

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

PHYSICAL FABRIC AND CHARACTER

Policy 3.1.1

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

Policy 3.1.6

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

Policy 3.1.8

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

OBJECTIVE 3.2

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

Policy 3.2.1

Require high quality design of street-facing building exteriors.

Policy 3.2.2

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

Policy 3.2.3

Minimize the visual impact of parking.

Policy 3.2.4

Strengthen the relationship between a building and its fronting sidewalk.

Overall, the Project provides the mix of uses encouraged by the Area Plan for this location. The Project would add 60 new dwelling units and retain approximately 10,000 square feet of PDR space on the ground floor. In addition, the Project is designed within the prescribed height and bulk limits, and includes the appropriate dwelling-unit mix, since 25 of the 60 units are two-bedroom dwelling units. Project introduces a contemporary architectural vocabulary that is sensitive to the prevailing scale and mixed industrial character of the neighborhood. The Project utilized a material palette, including brick, fiber cement and metal panels, and dark steel and bronze frame windows, that is compatible with the neighborhood. The ground floor of the building would be 17 feet in height and contain street facing active uses. The visual impact of the off-street parking would be minimized by placing it below grade and proposing a single entrance along 19th Street. The project will meet the City's affordable housing requirements by providing 11 on-site affordable units, and has volunteered one additional on-site affordable unit. The Project will also pay the appropriate development impact fees, including the Eastern Neighborhoods Impact Fees.

Transportation

OBJECTIVE 4.7

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

Policy 4.7.2

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

OBJECTIVE 4.8

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

Policy 4.8.1

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

Policy 4.8.3

Develop a Transportation Demand Management (TDM) program for the Eastern Neighborhoods that provides information and incentives for employees, visitors and residents to use alternative transportation modes and travel times.

Streets & Open Space

OBJECTIVE 5.3

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

Policy 5.3.1

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

Policy 5.3.2

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

The Project improves the public rights of way with new streetscape improvements and street trees. The project has submitted a Transportation Demand Management Plan that includes measures such as providing bicycle parking in excess of the code requirement, bicycle repair stations and real-time information on public transportation to promote alternative modes of transportation. The Project minimizes the impact of off-street parking, provides a car share space, and is in proximity to public transit options.

Economic Development

OBJECTIVE 6.1

SUPPORT THE ECONOMIC WELLBEING OF A VARIETY OF BUSINESSES IN THE EASTERN NEIGHBORHOODS

Policy 6.1.3

Provide business assistance for new and existing small businesses in the Eastern Neighborhoods.

The Project includes 10,000 square feet of PDR space, which is encouraged to be retained within the Mission to assist in diversifying the neighborhood economy. The existing furniture upholstery business is owned by the property owner, who is part of the Project Sponsor team, and will voluntarily relocate during construction and then reestablish their business on the site. Additionally, the Project Sponsor has voluntarily committed to spending at least 50% of the project costs on professional services with local business enterprises. The Project will promote new opportunities for local small businesses while retaining the existing PDR tenant.

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

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

The project site does not possess any neighborhood-serving retail uses and is a PDR use (furniture upholstery). The Project would retain this use, and provide 60 new dwelling units, which will enhance the nearby retail uses by providing new residents, who may patronize and/or own these businesses.

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

The project site does possess any existing housing. The Project would provide 60 new dwelling units, thus resulting in an overall increase in the neighborhood housing stock. Additionally the project continues to provide approximately 10,000 square feet of ground floor PDR space, and will retain the current PDR tenant.. The massing and scale of the building and the palette of metal, brick and glass reflects nearby industrial buildings and uses. Overall, the Project offers an architectural treatment and design that is contemporary, yet consistent and compatible with the surrounding neighborhood. For these reasons, the proposed Project would protect and preserve the cultural and economic diversity of the neighborhood.

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

The Project will not displace any affordable housing because there is currently no housing on the site. The Project will provide 11 on-site affordable dwelling units, thus increasing the City's stock of affordable housing units. The Project Sponsor has volunteered to increase the amount on-site

affordable housing to 20 percent of the total number of dwelling units in the building (equivalent to 12 units).

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

The project site is served by nearby public transportation options. The Project is located along a Muni bus line (27-Bryant), and is within walking distance of the 9- San Bruno, 9R-San Bruno Rapid, and 33-Ashby/18th bus routes. The Project also provides off-street parking at the principally permitted amounts and bicycle parking for commercial tenants and residents and their guests.

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

The Project does not include commercial office development. The Project would retain 10,000 square feet PDR use on site, protecting the industrial and service sectors and assist in creating opportunities for local employment and ownership.

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

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

- G. That landmarks and historic buildings be preserved.

Currently, the project site does not contain any City Landmarks or historic buildings.

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

The Project does not have shadow impacts on public parks and open space.

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

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

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

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Large Project Authorization Application No. 2014-001400ENX** under Planning Code Section 329 to allow the new construction of a six-story, 68-foot tall, residential building with 60 dwelling units and 10,000 square feet of production, distribution and repair (PDR) space , and a modification to the requirements for: 1) rear yard (Planning Code Section 134) and ; 2) dwelling unit exposure (Planning Code Section 140) within the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District. The project is subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated August 14, 2018 , and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

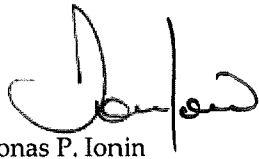
The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 329 Large Project Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on August 23, 2018.



Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Koppel, Melgar, Richards

NAYS: Moore

ABSENT: Johnson

ADOPTED: August 23, 2018

EXHIBIT A

AUTHORIZATION

This authorization is for a Large Project Authorization to allow for the new construction of a six-story, 68-ft tall, mixed-use building with 60 dwelling units and 10,000 square feet of ground floor commercial space, and exceptions to the requirements for rear yard and dwelling unit exposure located at 2750 19th Street, Lot 004A in Assessor's Block 4023, pursuant to Planning Code Section 329, within the UMU (Urban Mixed Use) Zoning District, and a 68-X Height and Bulk District; in general conformance with plans, dated August 14, 2018, and stamped "EXHIBIT B" included in the docket for Case No. 2014-001400ENX and subject to conditions of approval reviewed and approved by the Commission on August 23, 2018 under Motion No. 20264. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on August 23, 2018 under Motion No. 20264.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 20264 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Office Development Authorization and any subsequent amendments or modifications.

SEVERABILITY

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

CHANGES AND MODIFICATIONS

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

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

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

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

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

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

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

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

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

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

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

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

6. **Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014.0999ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

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

DESIGN – COMPLIANCE AT PLAN STAGE

7. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

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

8. **Arts Programming.** The Project shall feature public art, of a minimum dimension of 17 feet by 24 feet or equivalent area, commissioned by a local Mission artist on its façade in substantially the same location as the public art depicted on the plans attached as **Exhibit B**.

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

9. **Garbage, Composting and Recycling Storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

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

10. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application for each building. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

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

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

- a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
- b. On-site, in a driveway, underground;
- c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
- e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
- f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- g. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

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

PARKING AND TRAFFIC

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

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

13. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than 24 off-street parking spaces for the 60 dwelling units in the UMU Zoning District.

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

14. **Parking for Affordable Units.** All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit.

Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

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

15. **Car Share.** Pursuant to Planning Code Section 166, no fewer than one car share space shall be made available, at no cost, to a certified car share organization for the purposes of providing car share services for its service subscribers. Currently, the Project provides two car share spaces.

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

16. **Bicycle Parking.** Pursuant to Planning Code Sections 155.2, the Project shall provide no fewer than 62 Class 1 bicycle parking spaces and 5 Class 2 bicycle parking spaces. Currently, the Project provides 84 Class 1 bicycle parking spaces and 6 Class 2 bicycle parking spaces.

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

17. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with required monitoring and reporting, and other actions. Prior to the issuance of the first Building Permit or Site Permit, the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

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

18. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

PROVISIONS

19. **Transportation Sustainability Fee.** The Project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
20. **Child Care Fee - Residential.** The Project is subject to the Residential Child Care Fee, as applicable, pursuant to Planning Code Section 414A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
21. **Eastern Neighborhoods Infrastructure Impact Fee.** Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
22. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
23. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.
For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

MONITORING

24. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
25. **Revocation Due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning

Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

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

OPERATION

26. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

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

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

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

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

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

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

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

INCLUSIONARY HOUSING

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

30. **Number of Required Units.** Pursuant to Planning Code Section 415.3, the Project is required to provide seventeen and one half percent (17.5%) of the proposed dwelling units as affordable to

qualifying households. The Project contains 60 units; therefore, 11 affordable units are currently required. The Project Sponsor will fulfill this requirement by providing the 11 affordable units on-site. The Project Sponsor has also elected to provide twenty percent (20%) of the units as Inclusionary Units by adding one additional affordable unit beyond what's required by Section 415. The Project Sponsor requested that the additional unit would be subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual") for ease of implementation. Accordingly, all affordable units will be subject to the same requirements and the Procedures Manual. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD").

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

31. **Voluntary Affordable Units.** The Project Sponsor has elected to provide a total of twenty percent (20%) of the proposed units as Inclusionary Units by adding one additional affordable unit, at 150% AMI, beyond the requirements in Section 415. This one additional moderate income unit is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual").

32. **Unit Mix.** The Project contains 35 one-bedroom, and 25 two-bedroom units; therefore, the required affordable unit mix is 6 one-bedroom and 5 two-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.

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

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

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

34. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than eighteen percent (18%), or the applicable percentage as discussed above, of the each phase's total number of dwelling units as on-site affordable units.

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

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

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

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

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>. As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

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

- a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the required units in the building are offered for rent, the affordable unit(s) shall be rented to low-income households, as defined in the Planning Code and Procedures Manual. The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.

- d. Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.
- e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.
- f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department.
- g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.
- h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable.



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE ENTITLED HOUSING UNITS 2017 Q1

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State law requires each city and county to adopt a Housing Element as a part of its general plan. The State Department of Housing and Community Development (HCD) determines a Regional Housing Need (RHNA) that the Housing Element must address. The need is the minimum number of housing units that a region must plan for in each RHNA period.

This table represents completed units and development projects in the current residential pipeline to the first quarter of 2017 (Q1). The total number of entitled units is tracked by the San Francisco Planning Department and is updated quarterly in coordination with the *Quarterly Pipeline Report*. Subsidized housing units – including moderate and low income units – as well as inclusionary units are tracked by the Mayor's Office of Housing; these are also updated quarterly.

	RHNA Production Goals 2015 - 2022	New Units Built 2015 Q1 to 2017 Q1	Entitled by Planning in 2017 Q1 Pipeline*	Percent of RHNA Goals Built and Entitled by Planning
Total Units	28,869	9,170	23,773	114.1%
Above Moderate (> 120% AMI)	12,536	7,486	19,740	217.2%
Moderate Income (80 - 120% AMI)	5,460	384	761	21.0%
Low Income (< 80% AMI)	10,873	1,300	3,104	40.5%
<i>Affordability to be Determined</i>			168	

** This column does not include three entitled major development projects with a remaining total of 22,680 net new units: Hunters' Point, Treasure Island and ParkMerced. However, phases of these projects will be included when applications for building permits are filed and proceed along the development pipeline. These three projects will include about 4,920 affordable units (22% affordable).*



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: 20 September 2018
TO: City Planning Commission
FROM: John Rahaim, Director of Planning
RE: HOUSING BALANCE REPORT No. 7
1 July 2008 – 30 June 2018

STAFF CONTACT: Teresa Ojeda, 415 558 6251

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SUMMARY

This report is submitted in compliance with Ordinance No. 53-15 requiring the Planning Department to monitor and report on the housing balance between new market rate and new affordable housing production. One of the stated purposes of the Housing Balance is “to ensure that data on meeting affordable housing targets Citywide and within neighborhoods informs the approval process for new housing development.” This report is the seventh in the series and covers the ten-year period from 1 July 2008 through 30 June 2018.

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

In the 2008 Q3 -2018 Q2 Housing Balance Period, about 24% of net new housing produced was affordable. By comparison, the expanded Citywide Cumulative Housing Balance is 26%, although this varies by districts. Distribution of the expanded Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from -277% (District 4) to 72% (District 5). This variation, especially with negative housing balances, is due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts.

The Projected Housing Balance Citywide is 16%. Three major development projects were identified in the ordinance for exclusion in the projected housing balance calculations until site permits are obtained. Remaining phases for these three projects will add up to over 21,570 net units, including some 4,920 affordable units; this would increase the projected housing balance to 20% if included in the calculations.

BACKGROUND

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

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

Specifically, the *Housing Balance Report* will supplement tracking performance toward meeting the goals set by the City's *Housing Element* and Proposition K. Housing production targets in the City's *Housing Element*, adopted in April 2015, calls for 28,870 new units built between 2015 and 2022, 57%¹ of which should be affordable. As mandated by law, the City provides the State Department of Housing and Community Development an annual progress report.² In November 2014, San Francisco's voters endorsed Proposition K, which set as city policy a goal to help construct or rehabilitate at least 30,000 homes by 2020, at least 33% of which will be affordable to low- and moderate-income households. In addition, Mayor Ed Lee set a similar goal of creating 30,000 new and rehabilitated homes by 2020, pledging at least 30% of these to be permanently affordable to low-income families as well as working, middle income families.³

This *Housing Balance Report* was prepared from data gathered from previously published sources including the Planning Department's annual *Housing Inventory* and quarterly *Pipeline Report* data,

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

² Printed annual progress reports submitted by all California jurisdictions can be accessed here – <http://www.hcd.ca.gov/community-development/housing-element/annual-progress-reports/index.php> -- or by calling HCD at 916-263-2911 for the latest reports as many jurisdictions now file reports online.

³ For more information on and tracking of 30K by 2020, see <http://sfmayor.org/housing-for-residents>.

San Francisco Rent Board data, and the Mayor’s Office of Housing and Community Development’s *Weekly Dashboard*.

CUMULATIVE HOUSING BALANCE CALCULATION

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

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

The first “Housing Balance Period” is a ten-year period starting with the first quarter of 2005 through the last quarter of 2014. Subsequent housing balance reports will cover the 10 years preceding the most recent quarter. This report covers July 2008 (Q3) through June 2018 (Q2).

Table 1A below shows the Cumulative Housing Balance for 10-year reporting period (2008 Q3 – 2018 Q2) is 18% Citywide. With the addition of RAD units, the expanded Cumulative Housing Balance is 26% (Table 1B). In 2016, the Board of Supervisors revised the ordinance to include Owner Move-Ins (OMIs) in the Housing Balance calculation. Although OMIs were not specifically called out by in the original Ordinance in the calculation of the Housing Balance, these were included in earlier reports because this type of no-fault eviction results in the loss of rent controlled units either permanently or for a period of time.

Table 1A
Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Cumulative Housing Balance
BoS District 1	170	5	(527)	4	336	155	-70.9%
BoS District 2	45	24	(319)	2	875	189	-23.3%
BoS District 3	209	6	(313)	6	931	244	-7.8%
BoS District 4	-	-	(462)	7	28	136	-277.4%
BoS District 5	601	293	(359)	162	1,443	646	33.4%
BoS District 6	3,406	1,137	(146)	1,122	16,613	6,260	24.1%
BoS District 7	99	-	(236)	-	553	1,101	-8.3%
BoS District 8	244	28	(605)	90	1,413	328	-14.0%
BoS District 9	210	406	(606)	406	948	919	22.3%
BoS District 10	1,565	-	(295)	1,351	4,694	3,341	32.6%
BoS District 11	28	21	(395)	9	161	317	-70.5%
TOTALS	6,577	1,920	(4,263)	3,159	27,995	13,636	17.8%

Table 1B below shows the Expanded Cumulative Housing Balances for Board of Supervisor Districts ranging from -277% (District 4) to 72% (District 5). Negative balances in Districts 1 (-42%), 7 (-2%), and 11 (-77%) resulted from the larger numbers of units removed from protected status relative to the net new affordable housing and net new housing units built in those districts.

Table 1B
Expanded Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program and Hope SF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Expanded Cumulative Housing Balance
BoS District 1	170	5	144	(527)	4	336	155	-41.5%
BoS District 2	45	24	251	(319)	2	875	189	0.3%
BoS District 3	209	6	577	(313)	6	931	244	41.3%
BoS District 4	-	-	-	(462)	7	28	136	-277.4%
BoS District 5	601	293	806	(359)	162	1,443	646	71.9%
BoS District 6	3,406	1,137	561	(146)	1,122	16,613	6,260	26.6%
BoS District 7	99	-	110	(236)	-	553	1,101	-1.6%
BoS District 8	244	28	330	(605)	90	1,413	328	5.0%
BoS District 9	210	406	268	(606)	406	948	919	36.6%
BoS District 10	1,565	-	436	(295)	1,351	4,694	3,341	38.0%
BoS District 11	28	21	-	(395)	9	161	317	-70.5%
TOTALS	6,577	1,920	3,483	(4,263)	3,159	27,995	13,636	26.1%

PROJECTED HOUSING BALANCE

Table 2 below summarizes residential projects that have received entitlements from the Planning Commission or the Planning Department but have not yet received a site or building permit. Overall projected housing balance at the end of the second quarter of 2018 is 16%. This balance is expected to change as several major projects have yet to declare how their affordable housing requirements will be met. In addition, three entitled major development projects – Treasure Island, ParkMerced, and Hunters Point – are not included in the accounting until applications for building permits are filed or issued as specified in the ordinance. Remaining phases from these three projects will yield an additional 21,570 net new units; 23% (or 4,920 units) would be affordable to low and moderate income households.

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

Table 2
Projected Housing Balance Calculation, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	-	3	0.0%
BoS District 2	-	-	-	-	-	40	0.0%
BoS District 3	-	-	8	178	186	267	69.7%
BoS District 4	-	-	-	-	-	2	0.0%
BoS District 5	-	-	12	3	15	479	3.1%
BoS District 6	-	179	98	47	324	3,030	10.7%
BoS District 7	-	-	-	-	-	40	0.0%
BoS District 8	-	-	3	-	3	44	6.8%
BoS District 9	-	-	46	6	52	382	13.6%
BoS District 10	-	718	79	810	1,607	9,234	17.4%
BoS District 11	-	-	-	-	-	-	0.0%
TOTALS	-	897	246	1,044	2,187	13,521	16.2%

CUMULATIVE HOUSING BALANCE ELEMENTS

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

Affordable Housing and Net New Housing Production

Table 3 below shows housing production between 2008 Q3 and 2018 Q2. This ten-year period resulted in a net addition of almost 28,000 units to the City's housing stock, including almost 6,580 affordable units (or about 24%). A majority (59%) of net new housing units and affordable

units built in the ten-year reporting period were in District 6 (over 16,310 and 3,400 respectively). District 10 follows with over 4,690 net new units, including 1,565 affordable units.

The table below also shows that almost 24% of net new units built between 2008 Q3 and 2018 Q2 were affordable units, mostly (52%) in District 6. While District 1 saw modest gains in net new units built, half of these were affordable (51%).

Table 3
New Housing Production by Affordability, 2008 Q3 – 2018 Q2

BoS District	Very Low	Low	Moderate	Middle	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	170	-	-	-	170	336	50.6%
BoS District 2	-	-	45	-	45	875	5.1%
BoS District 3	161	2	46	-	209	931	22.4%
BoS District 4	-	-	-	-	-	28	0.0%
BoS District 5	335	183	83	-	601	1,443	41.6%
BoS District 6	1,620	1,258	505	23	3,406	16,613	20.5%
BoS District 7	70	29	-	-	99	553	17.9%
BoS District 8	131	92	21	-	244	1,413	17.3%
BoS District 9	138	40	32	-	210	948	22.2%
BoS District 10	671	559	335	-	1,565	4,694	33.3%
BoS District 11	-	7	21	-	28	161	17.4%
TOTAL	3,296	2,170	1,088	23	6,577	27,995	23.5%

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

Acquisition and Rehabilitation of Affordable Housing Units

Table 4a below lists the number of units that have been rehabilitated and/or acquired between 2008 Q3 and 2018 Q2 to ensure permanent affordability. These are mostly single-room occupancy hotel units that are affordable to extremely very low and very low income households.

Table 4a
Acquisitions and Rehabilitation of Affordable Housing, 2008 Q3 – 2017 Q2

BoS District	No. of Buildings	No. of Units
BoS District 2	1	24
BoS District 5	2	290
BoS District 6	12	1,085
BoS District 9	2	319
TOTALS	17	1,718

Small Sites Program

The San Francisco Small Sites Program (SSP) is an initiative of the Mayor's Office of Housing and Community Development (MOHCD) to acquire small rent-controlled buildings (with four to 25 units) where tenants are at risk of eviction through the Ellis Act or owner move-ins. Since its inception in 2014, some 26 buildings with 202 units have been acquired, as shown in Table 4b.

Table 4b
Small Sites Program, 2014-2018 Q2

BoS District	No. of Buildings	No. of Units
BoS District 1	1	5
Bos District 3	1	6
BoS District 5	1	3
BoS District 6	4	52
BoS District 8	6	28
BoS District 9	12	87
BoS District 11	1	21
TOTALS	26	202

RAD Program

The San Francisco Housing Authority's Rental Assistance Demonstration (RAD) program preserves at risk public and assisted housing projects. According to the Mayor's Office, RAD Phase I transferred 1,425 units to developers in December 2015. An additional 2,058 units were transferred as Phase II in 2016.

Table 5
RAD Affordable Units, 2015-2018 Q2

BoS District	No of Buildings	No of Units
BoS District 1	2	144
BoS District 2	3	251
BoS District 3	4	577
BoS District 5	7	806
BoS District 6	4	561
BoS District 7	1	110
BoS District 8	4	330
BoS District 9	2	268
BoS District 10	2	436
BoS District 11	-	-
TOTALS	29	3,483

Units Removed From Protected Status

San Francisco's Residential Rent Stabilization and Arbitration Ordinance protects tenants and preserves affordability of about 175,000 rental units by limiting annual rent increases. Landlords can, however, terminate tenants' leases through no-fault evictions including condo conversion, owner move-in, Ellis Act, demolition, and other reasons that are not the tenants' fault. The Housing Balance calculation takes into account units permanently withdrawn from rent stabilization as loss of affordable housing. The following no-fault evictions affect the supply of rent controlled units by removing units from the rental market: condo conversion, demolition, Ellis Act, and owner move-ins (OMIs). It should be noted that initially, OMIs were not specifically called out by the Ordinance to be included in the calculation. However, because owner move-ins have the effect of the losing rent controlled units either permanently or for a substantial period of time, these numbers are included in the Housing Balance calculation as intended by the legislation's sponsors. Some of these OMI units may return to being rentals and will still fall under the rent control ordinance. On 14 November 2016, the Board of Supervisors amended Planning Code Section 103 to include OMIs as part of the housing balance calculation.

Table 6 below shows the distribution of no-fault eviction notices issued between July 2008 and June 2018. Eviction notices have been commonly used as proxy for evictions. Owner Move-In and Ellis Out notices made up the majority of no fault evictions (59% and 30% respectively). Distribution of these no-fault eviction notices is almost evenly dispersed, with Districts 9 and 8 leading (both with 14%).

Table 6
Units Removed from Protected Status, 2008 Q3 – 2018 Q2

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	2	22	152	351	527
BoS District 2	18	10	89	202	319
BoS District 3	7	10	176	120	313
BoS District 4	-	74	81	307	462
BoS District 5	15	16	97	231	359
BoS District 6	1	75	57	13	146
BoS District 7	-	31	56	149	236
BoS District 8	21	31	228	325	605
BoS District 9	5	50	213	338	606
BoS District 10	2	26	52	215	295
BoS District 11		68	56	271	395
TOTALS	71	413	1,257	2,522	4,263

Entitled and Permitted Units

Table 7 lists the number of units that have received entitlements from the Planning Commission or the Planning Department. These pipeline projects have also received site permits from the Department of Building Inspection and most are under construction as of the final quarter of 2017. Over half of these units are being built in or will be built in District 6 (52%). Twenty percent of units that have received Planning entitlements and site permits from the DBI will be affordable.

Table 7
Permitted Units, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	-	4	155	2.6%
BoS District 2	-	2	-	-	2	189	1.1%
BoS District 3	-	-	6	-	6	244	2.5%
BoS District 4	-	-	7	-	7	136	5.1%
BoS District 5	-	112	50	-	162	646	25.1%
BoS District 6	-	793	244	85	1,122	6,260	17.9%
BoS District 7	-	-	-	-	-	1,101	0.0%
BoS District 8	-	85	5	-	90	328	27.4%
BoS District 9	-	378	28	-	406	919	44.2%
BoS District 10	-	670	681	-	1,351	3,341	40.4%
BoS District 11	-	-	9	-	9	317	2.8%
TOTALS	-	2,040	1,034	85	3,159	13,636	23.2%

PERIODIC REPORTING AND ONLINE ACCESS

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

ANNUAL HEARING

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

APPENDIX A
Ordinance 53-15

AMENDED IN COMMITTEE
4/6/15

FILE NO. 150029

ORDINANCE NO. 53-15

1 [Planning Code - City Housing Balance Monitoring and Reporting]

2

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

11

12 NOTE: Unchanged Code text and uncodified text are in plain Arial font.
13 Additions to Codes are in single-underline italics Times New Roman font.
14 Deletions to Codes are in ~~strikethrough-italics Times New Roman font~~.
15 Board amendment additions are in double-underlined Arial font.
16 Board amendment deletions are in ~~strikethrough-Arial font~~.
17 Asterisks (" * * * ") indicate the omission of unchanged Code
18 subsections or parts of tables.

16

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

17

18 Section 1. Findings.

19

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

24

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

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

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

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

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

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

22 **(b) Findings.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (d) **Bi-annual Housing Balance Reports.** Within 30 days of the effective date of this
10 **Section 103** By June 1, 2015, the Planning Department shall calculate the Cumulative and Projected
11 Housing Balance for the most recent two quarters City-wide, by Supervisorial District, Plan Area, and
12 by neighborhood Planning Districts, as defined in the annual Housing Inventory, and publish it as an
13 easily visible and accessible page devoted to Housing Balance and Monitoring and Reporting on the
14 Planning Department's website. By **August September 1st** and **February March 1st** of each year, the
15 Planning Department shall publish and update the Housing Balance Report, and present this report at
16 an informational hearing to the Planning Commission and Board of Supervisors, as well as to any
17 relevant body with geographic purview over a plan area upon request, along with the other quarterly
18 reporting requirements of Administrative Code Chapter 10E.4. **The annual report to the Board of**
19 **Supervisors shall be accepted by resolution of the Board, which resolution shall be introduced**
20 **by the Planning Department.** The Housing Balance Report shall also be incorporated into the
21 Annual Planning Commission Housing Hearing and Annual Report to the Board of Supervisors
22 required in Administrative Code Chapter 10E.4.

23 **(e) Annual Hearing by Board of Supervisors.**

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

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

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

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

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

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

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

18 By: 
19 MARLENA BYRNE
20 Deputy City Attorney

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22
23
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25
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City and County of San Francisco
Tails
Ordinance

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

File Number: 150029

Date Passed: April 21, 2015

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

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

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

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


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

April 21, 2015 Board of Supervisors - FINALLY PASSED

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

File No. 150029

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


Angela Calvillo
Clerk of the Board


Mayor


Date Approved

APPENDIX B

CUMULATIVE HOUSING BALANCE REPORT No 7 TABLES BY PLANNING DISTRICTS

Table 1A

Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance
1 Richmond	219	5	(599)	4	567	166	-50.6%
2 Marina	1	24	(186)	-	215	141	-45.2%
3 Northeast	197	6	(330)	2	783	200	-12.7%
4 Downtown	1,685	851	(120)	371	5,996	2,561	32.6%
5 Western Addition	513	293	(182)	136	1,513	374	40.3%
6 Buena Vista	199	5	(225)	111	1,028	413	6.2%
7 Central	110	-	(340)	5	430	125	-40.5%
8 Mission	344	403	(543)	559	1,527	2,204	20.5%
9 South of Market	2,091	262	(134)	1,376	13,110	4,749	20.1%
10 South Bayshore	1,091	-	(104)	579	1,966	1,069	51.6%
11 Bernal Heights	-	50	(187)	-	51	45	-142.7%
12 South Central	11	21	(466)	9	135	324	-92.6%
13 Ingleside	116	-	(198)	-	551	1,089	-5.0%
14 Inner Sunset	-	-	(188)	-	98	42	-134.3%
15 Outer Sunset	-	-	(461)	7	25	134	-285.5%
TOTALS	6,577	1,920	(4,263)	3,159	27,995	13,636	17.8%

Table 1B**Expanded Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2**

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program & HopeSF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Expanded Cumulative Housing Balance
1 Richmond	219	5	144	(599)	4	567	166	-31.0%
2 Marina	1	24	138	(186)	-	215	141	-6.5%
3 Northeast	197	6	577	(330)	2	783	200	46.0%
4 Downtown	1,685	851	285	(120)	371	5,996	2,561	35.9%
5 Western Addition	513	293	919	(182)	136	1,513	374	89.0%
6 Buena Vista	199	5	132	(225)	111	1,028	413	15.4%
7 Central	110	-	107	(340)	5	430	125	-21.3%
8 Mission	344	403	91	(543)	559	1,527	2,204	22.9%
9 South of Market	2,091	262	276	(134)	1,376	13,110	4,749	21.7%
10 South Bayshore	1,091	-	436	(104)	579	1,966	1,069	66.0%
11 Bernal Heights	-	50	268	(187)	-	51	45	136.5%
12 South Central	11	21	-	(466)	9	135	324	-92.6%
13 Ingleside	116	-	-	(198)	-	551	1089	-5.0%
14 Inner Sunset	-	-	110	(188)	-	98	42	-55.7%
15 Outer Sunset	-	-	-	(461)	7	25	134	-285.5%
TOTALS	6,577	1,920	3,483	(4,263)	3,159	27,995	13,636	26.1%

Table 2
Projected Housing Balance Calculation, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	3	0.0%
2 Marina	-	-	-	-	-	36	0.0%
3 Northeast	-	-	8	178	186	265	70.2%
4 Downtown	-	60	73	-	133	1,578	8.4%
5 Western Addition	-	-	-	3	3	264	1.1%
6 Buena Vista	-	-	15	-	15	242	6.2%
7 Central	-	-	-	-	-	12	0.0%
8 Mission	-	107	46	6	159	968	16.4%
9 South of Market	-	423	32	689	1,144	4,565	25.1%
10 South Bayshore	-	-	72	168	240	4,935	4.9%
11 Bernal Heights	-	-	-	-	-	2	0.0%
12 South Central	-	307	-	-	307	608	50.5%
13 Ingleside	-	-	-	-	-	8	0.0%
14 Inner Sunset	-	-	-	-	-	33	0.0%
15 Outer Sunset	-	-	-	-	-	2	0.0%
TOTALS	-	897	246	1,044	2,187	13,521	16.2%

Table 3
New Housing Production by Affordability, 2008 Q3 – 2018 Q2

Planning Districts	Very Low	Low	Moderate	Middle Income	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	207	12	-	-	219	567	38.6%
2 Marina	-	-	1	-	1	215	0.5%
3 Northeast	161	2	34	-	197	783	25.2%
4 Downtown	954	481	227	23	1,685	5,996	28.1%
5 Western Addition	266	171	76	-	513	1,513	33.9%
6 Buena Vista	71	74	54	-	199	1,028	19.4%
7 Central	92	18	-	-	110	430	25.6%
8 Mission	214	62	68	-	344	1,527	22.5%
9 South of Market	590	1,000	501	-	2,091	13,110	15.9%
10 South Bayshore	671	314	106	-	1,091	1,966	55.5%
11 Bernal Heights	-	-	-	-	-	51	0.0%
12 South Central	-	7	4	-	11	135	8.1%
13 Ingleside	70	29	17	-	116	551	21.1%
14 Inner Sunset	-	-	-	-	-	98	0.0%
15 Outer Sunset	-	-	-	-	-	25	0.0%
TOTALS	3,296	2,170	1,088	23	6,577	27,995	23.5%

Table 4a
Acquisitions and Rehabilitation of
Affordable Housing, 2008 Q3 – 2018 Q2

Planning District	No. of Buildings	No. of Units
2 Marina	1	24
4 Downtown	6	826
5 Western Addition	2	290
8 Mission	2	319
9 South of Market	6	259
TOTALS	17	1,718

Table 4b
Small Sites Program Acquisitions, 2014 Q1 – 2018 Q2

Planning District	No. of Buildings	No. of Units
1 Richmond	1	5
3 Northeast	1	6
4 Downtown	2	25
5 Western Addition	1	3
6 Buena Vista	1	5
8 Mission	11	84
9 South of Market	1	3
11 Bernal Heights	2	50
12 South Central	1	21
TOTALS	21	202

Table 5
RAD Affordable Units, 2015 Q1 – 2018 Q2

Planning District	No of Buildings	No of Units
1 Richmond	2	144
2 Marina	2	138
3 Northeast	4	577
4 Downtown	3	285
5 Western Addition	8	919
6 Buena Vista	2	132
7 Central	1	107
8 Mission	1	91
9 South of Market	1	276
10 South Bayshore	2	436
11 Bernal Heights	2	268
12 South Central	-	-
13 Ingleside	-	-
14 Inner Sunset	1	110
15 Outer Sunset	-	-
TOTALS	29	3,483

Table 6
Units Removed from Protected Status, 2008 Q3 – 2018 Q2

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	4	26	187	382	599
2 Marina	11	4	38	133	186
3 Northeast	12	11	175	132	330
4 Downtown	-	68	48	4	120
5 Western Addition	7	9	34	132	182
6 Buena Vista	4	5	91	125	225
7 Central	18	17	95	210	340
8 Mission	2	30	260	251	543
9 South of Market	3	18	36	77	134
10 South Bayshore	-	11	12	81	104
11 Bernal Heights	5	24	53	105	187
12 South Central	-	64	58	344	466
13 Ingleside	-	37	32	129	198
14 Inner Sunset	5	15	57	111	188
15 Outer Sunset	-	74	81	306	461
Totals	71	413	1,257	2,522	4,263

Table 7
Entitled and Permitted Units, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	3	0.0%
2 Marina	-	-	-	-	-	36	0.0%
3 Northeast	-	-	8	178	186	265	70.2%
4 Downtown	-	60	73	-	133	1,578	8.4%
5 Western Addition	-	-	-	3	3	264	1.1%
6 Buena Vista	-	-	15	-	15	242	6.2%
7 Central	-	-	-	-	-	12	0.0%
8 Mission	-	107	46	6	159	968	16.4%
9 South of Market	-	423	32	689	1,144	4,565	25.1%
10 South Bayshore	-	-	72	168	240	4,935	4.9%
11 Bernal Heights	-	-	-	-	-	2	0.0%
12 South Central	-	307	-	-	307	608	50.5%
13 Ingleside	-	-	-	-	-	8	0.0%
14 Inner Sunset	-	-	-	-	-	33	0.0%
15 Outer Sunset	-	-	-	-	-	2	0.0%
TOTALS	-	897	246	1,044	2,187	13,521	16.2%

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BOARD OF SUPERVISORS APPEAL FEE WAIVER FOR NEIGHBORHOOD ORGANIZATIONS

APPLICATION

Appellant's Information

Name: Larisa Pedroncelli and Kelly Hill

Address: 1875 Mission Street #110, San Francisco, CA 94103

Email Address: info@factory1.com

Telephone: 415-640-0154

Neighborhood Group Organization Information

Name of Organization: Our Mission No Eviction

Address: 1333 Florida Street, San Francisco, CA 94110

Email Address: latinzoneprod@gmail.com

Telephone: 415-206-0577

Property Information

Project Address: 2750 19th Street

Project Application (PRJ) Record No: 2014-001400ENX

Building Permit No: 201712156665

Date of Decision (if any): August 23, 2018

Required Criteria for Granting Waiver

All must be satisfied; please attach supporting materials.

REQUIRED CRITERIA	YES	NO
The appellant is a member of the stated neighborhood organization and is authorized to file the appeal on behalf of the organization. Authorization may take the form of a letter signed by the President or other officer of the organization.	<input checked="" type="checkbox"/>	
The appellant is appealing on behalf of an organization that is registered with the Planning Department and that appears on the Department's current list of neighborhood organizations.	<input checked="" type="checkbox"/>	
The appellant is appealing on behalf of an organization that has been in existence at least 24 months prior to the submittal of the fee waiver request. Existence may be established by evidence including that relating to the organization's activities at that time such as meeting minutes, resolutions, publications and rosters.	<input checked="" type="checkbox"/>	
The appellant is appealing on behalf of a neighborhood organization that is affected by the project and that is the subject of the appeal.	<input checked="" type="checkbox"/>	

For Department Use Only

Application received by Planning Department:

By: _____

Date: _____

Submission Checklist:

☐ APPELLANT AUTHORIZATION

☐ CURRENT ORGANIZATION REGISTRATION

☐ MINIMUM ORGANIZATION AGE

☐ PROJECT IMPACT ON ORGANIZATION

☐ WAIVER APPROVED

☐ WAIVER DENIED

3290

From: [BOS Legislation. \(BOS\)](#)
To: design@factory1.com; [Mark H. Loper](#)
Cc: [GIVNER, JON \(CAT\)](#); [STACY, KATE \(CAT\)](#); [JENSEN, KRISTEN \(CAT\)](#); [Rahaim, John \(CPC\)](#); [Sanchez, Scott \(CPC\)](#); [Gibson, Lisa \(CPC\)](#); [Jain, Devyani \(CPC\)](#); [Lynch, Laura \(CPC\)](#); [Sider, Dan \(CPC\)](#); [Rodgers, AnMarie \(CPC\)](#); [Starr, Aaron \(CPC\)](#); [Ionin, Jonas \(CPC\)](#); [Horner, Justin \(CPC\)](#); [Samonsky, Ella \(CPC\)](#); [Range, Jessica \(CPC\)](#); [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [BOS-Supervisors](#); [BOS-Legislative Aides](#); [BOS Legislation. \(BOS\)](#)
Subject: PLANNING APPEAL RESPONSE: Appeal of CEQA Exemption Determination - 2750-19th Street - Appeal Hearing on October 30, 2018
Date: Monday, October 22, 2018 12:09:24 PM
Attachments: [image001.png](#)

Greetings,

Please find linked below an appeal response brief received by the Office of the Clerk of the Board from the Planning Department, regarding the Exemption Determination Appeal for the proposed project at 2750-19th Street.

[Planning Department Appeal Response - October 22, 2018](#)

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on October 30, 2018.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 180956](#)

Regards,

Lisa Lew
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.



SAN FRANCISCO PLANNING DEPARTMENT

Notice of Electronic Transmittal

Appeal of the Community Plan Evaluation for 2750 19th Street

DATE: October 22, 2018
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032
Jessica Range, Principal Environmental Planner – (415) 575-9018
Justin Horner, Environmental Planner – (415) 575-9023
RE: File No. 180956, Planning Department Case No. 2014.0999ENV –
Appeal of the Community Plan Evaluation for the 2750 19th Street Project.
HEARING DATE: October 30, 2018

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

In compliance with San Francisco Administrative Code Section 8.12.5, "Electronic Distribution of Multi-Page Documents," the Planning Department has submitted an Appeal Response for the Community Plan Evaluation for the proposed project at 2750 19th Street in digital format. One hard copy will be submitted to the Clerk of the Board for the file of the Clerk. Additional hard copies may be requested by contacting Justin Horner of the Planning Department at (415) 575-9023.

www.sfplanning.org



SAN FRANCISCO PLANNING DEPARTMENT

1650 Mission St.
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Appeal of Community Plan Evaluation 2750 19th Street Project

DATE: October 22, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032
Jessica Range, Principal Environmental Planner – (415) 575-9018
Justin Horner, Environmental Planner – (415) 575-9023

RE: Board of Supervisors File No. 180956, Planning Department Case No. 2014.0999ENV – Appeal of the Community Plan Evaluation for the 2750 19th Street Project.

PROJECT SPONSOR: Steve Perry, Perry Architects – (415) 806-1203

APPELLANT: Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction – (415) 317-0832

HEARING DATE: October 30, 2018

ATTACHMENTS: A – Appeal of Community Plan Exemption for 2918-2924 Mission Street Project (Planning Department response)
B – Supplemental Response for 2918-2924 Mission Street Project (Planning Department response)

INTRODUCTION

This memorandum and the attached documents respond to a letter of appeal dated September 24, 2018, and a supplemental letter of appeal dated October 19, 2018, to the Board of Supervisors (the “Board”) regarding the Planning Department’s (the “Department”) issuance of a Community Plan Evaluation (“CPE”) under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report*

(“Eastern Neighborhoods PEIR” or “PEIR”)¹ in compliance with the California Environmental Quality Act (“CEQA”) for the 2750 19th Street Project (the “project”).

The Department’s review of both the September 24, 2018 appeal letter and the October 19, 2018 appeal letter, as described below, shows that the Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The letters also raise no specific environmental concern that could result from the implementation of the proposed project, but rather raise concerns with the Eastern Neighborhoods PEIR. Accordingly, for the reasons set forth in this memorandum, the Department recommends that the Board uphold the Department’s CEQA determination and reject the appeal.

The Department, pursuant to CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, determined that the project is consistent with the development density established by zoning, community plan, and general plan policies for the project site in the Eastern Neighborhoods Rezoning and Area Plans (the “Eastern Neighborhoods Area Plans”), for which the PEIR was certified, and issued the CPE for the project on May 30, 2018. Where, as here, an EIR has been certified for a community plan, CEQA strictly limits the City’s review of individual projects that are consistent with the plan to consideration of environmental effects which the Department determines:

1. Are peculiar to the project or the parcel on which the project would be located;
2. Were not analyzed as significant effects in the PEIR;
3. Are potentially significant off-site impacts and cumulative impacts which were not discussed in the PEIR; or
4. Are previously identified significant effects which, as a result of substantial new information which was not known at the time the PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR.

If an impact is not peculiar to the project, has been addressed as a significant impact in the Eastern Neighborhoods PEIR, or can be substantially mitigated by imposition of uniformly applied development policies or standards, then CEQA provides that an additional EIR need not be prepared for the project.

The Department determined that the project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the PEIR, and that the project is therefore exempt from further environmental review beyond what was conducted in the CPE Initial

¹ The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area, specifically the Mission Plan Area.

Study and the Eastern Neighborhoods PEIR in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

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

PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site is located on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built between 1880 and 1914, totaling 10,935 sf of Production, Distribution and Repair ("PDR") uses. The project site is located in the Urban Mixed Use ("UMU") Zoning District and a 68-X Height and Bulk District.

The proposed project would include the demolition of the three existing industrial buildings, retention of the principal two-story façade along 19th and Bryant streets, and construction of a six-story, 68-foot-tall (77-foot, 7-inch tall with rooftop equipment) mixed-use building with approximately 10,000 square feet of ground-floor PDR, 60 residential units (35 one-bedroom units and 25 two-bedroom units) above and bicycle and vehicle parking in a basement. The proposed project would include 3,200 sf of common open space on the second floor and a 4,800-sf roof deck. The residential lobby entrance would be located on Bryant Street and basement vehicle parking entry would be located on 19th Street. The proposed project would include 26 vehicle parking spaces and 60 Class 1 bicycle parking spaces in the basement, and three Class 2 bicycle parking spaces along 19th Street.² The proposed project would remove an existing curb cut on Bryant Street and would retain an existing 10-foot curb cut on 19th Street that would be used for the proposed garage entrance. Construction of the project would require approximately 8,533 cubic yards of excavation to a depth of approximately 15 feet and would last approximately 18 months. The proposed project would be built upon a mat-slab foundation with a series of inter-connected, reinforced concrete footings.

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

SETTING

The project vicinity is a mix of residential, industrial and commercial uses. The industrial and commercial businesses in the project vicinity are mostly housed in one- and two-story structures. The residential buildings range from two to five stories in height.

Immediately adjacent to the north of the project site is a two-story, approximately 25-foot-tall commercial building constructed in 1964. Immediately adjacent to the project site to the east is a one-story, approximately 20-foot-tall commercial building constructed in 1908. At the northwest intersection of Bryant and 19th streets, which is across the street to the west of the project site, are three residential properties: a two-story, approximately 25-foot-tall building built in 1907, a three-story, approximately 40-foot-tall building built in 1900, and a two-story, approximately 22-foot-tall building built in 1907. A portion of a two-story, approximately 30-foot-tall industrial building built in 1934 is located across Bryant Street from the project site. Across 19th Street, to the south of the project site, is a four-story, approximately 60-foot-tall mixed-use residential building constructed in 1919.

The project site is served by transit lines (Muni lines 8, 9, 9R, 14X, 27, and 33) and bicycle facilities (there are bike lanes on 17th, 23rd, Folsom and Harrison streets). Zoning districts in the vicinity of the project site are UMU, Production, Distribution and Repair-1-General ("PDR-1-G") and Residential-Housing-Two Family ("RH-2"). Height and bulk districts in the project vicinity include 40-X, 58-X, 65-X, and 68-X.

ENVIRONMENTAL REVIEW PROCESS

The project sponsor, Perry Architects, filed the environmental evaluation application (Case No. 2014.0999ENV) for the project on November 17, 2014. On May 30, 2018, the Department issued a CPE Certificate and Initial Study, based on the following determinations:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in significant effects on the environment that are peculiar to the project or the project site or effects that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

The Planning Commission considered the project on August 23, 2018. On that date, the Planning Commission adopted the CPE and approved the Large Project Authorization for the project (Planning Commission Resolution No. 20264), which constituted the Approval Action under Chapter 31 of the Administrative Code.

On September 24, 2018, Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction (“Appellant”), filed an appeal of the CPE determination. On October 19, 2018, the Appellants submitted a supplemental appeal letter. The Appellant’s letters and supporting materials are available in Board of Supervisors File No. 180956.³

CEQA GUIDELINES

Community Plan Evaluations

CEQA section 21083.3 and CEQA Guidelines section 15183 mandate that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, shall not require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

Significant Environmental Effects

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

SAN FRANCISCO ADMINISTRATIVE CODE

Section 31.16(e)(3) of the Administrative Code states: “The grounds for appeal of an exemption determination shall be limited to whether the project conforms to the requirements of CEQA for an exemption.”

San Francisco Administrative Code Section 31.16(b)(6) provides that, in reviewing an appeal of a CEQA decision, the Board of Supervisors “shall conduct its own independent review of whether the CEQA decision adequately complies with the requirements of CEQA. The Board shall consider anew all facts,

³<https://sfgov.legistar.com/LegislationDetail.aspx?ID=3691502&GUID=FFAA47AD-5018-45C7-A669-CC6BAF12DDBB&Options=ID|Text|&Search=180956>

evidence and issues related to the adequacy, accuracy and objectiveness of the CEQA decision, including, but not limited to, the sufficiency of the CEQA decision and the correctness of its conclusions.”

BACKGROUND: EASTERN NEIGHBORHOODS PEIR AND PROJECT CPE

Eastern Neighborhoods PEIR

As discussed on pages 2 through 3 of the CPE Certificate, the Eastern Neighborhoods PEIR is a comprehensive programmatic report that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternatives. According to CEQA Guidelines section 15168, a program EIR:

... is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.

Use of a program EIR: (1) provides an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action; (2) ensures consideration of cumulative impacts that might be slighted in a case-by-case analysis; (3) avoids duplicative reconsideration of basic policy considerations; (4) allows the lead agency to consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts; and (5) allows reduction in paperwork. Subsequent activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared.

As discussed on page 2 of the CPE Certificate, the Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. The PEIR also identified mitigation measures that reduced all impacts to less than significant, except for those related to land use (cumulative impacts on PDR use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven SFMTA lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors. CEQA Guidelines section 15162(c) establishes that, once a project is approved:

“[T]he lead agency’s role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any.” [Emphasis added.]

As discussed on page 12 of the CPE Initial Study, since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that have or will implement mitigation measures or further reduce the environmental impacts identified in the PEIR. These include, but are not limited to:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014 (see CPE Initial Study, page 12);
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled analysis, effective March 2016 (see CPE Initial Study, page 13);
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka “Muni Forward”) adopted in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passed in November 2014, and the Transportation Sustainability Program (see CPE Initial Study “Transportation and Circulation” section);
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment, effective June 2015 (see CPE Initial Study “Noise” section);
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see CPE Initial Study “Air Quality” section);
- San Francisco Clean and Safe Parks Bond passed in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adopted in April 2014 (see CPE Initial Study “Recreation” section);

- Urban Water Management Plan adoption in 2015 and Sewer System Improvement Program process (see CPE Initial Study “Utilities and Service Systems” section)⁴;
- Article 22A of the Health Code amendments effective August 2013 (see CPE Initial Study “Hazards and Hazardous Materials” section).

Project CPE

As discussed under Community Plan Evaluations, above, CEQA limits future environmental review for projects that are consistent with the development density established by the Eastern Neighborhoods Rezoning and Area Plans. For such projects, lead agencies shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not disclosed as significant effects in the PEIR, or which substantial new information shows will be more significant than described in the PEIR as a result of the proposed project. Under CEQA Guidelines section 15183, “this streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.” That is, lead agencies are not permitted or required to reanalyze impacts that are attributable to a project that is consistent with the Eastern Neighborhoods Rezoning and Area Plans unless substantial new information shows that the impacts resulting from the project will be more significant than described in the PEIR.

In accordance with CEQA Guidelines section 15183, a project-level environmental review was undertaken as documented in the CPE Initial Study to determine whether the 2750 19th Street Project would result in additional impacts specific to the development proposal or the project site to assess whether further environmental review was required.

The CPE Initial Study fully described the proposed project (consistent with CEQA Guidelines section 15124), its existing environmental setting (consistent with CEQA Guidelines section 15125), and its potential impacts to the environment (consistent with CEQA Guidelines section 15126).

Impacts to the environment that might result from implementation of the project were analyzed in the CPE Initial Study according to the project’s potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and topic-specific analyses. The CPE Initial Study prepared for the project evaluates its potential project-specific environmental effects and incorporates by reference information contained in the Eastern Neighborhoods PEIR. Project-specific analyses were conducted for all CEQA topics to determine if the project would result in any significant environmental

⁴ The CPE Initial Study incorrectly referenced the immediately previous Urban Water Management Plan, which was adopted in 2011. While that citation was in error, both plans indicate that there is sufficient water availability to accommodate projected growth in San Francisco, including the proposed Project.

impacts peculiar to the project or the project site that were not identified in the Eastern Neighborhoods PEIR.

The CPE Initial Study determined that the proposed project would result in significant impacts to archeological resources, noise and hazardous material abatement during construction. The CPE applied three appropriate mitigation measures that were included in the Eastern Neighborhoods PEIR to address the project's significant environmental impacts. The CPE concluded that with implementation of the PEIR mitigation measures, the proposed project would not result in a significant impact that was not previously identified and analyzed in the Eastern Neighborhoods PEIR.

In summary, project-level environmental review was conducted in accordance with CEQA Guidelines section 15183. The environmental analysis in the CPE Initial Study concluded that with the incorporation of mitigation measures from the Eastern Neighborhoods PEIR and implementation of uniformly applied development policies and standards, there would not be any environmental effects that are peculiar to the project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR. The CPE also determined that there was no substantial new information showing that the environmental impacts from the project would be more significant than described in the PEIR. Therefore, per CEQA Guidelines section 15183, no further environmental review may be required, and a Community Plan Evaluation was issued based on the environmental analysis in the CPE Initial Study.

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The four-page appeal letter of September 24, 2018 contains four bulleted items expressing the general basis for the appeal. The Department responds to each of these concerns in order below. The supplemental appeal letter received on October 19, 2018 raises no new concerns that are not addressed in the Department's responses below.

Concern 1: The Appellant claims that the cumulative impacts of this project have not been properly analyzed and that the Letter of Determination and CPE erroneously conclude that there would be no significant impacts of this Project that were not evaluated in the Eastern Neighborhoods PEIR. The assumptions upon which the PEIR is based are outdated.

Response 1: The Appellant's claim that the PEIR analysis of environmental effects is more severe than disclosed because the PEIR's projections for housing have been exceeded misconstrues the context in which growth projections were used in the Eastern Neighborhoods PEIR. Further, the Appellant does not identify specific data demonstrating that development pursuant to the Eastern Neighborhoods Plan would result in physical environmental effects not disclosed in the PEIR or that the proposed project would result in physical environmental effects not disclosed in the PEIR. Finally, there was no Letter of Determination issued for the proposed project.

The Appellant alleges that the Department's determination to issue a CPE for the project is invalid because the residential development assumptions upon which the analyses of the PEIR are based are set

to exceed the amount that has been constructed, entitled, or in the development pipeline.⁵ This is a claim that has been made in previous appeals of the Department's CEQA determination for residential projects in the Mission District, including the following projects: 901 16th Street/1200 17th Street, 1296 Shotwell Street and 2918 Mission Street. In each case, the Board found that the PEIR was, in fact, adequate and that the use of a CPE relying on the Eastern Neighborhoods PEIR was appropriate.⁶

As in the other cases, the Appellant portrays the PEIR as outdated because housing production appears to be on track to exceed the housing projections used in the Eastern Neighborhoods PEIR to analyze physical environmental effects of the plan. The Appellant claims that "it would be a mistake to assume that other impacts, which may not have been identified as significant in the PEIR would not be significant given the substantial increase in the number of housing units." The Appellant provides no evidence of any significant environmental impacts and, as discussed above, significant impacts must be based on substantial evidence in the record. Furthermore, the question to be addressed is whether the proposed project would result in significant environmental effects not disclosed in the PEIR, not whether the PEIR's analysis of environmental effects remain valid.

The growth projections included in the Eastern Neighborhoods PEIR were based upon the best estimates of foreseeable development that could occur under the Plan available at the time the Eastern Neighborhoods PEIR was prepared. The growth projections informed the analysis of some, but not all, of the environmental analyses in the PEIR. For the reasons described below, the proposed project would not result in new significant environmental effects not disclosed in the PEIR.

1) Overall growth (residential and non-residential) projected under the Eastern Neighborhoods Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR; in particular, growth in non-residential land uses has been less than projected under the PEIR.

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, and C. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified. The Eastern Neighborhoods PEIR projected

⁵ The Appellant notes that cumulative impacts have not been properly analyzed in the "Letter of Determination and Community Plan Checklist." There was no Letter of Determination issued for the proposed project. The Department is assuming in this case that the Appellant means the Certificate of Determination, which, along with the CPE Checklist, constitutes the environmental document for the proposed project.

⁶ The Board found the 2918 Mission Street project CPE adequate in all respects except for potential project-specific shadow effects on a nearby school.

that implementation of the Mission Area Plan could result in an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space and a reduction of about 3,400,000 sf of PDR space.

The growth projections in the PEIR were used as an analytical tool to estimate the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.), and analyzed potential impacts based on this total development amount. The PEIR used population growth projections to analyze the physical environmental impacts that could result from development under the Eastern Neighborhoods Plan on Land Use; Population, Housing, Business Activity, and Employment; Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water.

Currently the number of dwelling units constructed, entitled, or proposed in the Mission Plan Area exceeds that anticipated in the PEIR by approximately 792 dwelling units based on the 2018 first quarter development pipeline.⁷ However, the amount of projected non-residential space in the Mission Plan Area is well below the maximum evaluated in the Eastern Neighborhoods PEIR. For example, Option C, as studied in the PEIR projected an approximately 3.4 million-square-foot reduction in PDR space and 3.5 million-square-foot increase in non-residential space. Of that, the pipeline shows 340,000 square feet of PDR building space has been removed and 360,000 square feet of non-residential uses have been developed, entitled or proposed.

Non-residential uses, such as office, retail, and restaurants, have higher trip generation rates than residential uses. According to the San Francisco Transportation Impact Analysis Guidelines (October 2002) used in the Eastern Neighborhoods PEIR and which continues to be used to estimate person trips from a development project, a one to two bedroom residential unit would generate 7.5 to 10 trips per day, whereas non-residential uses of approximately the same square footage⁸ would generate the following daily trip rates per 1,000 square feet: 18 trips for office use (PDR uses are considered office uses for the purposes of transportation analysis); 150 trips for general retail use; and 200 trips for quality sit-down restaurant uses. Given that the transportation impact analysis in the Eastern Neighborhoods PEIR is based on trip generation associated with six times more non-residential uses than has been completed, approved, or proposed to date, and that residential development results in substantially fewer trips on a per square foot basis than non-residential development, the environmental impacts from development to

⁷ SF Planning Department, The Pipeline Report, <http://sf-planning.org/pipeline-report>.

⁸ Two-bedroom residential unit sizes vary, but this analysis is assuming 1,000 square feet per two-bedroom residential units as a proxy. This assumption is based on a Planning Code allowance for these size units: section 151.1 allows one car per dwelling unit in certain use districts, including Eastern Neighborhoods, that include at least two bedrooms and at least 1,000 square feet. Even if average two-bedroom residential unit sizes were lower (e.g., 600 or 800 square feet), the estimated number of trips for non-residential uses would still be higher than that estimated for residential uses.

date can reasonably be assumed to be lower than what was anticipated in the PEIR. Because vehicle trips are a component of overall person trips, correspondingly, the transit delay, noise, and air quality effects related to vehicle trips would also be less severe than were disclosed in the PEIR.

An appeal solely on the grounds that residential development exceeds that projected in the PEIR is without merit because the Appellant has not established that a significant environmental impact would occur as a result of the project that was not disclosed in the PEIR. As shown above, on a per square foot basis, non-residential development generates substantially more trips than residential development. Moreover, the amount of non-residential development, which has a greater environmental impact in terms of person trips, and corresponding transportation, noise, and air quality impacts, is well below that projected in the PEIR.

2) The CPE prepared for the proposed project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the project would have significant impacts that are peculiar to the project or site.

The project- and site-specific analysis contained in the CPE is based on updated growth projections and related modelling, and updated analysis methodology, to evaluate project-level and cumulative impacts on transportation, air quality, and greenhouse gases. For example, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis methodology for all projects to use a 2040 horizon year; in other words, an updated cumulative growth projection. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE that was conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through the year 2040. San Francisco 2040 cumulative conditions were projected using the San Francisco County Transportation Authority's ("Transportation Authority") San Francisco Activity Model Process ("SF-CHAMP") and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As another example, as discussed on pages 27 to 29 of the CPE, the project's air quality impacts were screened using both screening criteria established by the Bay Area Air Quality Management District in 2017⁹ and the City's Air Pollutant Exposure Zone mapping. The exposure zone mapping is based on modeling in 2012 of all known air pollutant sources, provides health protective standards for cumulative PM_{2.5} concentration and cumulative cancer risk, and incorporates health vulnerability factors and proximity to freeways. As discussed on pages 29 to 32 of the CPE, the project's greenhouse gas emissions

⁹ The CPE Initial Study references the Bay Area Air Quality Management District's 2011 CEQA Air Quality Guidelines. These guidelines were updated in 2017, but the screening criteria did not change between these two versions of the guidelines.

impacts were evaluated for consistency with San Francisco's GHG Reduction Strategy. This strategy that has resulted in a 28.4 percent reduction in GHG emissions in 2015 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan.¹⁰

3) The Appellant has not provided evidence that significant physical environmental impacts not already disclosed in the Eastern Neighborhoods PEIR would occur, much less that the project would have a considerable contribution to an undisclosed significant environmental impact.

The Appellant provides no information about how the claim of residential growth exceeding the PEIR projections has or would result in direct, indirect, and/or cumulative environmental impacts not already disclosed in the PEIR. Further, the Appellant has provided no evidence that the 2750 19th Street project, with its 60 dwelling units, would have a considerable contribution to a significant cumulative environmental impact not disclosed in the PEIR. The Appellant must demonstrate the absence of substantial evidence supporting the Planning Department's analysis and has not done so.

At most, the Appellant shows that residential growth in the Mission Plan Area may exceed that projected in the Eastern Neighborhoods Plan EIR at some time in the future. Such speculation is not evidence that the *project* will cause specific environmental impacts that neither the PEIR or the CPE disclosed.

Concern 2: The Appellant claims that the CEQA findings did not take into account the potential impacts due to gentrification and displacement to businesses, residents, and nonprofits, including impacts to cultural resources.

Response 2: The CEQA findings adopted by the Planning Commission on August 23, 2018 as part of the Commission's approval of the Large Project Authorization for the project are not subject to appeal under the San Francisco Administrative Code. Moreover, under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE Initial Study and additional Planning Department analyses have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits, or impacts to cultural resources.

CEQA Findings

The Appellant claims to appeal the Planning Commission's adoption of CEQA findings. CEQA section 21151(c) provides:

¹⁰ The CPE Initial study noted that this reduction was 23.3% in 2012 when compared to 1990 levels. The information presented here in the Appeal Response is an updated analysis which tracks progress to 2015.

If a nonelected decision-making body of a local lead agency certifies an environmental impact report, approves a negative declaration or mitigated negative declaration, or determines that a project is not subject to this division, that *certification, approval, or determination* may be appealed to the agency's elected decision-making body, if any (emphasis added).

That is, CEQA provides for appeal to the Board ("the agency's elected decision-making body") of the determination that the project is exempt from CEQA by the Planning Commission ("a nonelected decision-making body of a local lead agency"). Section 21151(c) does not provide for appeal of any project approval actions.

Chapter 31 of the city's administrative code establishes the types of environmental review decisions that may be subject to appeal, as well as the grounds for such an appeal. Chapter 31.16(a) establishes that: (1) certification of a final EIR by the Planning Commission; (2) adoption of a negative declaration by the first decision-making body; and (3) determination by the Planning Department, or any other authorized city department, that a project is exempt from CEQA are the only environmental review decisions that may be appealed to the Board. Chapter 31.16(e)(3) states that the grounds for appeal of an exemption shall be limited to whether the project conforms to the requirements of CEQA for an exemption.

The Planning Commission's CEQA findings are part of a project's approval and not environmental determinations subject to appeal under Chapter 31 or CEQA section 21151(c). Any challenge to the CEQA findings must be included as part of an appeal of the project's approval action, which was a Large Project Authorization.

Socioeconomic Consideration Under CEQA

Under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE and additional Planning Department analyses have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits, or impacts to cultural resources.

There is no substantial evidence in the record, or additional information provided by the Appellant, indicating that the project would cause adverse physical environmental impacts due to gentrification and displacement of existing residents and businesses. The Department recognizes that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The Department is actively engaging with the community, the Board, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the Calle 24 Special Use District, Mission Action Plan 2020 ("MAP2020"), and a broader citywide analysis of socioeconomic trends.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and

implementation efforts aimed at addressing socioeconomic issues. The Planning Department is working on a Community Stabilization Strategy¹¹ to undertake a broader analysis of displacement and gentrification issues citywide with a focus on equity working with UC Berkeley's Urban Displacement Project. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity. The Department is also at work on its Racial and Social Equity Initiative to train staff on these issues and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Mission.

The most robust effort to date, MAP2020, is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past three years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to implement and advance its specific strategies through programs and legislation, and to track implementation. To that end, the Department recently released the first annual MAP2020 Status Report to highlight accomplishments, call out continued areas of need, and track demographic trends.¹²

While the Department recognizes the impacts of displacement in the Mission, the Department disagrees with the Appellant's position that gentrification and displacement has resulted in more severe environmental effects than disclosed in the Eastern Neighborhoods PEIR. Gentrification and displacement were considered as part of the Eastern Neighborhood PEIR development process. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues, examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan-level and project-level CEQA documents under the relevant resource

¹¹ SF Planning, Community Stabilization Strategy, <https://sf-planning.org/community-stabilization-strategy>.

¹² SF Planning, MAP2020 Status Report, October 2018.
http://default.sfpplanning.org/Citywide/Mission2020/MAP2020_Status_Report_2018.pdf

topics such as population and housing, transportation, air quality, noise, parks and open space, and public services.

In addition, to inform its responses to two previous CEQA appeals, the Department undertook analysis of gentrification and displacement, citywide, and in the Mission, specifically, to determine whether individual projects contribute to gentrification and displacement and whether either of these phenomena directly or indirectly result in physical environmental effects (see Attachment A of Attachment A (Department response prepared for the 2675 Folsom Street CEQA appeal) and Attachments A and B prepared for the 2918-2924 Mission Street CEQA appeal). The Planning Department worked with ALH Urban & Regional Economics to prepare two analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to the construction of market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement (see Attachment C of Attachment A and Attachment H of Attachment B for the ALH technical studies). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes.

The Appellant asserts that gentrification and displacement would result in impacts to cultural resources. However, the Appellant does not identify any resource that could be affected by the project. In the absence of any such information, the Department cannot reasonably address the Appellant's concern. Pursuant to CEQA Guidelines sections 15064.5(a)(1) and 15064.5(a)(2), historical resources are buildings or structures that are listed, or are eligible for listing, in the California Register of Historical Resources or are identified in a local register of historical resources, such as Articles 10 and 11 of the San Francisco Planning Code. The CPE Initial Study (page 18) indicates that the project site is not within any historic district, and that the existing buildings on the subject site are not eligible for listing in the California Register under any criteria individually or as part of an historic district.¹³

CEQA also applies to archeological resources that are determined to be historic resources or unique archeological resources. (CEQA Guidelines section 15064.5(c)). The CPE Initial Study (page 18) indicates that given the depth of excavation, and a reasonable potential that archeological resources may be present at the site, the project may result in significant impacts to archeological resources. To mitigate this impact, the CPE includes (and the project sponsor has agreed to) an archeological mitigation measure from the

¹³ SF Planning, Preservation Team Review Form 2750 19th Street, August 24, 2017.

Eastern Neighborhoods PEIR (Project Mitigation Measure 1: Archeological Resources). Therefore, the CPE correctly determined that the project would not contribute to a significant cultural resource impact not already identified in the Eastern Neighborhoods PEIR. The Appellant has not provided additional information that impacts to cultural resources as a result of the project would be more severe than was disclosed in the CPE Initial Study.

Concern 3: The Appellant claims that community benefits from the Eastern Neighborhoods Area Plans, outlined in the 2008 PEIR, its approvals, and the statement of overriding considerations have not been fully funded, implemented, or are underperforming, and that the determinations and findings for the proposed project that rely on these benefits to override impacts outlined in the PEIR are not supported.

Response 3: The Appellant's contentions concerning the Eastern Neighborhoods community benefits are not valid grounds for an appeal of the proposed project's CPE because they do not demonstrate that the project would result in significant effects that are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR, or which substantial new information shows will be more significant than described in the PEIR.

The Appellant's contentions concerning the funding and implementation of community benefits do not demonstrate that the project would result in significant environmental effects that are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR, nor do they demonstrate substantial new information showing that the project's impacts would be more significant than described in the PEIR. Therefore, these contentions do not present a valid ground for an appeal of the determination that the project qualifies for a CPE.

For informational purposes, however, the following discussion about the status of the community benefits identified in the CEQA findings and statement of overriding considerations for the adoption of the Eastern Neighborhoods Area Plans is provided. The Eastern Neighborhoods Plan included, as an informational item considered by the Planning Commission at the time of the original Eastern Neighborhoods Plans approvals in 2008, a public benefits program detailing a framework for delivering infrastructure and other public benefits as described in an implementation document titled Materials for Eastern Neighborhoods Area Plans Initiation Hearing.¹⁴ The public benefits program consists of:

- 1) an improvements program that addresses needs for open space, transit and the public realm, community facilities and affordable housing;

¹⁴ San Francisco Planning Department, *Materials for Eastern Neighborhoods Area Plans Initiation Hearing*, Case No. 2004.0160EMTUZ. April 17, 2008. Available at: http://sf-planning.org/sites/default/files/FileCenter/Documents/1507-VOL3_Implementation.pdf, accessed July 14, 2017.

- 2) a funding strategy that proposes specific funding strategies and sources to finance the various facilities and improvements identified in the improvements plan, and matches these sources to estimated costs; and
- 3) a section on program administration that establishes roles for the community and City agencies, provides responsibilities for each, and outlines the steps required to implement the program.

Some of the benefits were to be provided through requirements that would be included in changes to the Planning Code. For example, under Planning Code section 423 (Eastern Neighborhoods Community Infrastructure Impact Fee), fees are collected for transit, complete streets, recreation and open space, child care, and in some portions of the Mission District and the South of Market Area, affordable housing. The public benefits program was not intended to be a static list of projects; rather, it was designed to be modified by a citizens advisory committee as needs were identified through time.

In terms of the process for implementing the public benefits program, new development within the Eastern Neighborhoods Plan areas, including the project, are required to pay development impact fees upon issuance of the “first construction document” (either a project’s building permit or the first addendum to a project’s site permit). These impact fees are collected to fund approximately 30 percent of the infrastructure improvements planned within the Eastern Neighborhoods Plan areas. Additional funding mechanisms for infrastructure improvements are identified through the City’s 10-year capital plan. Eighty percent of development impact fees must go towards Eastern Neighborhoods priority projects until those priority projects are fully funded. The fees are dispersed to fund infrastructure improvements within the entirety of the Eastern Neighborhoods Plan area, on a priority basis established by the Eastern Neighborhoods Citizen Advisory Committee (“CAC”) and the City’s Interagency Plan Implementation Committee (“IPIC”). The IPIC works with the CAC to prioritize future infrastructure improvements. Additionally, the Planning Department and Office of Resilience and Capital Planning are working with the implementing departments to identify additional state and federal grants, general fund monies, or other funding mechanisms such as land-secured financing or infrastructure finance districts to fund the remaining emerging needs. Impact fees are distributed among the following improvement categories: open space, transportation and streetscape, community facilities, childcare, library, and program administration.

Infrastructure projects that have been completed or are currently underway are listed in the Planning Department’s 2018 Interagency Plan Implementation Committee Annual Report.¹⁵ Completed projects in the Mission include traffic calming on Bryant Street, improvements to Folsom Street, the 14-Mission Street Muni Forward improvements, improvements to 24th Street BART Plaza and Cesar Chavez

¹⁵ *City and County of San Francisco, Interagency Plan Implementation Committee Annual Report*, January 2018. Available at http://default.sfplanning.org/plans-and-programs/plan-implementation/2018_IPIC_Report_FINAL.pdf, accessed October 11, 2018.

streetscape improvements. Additionally, a Transportation Sustainability Fee was adopted in November 2015 (BOS File Number 150790) and expenditures of the revenue generated through this fee are allocated according to Table 411A.6A in the ordinance, which gives priority to specific projects identified in different area plans. These processes and funding mechanisms are designed to provide for implementation of infrastructure improvements to keep pace with development and associated needs of existing and new residents and businesses within the area. Regarding recreation, the funding and planning for several Eastern Neighborhoods parks and open space resources are discussed on pages 33 and 34 of the CPE Initial Study. As of 2017, two of these open spaces, Daggett Park and In Chan Kaajal Park (formerly 17th and Folsom Park) have opened and are available for public use, one of which is in the Mission. The CPE provides further information regarding improvements within the Eastern Neighborhoods Plan Area.

The public benefits program is not a set of mitigation measures. There were no impacts identified in the PEIR that were determined to be less than significant as a result of the adoption of the public benefits program. Even if none of the elements of the public benefits program were implemented, the conclusions reached by the PEIR regarding environmental impacts would not change. Therefore, the perceived lack of funding and implementation of the public benefits program does not constitute evidence that there are new or more severe environmental impacts than were identified in the PEIR. Also, as discussed above, based on the available evidence, the public benefits included in the public benefits program are in the process of being provided under the Eastern Neighborhoods Area Plans. As is generally the case with development fee-based provision of community benefits, capital facilities are constructed as fees are collected and are rarely provided in advance of development. The Eastern Neighborhoods CAC is 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 Eastern Neighborhoods Area Plans. Members of the public may contact the CAC with concerns about the pace or direction of public benefits program implementation.

The PEIR did contain mitigation measures, distinct from the public benefits program, to address identified environmental impacts. For example, regarding transit, as discussed on pages 22 and 23 of the CPE Initial Study, Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Eastern Neighborhoods Area Plans with uncertain feasibility to address significant transit impacts. While these plan-level measures are not applicable to the project, each is in some stage of implementation (see discussion on pages 22 and 23 of the CPE Initial Study).

Concern 4: The Appellant claims that substantial new information affecting environmental analysis has become available. When new information becomes available, the CEQA Guidelines require comprehensive analysis of these issues. Numerous changes have taken place since the certification of the Eastern Neighborhoods PEIR, including an unanticipated rapid pace of development, the disproportionate construction of market rate units as compared to affordable units, the impact of tech shuttles from a traffic standpoint and the effect of tech shuttle stops on housing demand, and increases in rates of automobile

ownership and traffic that have resulted from gentrification, transportation network companies (“TNCs”) and reverse commuting of displaced families back to the Mission District.

Response 4: CEQA Guidelines section 15183 requires additional analysis if the proposed project would result in significant environmental effects as a result of new information which was not known at the time of the certification of the PEIR is “determined to have a more severe adverse impact than discussed in the prior EIR.” While some of the information presented by the Appellant is new, the appeal does not identify how, because of this new information, the project would result in significant impacts that were not discussed in the Eastern Neighborhoods PEIR, or in more severe adverse impacts than were discussed in the PEIR. The Department has analyzed these issues and determined that, as a result of this new information, the project would not result in new or more severe adverse impacts that were not disclosed in the PEIR.

The Appellant states that “substantial new information” has become available that was not discussed in the PEIR or the CPE and that the CEQA Guidelines require “comprehensive analysis” of these issues. As discussed in the Background section above, the Eastern Neighborhoods PEIR need not reexamine the environmental effects disclosed in the PEIR unless a subsequent discretionary approval is required for the Plan. However, for subsequent projects being evaluated under a CPE, indeed, CEQA Guidelines section 15183 requires additional analysis if there is new information presented which was not known at the time of the certification of the PEIR which indicates that the proposed project would result in a new or more severe adverse impact than was discussed in the Eastern Neighborhoods PEIR. While the information provided by the Appellant may be new, the discussion below provides substantial evidence that this new information is not indicative of a new or more severe impact than previously identified in the Eastern Neighborhoods PEIR or that the project would result in a considerable contribution to any such impact.

Unanticipated Rapid Pace of Development

The Appellant asserts that development has accelerated at a faster pace than anticipated in the PEIR and that unforeseen development projects in the Eastern Neighborhoods, including the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Arena, and the new Central SOMA plan are bringing unanticipated office development to the area.

As discussed above in Response 1, the pace of development with respect to the PEIR’s growth projections does not, in itself, constitute a new or more severe adverse environmental impact than disclosed in the PEIR. In addition, the Appellant does not provide any evidence that the pace of development would result in any new or more severe adverse environmental impacts than those disclosed in the PEIR.

As the Appellant states, there have indeed been projects and plans proposed or developed subsequent to certification of the Eastern Neighborhoods PEIR, such as the Warriors Arena and the 5M Project. The question for the proposed project under CEQA, however, is not whether there are additional projects that may combine to have substantial adverse effects not disclosed in the PEIR, but rather, the question is two-fold. The first question to be addressed is whether the proposed project, when combined with such projects, would result in a new significant impact or an increase in the severity of a previously identified

significant impact. If so, the second question to be addressed is whether the proposed project would make a *cumulatively considerable* contribution to that impact. Both questions must be concluded in the affirmative and based on substantial evidence to be ineligible for an exemption pursuant to CEQA Guidelines section 15183 relating to CPEs. The Appellant provides no evidence, and the Department's own analysis of this relatively modest, 60-unit development with replacement PDR does not indicate that there would be any new significant impacts or more severe impacts taking into consideration existing development and reasonably foreseeable cumulative development not disclosed in the PEIR *and* that the proposed project's contribution to any previously undisclosed cumulative impact would be cumulatively considerable. For example, the CPE Initial Study discloses that the proposed project is below the screening criteria established by the Bay Area Air Quality Management District for determining whether a project would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Therefore, even though the Bay Area is not in attainment for certain criteria air pollutants under the Clean Air Act, due to the project's size, the project would not make a considerable contribution to this already significant cumulative impact. Therefore, to the extent that these additional unforeseen projects at the time the PEIR was certified would result in significant air quality impacts not contemplated in the Eastern Neighborhoods PEIR, the proposed project was determined to not make a considerable contribution to the cumulative impact.

Disproportionate Construction of Market Rate Units

The Appellant asserts that the City has exceeded its 2015-2022 Regional Housing Needs Allocation (RHNA) for above-moderate income housing and that the production of low income housing in Supervisorial Districts 9 and 10 continues to be below RHNA targets. The Appellant provides no evidence that the failure to meet these targets has resulted in physical environmental effects that are more severe than those disclosed in the PEIR or discussed in the CPE. The PEIR's analysis of physical environmental effects relied on population projections that did not differentiate between an affordable housing unit or a market rate development. Therefore, the affordability of residential development does not affect the environmental analysis in the PEIR.

Tech Shuttle Gentrification and Transportation-Related Displacement Impacts

The Appellant asserts that the influx of high earners in the Mission has resulted in an increase in the use of transportation network companies ("TNCs") and a higher rate of automobile ownership, and that these phenomena have resulted in "significantly changed" traffic patterns, according to the Appellant. However, the Appellant does not demonstrate what is significantly different from that disclosed in the PEIR. In addition, the Appellant asserts that the PEIR did not take into account "displacement commutes," or travel undertaken by families no longer living in the Mission traveling back to the Mission for employment and education. The Appellant also states that the traffic study did not contain any cumulative analysis.

Traffic Volumes and Congestion

At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, as discussed in the CPE Initial Study (page 13) automobile delay, as described solely by level of service or similar measures of traffic congestion, is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579. Accordingly, the CPE evaluates whether the proposed project would result in significant impacts on vehicle miles traveled (“VMT”).

Even though the CPE establishes that the proposed project would not have significant impacts either individually or cumulatively related to increased VMT, the Department has conducted additional transportation analysis based on updated local and regional transportation modeling, census data, and traffic counts at intersections in the Mission. This analysis was undertaken as part of the Department’s response to CEQA appeals filed for two projects in the Mission District: 2675 Folsom Street Appeal Response (Attachment A of Attachment A) and in the 2918-2924 Mission Street Appeal Response (Attachments A and B). The additional analysis conducted by the Department provides evidence that TNC use, automobile ownership rates and purported increased reverse commute distances by families that no longer live in the Mission are not causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR. The additional analysis includes a 2016 transportation study and April 2017 traffic counts conducted for 2675 Folsom Street (Attachment B of Attachment A), and 2018 traffic counts conducted for 2918-2914 Mission Street (Attachment F of Attachment B). Based on these studies, observed traffic volumes were generally *lower* than what would be expected (using the Eastern Neighborhoods PEIR trip generation methodology) compared to the amount of estimated development completed as of the date of the studies (2017 and 2018). This indicates that current traffic volumes are similar to or slightly below PEIR projections. In other words, recent traffic data collected by the Department indicates that the Eastern Neighborhoods PEIR overestimated vehicle trips. This includes traffic at certain intersections in the Mission District. The specific findings of each study are described further below.

Observed traffic volumes in 2016 (Attachment B of Attachment A) were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. In April 2017, updated traffic counts were conducted at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR.¹⁶ Compared to traffic volume projections for 2017 and compared to what the PEIR projected under Option C, the updated traffic counts showed fewer vehicles at three of the intersections (3, 10, and

¹⁶ Fehr & Peers, *Updated Eastern Neighborhoods Traffic Counts*, April 17, 2017.

14 percent decreases in 2017; and 8, 14, and 28 percent below what was projected for 2025 under Option C) and more vehicles at one intersection (6 percent increase). The 6 percent increase is at the intersection of 16th and South Van Ness, where there was an increase in traffic travelling northbound and southbound, which likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR (e.g., transit only lanes on Mission Street and lane reduction on Valencia Street). Regardless, the proposed project's contribution to p.m. peak hour traffic volumes would be 46 vehicle trips, which is a minor amount and would be dispersed along the local roadway network. Overall, there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to traffic volume projections for 2017.

Transportation consultants also performed traffic counts at the Potrero Avenue/23rd Street and Mission Street/24th Street intersections on April 10, 2018 in Attachment H of Attachment B (2918 Mission Transportation Analysis Memorandum). Traffic volumes were 5 percent lower at the Potrero Avenue/23rd Street intersection and 44 percent lower at the Mission Street/24th Street intersection than would be expected in 2018 based on projected volumes derived from the Eastern Neighborhoods PEIR. In fact, the total traffic volume had decreased from the 2000 baseline data used for the PEIR transportation impact analysis. Further, environmental review for the commuter shuttle program concluded that the program reduces the number of commuters who drive alone to work, reducing regional VMT, and would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, or loading.¹⁷

The effects of TNCs on congestion in San Francisco were analyzed by the San Francisco County Transportation Authority ("CTA") in a recent report entitled "TNCs and Congestion."¹⁸ The CTA analyzed congestion citywide between 2010 and 2016 and found that congestion has increased (i.e. travel speeds have decreased and hours of delay have increased). The report found that 51% of the increase in delay from 2010 to 2016 could be attributed to TNCs. The Eastern Neighborhoods PEIR also projected an increase in traffic volumes and congestion. As discussed above, recent traffic counts have shown an increase in traffic volumes, but not an increase over and above what was expected in the transportation analysis in the Eastern Neighborhoods PEIR. The CTA report does not specifically address the Eastern Neighborhoods PEIR or its transportation projections. While the report does reflect the PEIR's underlying assumption that congestion would increase under the Plan, the study does not constitute substantial

¹⁷ SF Planning, *Certificate of Determination for SFCTA Commuter Shuttle Program*, October 22, 2015.

¹⁸ SFCTA, "TNCs and Congestion," October 2018.

https://www.sfcta.org/sites/default/files/content/Planning/TNCs/TNCs_Congestion_Report_181015_Final.pdf . Accessed October 17, 2018.

evidence that the proposed project would result in new, or more severe, impacts than already disclosed in the PEIR.

Travel Demand

The travel demand analysis methodology employed in the Eastern Neighborhoods PEIR is provided on pages 267 through 269 of the PEIR. Briefly, the analysis relied upon the CTA countywide travel demand forecasting model to develop forecasts for development and growth under the No Project and the three zoning options (A, B and C) through the year 2025 in the Eastern Neighborhoods study area. This approach took into account both future development expected within the boundary of the Eastern Neighborhoods Area Plans, and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area. Growth forecasts were prepared for each traffic analysis zone (or TAZ) in the Eastern Neighborhoods study area and the remainder of the City. As the Eastern Neighborhoods PEIR points out on page 268,

“[n]o separate cumulative model run was undertaken, because, as noted, the 2025 forecasts developed by the Planning Department include growth in the remainder of San Francisco, as well as in the rest of the Bay Area. Thus, each rezoning option effectively is [sic] represents a different cumulative growth scenario for the year 2025, including growth from development that would occur with implementation of the proposed Eastern Neighborhoods Rezoning and Area Plans, as well as other, non-project-generated growth accounted for in the 2025 No-Project scenario.”

As stated on page 19 of the CPE Initial Study, the Department conducted project-level analysis of the pedestrian, loading, bicycle, emergency access, and construction transportation impacts of the project and determined that the project would not result in an individual or cumulative significant transportation impact. As discussed in the CPE Initial Study, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using the SF-CHAMP model and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As noted above, recent traffic data collected by the Department has indicated that the Eastern Neighborhoods PEIR overestimated vehicle trips at certain intersections in the Mission District. The Department is currently undergoing a revision of its transportation analysis guidelines to, among other things, update project trip generation and mode split for proposed projects. This revision relies on observational and intercept survey data collected from recently-completed projects in the Mission and

elsewhere in San Francisco. The data collected to support updated trip generation rates were collected in 2016 and 2017, when TNCs were widely in use and therefore takes into account estimates of the number of for-hire vehicles (taxis/TNCs) from new development. The draft updated trip generation was applied to the proposed project for comparison against the Department's current trip generation rates. Using the draft updated trip generation rates and mode split, the proposed project's estimated new vehicle trips would be less than previously estimated, inclusive of TNCs. Given that recent direct observation of Mission District intersections has indicated that there are fewer vehicle trips than would be expected at this time according to the PEIR's transportation projections, that a recent survey of development in San Francisco has indicated that the methodology used for the PEIR's transportation analysis likely overestimated vehicle trips from residential projects, and that the Appellant has provided no evidence that the proposed project would result in new, or more severe, transportation impacts, there does not exist substantial evidence that the proposed project would result in new, or more severe, impacts than already disclosed in the PEIR.

CONCLUSION:

The Appellant has not demonstrated that the Planning Department's determination that the proposed project qualifies for streamlined environmental review pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 is not supported by substantial evidence. The Appellant's letters focus on the Eastern Neighborhoods PEIR and do not raise specific environmental concerns that could result from the implementation of the proposed project. The Department conducted necessary project-specific studies and analyses regarding the environmental effects of the project, in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Department respectfully recommends that the Board of Supervisors uphold the Department's CPE and reject the appeal.

Attachment A

Appeal of Community Plan Exemption for 2918-2924 Mission St. Project



**SAN FRANCISCO
PLANNING DEPARTMENT**

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**Appeal of Community Plan Evaluation
2918-2924 Mission Street Project**

DATE: February 5, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032
Chris Kern, Principal Environmental Planner – (415) 575-9037
Julie Moore, Senior Environmental Planner – (415) 575-8733

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

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

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

HEARING DATE: February 13, 2018

ATTACHMENTS: A – Appeal of Community Plan Exemption for 2675 Folsom Street, March 13, 2017
B – Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends (January 2017) and Updated Eastern Neighborhood Traffic Counts (April 2017)
C – ALH Urban & Regional Economics, Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA (March 2017)

INTRODUCTION

This memorandum and the attached documents respond to a letter of appeal to the Board of Supervisors (the “Board”) regarding the Planning Department’s (the “Department”) issuance of a Community Plan Evaluation (CPE) under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report*

("Eastern Neighborhoods PEIR or PEIR")¹ in compliance with the California Environmental Quality Act ("CEQA") for the 2918-2924 Mission Street Project (the "Project").

As described below, the Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. Accordingly, based solely upon the information presented by the Appellant, the Planning Department would recommend that the Board of Supervisors uphold the Department's determination for the CPE and reject Appellant's appeal.

However, subsequent to the January 2, 2018 Appeal Letter, the Planning Department received information regarding the potential for the 2922 Mission Street building to be considered a historic resource for its association with the Mission Coalition of Organizations during the late 1960s and early 1970s. In light of this new information, the Planning Department has determined that additional research is required to assess whether the proposed project would result in a significant impact to a historic resource. As such, the Department requests that the Board continue the February 13, 2018 CEQA appeal hearing to a date to be determined in consultation with the Clerk of the Board to provide additional time needed to complete this analysis.

The Department, pursuant to CEQA, the CEQA Guidelines, 14 Cal. Code of Reg. sections 15000 *et seq.*, and Chapter 31 of the San Francisco Administrative Code, determined that the Project is consistent with the development density established by zoning, community plan, and general plan policies in the Eastern Neighborhoods Rezoning and Area Plans (the "Eastern Neighborhoods Area Plans") for the project site, for which a Programmatic EIR (the "PEIR") was certified, and issued the CPE for the Project on August 30, 2017. CEQA limits the City's review to consideration of the following factors:

1. Whether there are effects peculiar to the project or its parcel, not examined in the Eastern Neighborhoods PEIR;
2. Whether the effects were already analyzed as significant effects in the Eastern Neighborhoods PEIR;
3. Whether the effects are potentially significant off-site or cumulative impacts that were not discussed in the Eastern Neighborhoods PEIR;
4. Whether there is substantial new information that was not known at the time the Eastern Neighborhoods EIR was certified, which indicates that a previously identified significant impact had a more severe adverse impact than was discussed in the Eastern Neighborhoods PEIR.

¹ The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

If an impact is not peculiar to the project, has been addressed as a significant impact in the Eastern Neighborhoods EIR, or can be substantially mitigated by imposition of uniformly applied development policies or standards, then CEQA provides that an additional EIR need not be prepared for the project.

The Department determined that the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the PEIR, and that the Project is therefore exempt from further environmental review beyond what was conducted in the CPE Initial Study and the Eastern Neighborhoods PEIR in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

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

PROJECT DESCRIPTION

The project site is located on the west side of Mission Street between 25th Street and 26th Street in San Francisco's Mission neighborhood. The project site consists of three adjacent rectangular parcels: Assessor's Block 6529, Lots 002, 002A and 003. Lots 002 and 002A each have an area of approximately 2,600 square feet (sf). The southernmost lot, Lot 003, has an area of 6,433 sf and extends from Mission Street to Osage Alley. Lots 002 and 002A are occupied by a 5,200-sf, one-story, commercial building occupied by a coin laundry and market. Lot 003 is a 6,400-sf surface parking lot with curb cuts on both Mission Street and Osage Alley.

The proposed Project consists of merging the three lots into a single 11,653-sf lot, demolishing the existing building, and constructing an eight-story, 85-foot-tall, approximately 67,300-sf building containing 75 dwelling units (18 studio, 27 one-bedroom, and 30 two-bedroom units) with ground floor retail. Two retail spaces, totaling about 7,000 sf, would front Mission Street on either side of the building lobby. A 44-foot-long white loading zone would be provided in front of the lobby and the existing parking lot curb cut would be removed. No vehicle parking is proposed. A bicycle storage room with 76 class 1 bicycle spaces would be accessed through the lobby area and from Osage Alley. Six street trees and seven bicycle racks (14 class 2 bicycle parking spaces) would be installed on Mission Street. Open space would be provided by common terraces on the second floor and rooftop of approximately 1,050 sf and 5,750 sf, respectively, and approximately 1,100 sf of private decks. The proposed building would include an elevator and stair penthouse approximately 9 feet in height above the 85-foot-tall roof.

The project would require waivers, concessions, and/or incentives from Planning Code physical development limitations pursuant to California Government Code section 65915, commonly known as the state Density Bonus Law, including for a building height 20 feet above the 65-foot height limit.

Project construction is estimated to take approximately 20 months, which includes about two to three months for demolition, excavation, and pile driving, which would be the most intensive phases of construction. Construction of the proposed building would generally involve excavation of about 3 feet of soil over the entire project site and up to an estimated 17 feet deep at the location of two areas of known soil contamination, resulting in removal of about 2,100 cubic yards of soil from the project site. The building slab foundation would be constructed on top of an impermeable vapor barrier placed over a gravel layer and a passive ventilation system.

SITE DESCRIPTION

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

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid, 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile. Access to U.S. 101 is less than one mile southeast of the site via Cesar Chavez Street.

ENVIRONMENTAL REVIEW PROCESS

The project sponsor, RRTI, Inc., filed the environmental evaluation application (Case No. 2014.0376ENV) for the Project on June 30, 2015. On August 30, 2017, the Department issued a CPE Certificate and Initial Study, based on the following determinations:

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

2. The proposed project would not result in effects on the environment that are peculiar to the Project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate Project-related significant impacts.

The Planning Commission considered the Project on December 15, 2017. On that date, the Planning Commission adopted the CPE and approved the Conditional Use Authorization for the Project and the Mission 2016 Interim Zoning Controls (Planning Commission Resolution No. 19865), which constituted the Approval Action under Chapter 31 of the Administrative Code.

The Conditional Use Authorization was also approved under California Government Code section 65916-65918 and Planning Code section 206.6, the State Density Bonus Law. The State law permits a 35 percent density bonus and three concessions or incentives if at least 11 percent of the “base project” units are affordable to very low income households (as defined in California Health and Safety Code section 50105). The Project also proposes waivers to the development standards for: 1) rear yard; 2) dwelling unit exposure; 3) height; and 4) bulk. The Planning Commission found that these waivers are required in order to construct the Project at the density allowed by State law (Planning Commission Motion 20066).

In accordance with the Mission 2016 Interim Zoning Controls, which require additional information and analysis regarding the economic and social effects of the proposed project such as housing affordability, displacement, and loss of PDR, the project sponsor provided, and the Planning Commission reviewed and considered, such additional analysis before approving the Conditional Use Authorization.² The Project sponsor’s analysis reflects that the Project will not displace any current residential uses, PDR uses, or existing tenants. The existing self-service laundromat uses various independent contractors to manage the facility and does not have any employees on site. There are several laundromats in the site vicinity, including three within 300 feet of the Project site. The Project would contribute to the supply of housing, which is in high demand across the City, including a broad unit-type mix of new market rate housing in

² San Francisco Planning Department, Executive Summary, Conditional Use Authorization, Case No. 2014.0376CUA, 2918 Mission Street, September 7, 2017.

addition to on-site below market rate units that would provide for a mix of income levels within the new development.

On January 2, 2018, J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District (Appellant), filed an appeal of the CPE determination. The Appellant's letter also includes 97 pages of supporting materials that are provided in the file "Appeal Ltr 010218.pdf," available online as part of Board of Supervisors File No. 180019.³

CEQA GUIDELINES

Community Plan Evaluations

As discussed in the Introduction above, CEQA section 21083.3 and CEQA Guidelines section 15183 **mandate** that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, **shall not** require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

Significant Environmental Effects

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

SAN FRANCISCO ADMINISTRATIVE CODE

Section 31.16(e)(3) of the Administrative Code states: "The grounds for appeal of an exemption determination shall be limited to whether the project conforms to the requirements of CEQA for an exemption."

San Francisco Administrative Code Section 31.16(b)(6) provides that, in reviewing an appeal of a CEQA decision, the Board of Supervisors "shall conduct its own independent review of whether the CEQA decision adequately complies with the requirements of CEQA. The Board shall consider anew all facts, evidence and issues related to the adequacy, accuracy and objectiveness of the CEQA decision, including, but not limited to, the sufficiency of the CEQA decision and the correctness of its conclusions."

³<https://sfgov.legistar.com/LegislationDetail.aspx?ID=3306976&GUID=573556D0-4ACA-4E05-A3BE-0E0EC81CF040&Options=ID|Text|&Search=180019>

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The three-page Appeal Letter contains seven bulleted items expressing the general basis for the appeal. These seven general concerns are summarized in order below as Concerns 1 through 5 (the first, second, and fifth bulleted items are included under the discussion of Concern 1, followed by the Department's responses.

Concern 1: The Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts with respect to: consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission.

Response 1: The appeal does not identify any substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified establishing that the Project would result in significant impacts that were not discussed in the Eastern Neighborhoods PEIR or in more severe adverse impacts than discussed in the PEIR. Therefore, CEQA Guidelines section 15183 provides that an additional EIR must not be prepared for the project. Additionally, absent a change in the Eastern Neighborhoods Rezoning and Area Plans, reopening the Eastern Neighborhoods PEIR is neither warranted nor required under CEQA.

The Appellant alleges that the Department's determination to issue a CPE for the Project is invalid because substantial changes have occurred with respect to the circumstances under which the Eastern Neighborhoods Area Plans were approved due to the involvement of new significant environmental effects and a substantial increase in the severity of previously identified significant effects in the Eastern Neighborhoods PEIR. The fifth bullet of the Appeal Letter states:

"Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report."

The Appellant provides no evidence whatsoever regarding what "substantial changes in circumstances" have occurred or what "new information of substantial importance" has been identified. Nor has the Appellant provided any link as to how the purported changes and new information affect the conclusions of the Eastern Neighborhoods PEIR. Because the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR, CEQA does not require a revised EIR in this case.

Eastern Neighborhoods PEIR and the Project CPE

Eastern Neighborhoods PEIR

As discussed on pages 2 through 4 of the CPE Certificate, the Eastern Neighborhoods PEIR is a comprehensive programmatic report that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternatives. According to CEQA Guidelines section 15168, a program EIR:

... is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.

Use of a program EIR: (1) provides an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action; (2) ensures consideration of cumulative impacts that might be slighted in a case-by-case analysis; (3) avoids duplicative reconsideration of basic policy considerations; (4) allows the lead agency to consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts; and (5) allows reduction in paperwork. Subsequent activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared.

The Eastern Neighborhoods PEIR evaluated three rezoning alternatives, including two community-proposed alternatives focused largely on the Mission District, and a "No Project" alternative. The alternative ultimately approved, or the "Preferred Project", represented a combination of two of the rezoning alternatives. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR.

As discussed on page 5 of the CPE Certificate, the Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. The PEIR also identified mitigation measures that reduced all impacts to less than significant, except for those related to land use (cumulative impacts on PDR use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven SFMTA lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors. CEQA Guidelines section 15162(c) establishes that, once a project is approved:

“[T]he lead agency’s role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any.” [Emphasis added.]

Thus, even if the Appellant’s unsubstantiated claims that the build-out of development consistent with the adopted rezoning and area plans constituted new information or changed circumstances resulting in new or more severe impacts on the physical environment than previously disclosed (i.e., the conditions described in subdivision (a) of CEQA Guidelines section 15162(c)), the Eastern Neighborhoods PEIR would remain valid under CEQA.

Project CPE

As discussed under Community Plan Evaluations, above, CEQA Guidelines section 15183 limits future environmental review for projects that are consistent with the development density established by the Eastern Neighborhoods Rezoning and Area Plans. Lead agencies shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. Under CEQA Guidelines section 15183, “this streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.” That is, lead agencies are not permitted or required to reanalyze impacts that are attributable to a project that is consistent with the Eastern Neighborhoods Rezoning and Area Plans unless substantial new information shows that the impacts will be more significant than described in the PEIR.

In accordance with CEQA Guidelines section 15183, a project-level environmental review was undertaken as documented in the CPE Initial Study to determine whether the 2918-2924 Mission Street Project would result in additional impacts specific to the development proposal or the project site, and whether the proposed development was within the scope of the Eastern Neighborhoods PEIR, to assess whether further environmental review was required.

The CPE Initial Study fully described the proposed project (consistent with CEQA Guidelines section 15124), its environmental setting (consistent with CEQA Guidelines section 15125), and its potential impacts to the environment (consistent with CEQA Guidelines section 15126).

Impacts to the environment that might result with implementation of the Project were analyzed in the CPE Initial Study according to the project's potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and substantial evidence in the form of topic-specific analyses. The CPE Initial Study prepared for the Project evaluates its potential project-specific environmental effects and incorporates by reference information contained in the Eastern Neighborhoods PEIR. Project-specific analyses related to archeological resources, transportation, noise, geology, hazardous materials, wind, and shadow were prepared for the Project to determine if it would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

The CPE Initial Study determined that the proposed project would not have a significant impact that was not previously identified and analyzed in the Eastern Neighborhoods PEIR. The CPE Initial Study identified (and updated as needed to conform with current Planning Department practices) four mitigation measures from the Eastern Neighborhoods PEIR to be applied to the Project to avoid impacts previously identified in the PEIR related to archeological resources, noise, and hazardous materials.

As discussed on pages 10 and 11 of the CPE Initial Study, since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that have or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include, but are not limited to:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014 (see CPE Initial Study, page 11);
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled analysis, effective March 2016 (see CPE Initial Study, page 11);
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 14, 2016 through January 14, 2018 or when permanent controls are in effect, whichever occurs first;
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka "Muni Forward") adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, and the Transportation Sustainability Program (see CPE Initial Study "Transportation and Circulation" section);
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment, effective June 2015 (see CPE Initial Study "Noise" section);
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see CPE Initial Study "Air Quality" section);

- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see CPE Initial Study "Recreation" section);
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see CPE Initial Study "Utilities and Service Systems" section);
- Article 22A of the Health Code amendments effective August 2013 (see CPE Initial Study "Hazards and Hazardous Materials" section); and
- San Francisco's "Strategies to Address Greenhouse Gas Emissions", a greenhouse gas emissions reduction strategy prepared November 2010 (See CPE Initial Study "Greenhouse Gas Emissions" section).

In summary, project-level environmental review was conducted in accordance with CEQA Guidelines 15183. The environmental analysis in the CPE Initial Study concluded, based on substantial evidence in the record that, with the incorporation of mitigation measures from the Eastern Neighborhoods PEIR and implementation of uniformly applied development policies and standards, there would not be any project-specific effects that are peculiar to the Project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR, and that there was no substantial new information showing that the impacts would be more significant than described in the PEIR. Therefore, per CEQA Guidelines section 15183, no further environmental review may be required, and a Community Plan Evaluation was issued based on the environmental analysis in the CPE Initial Study.

Concern 1 alleges that substantial changes with respect to the circumstances under which the Eastern Neighborhoods Area Plans has been undertaken have occurred, including growth that has exceeded that which was considered in the Eastern Neighborhoods PEIR, the pace of that growth, and impacts associated with displacement of existing residents and businesses. As noted above, Concern 1 also alleges that there have been substantial increases in the severity of previously identified significant effects including, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission. The Appellant provides no specific data to substantiate these claims or to show how these impacts are different from the Eastern Neighborhoods EIR. The Department responds to each of these concerns as follows:

Growth Projections

In its assertion that the Eastern Neighborhoods PEIR no longer fully discloses the cumulative impacts of Eastern Neighborhood projects, the Appellant states on page 2 of his Appeal Letter:

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

Although the Eastern Neighborhoods PEIR contains projections of population and housing growth through the year 2025, the PEIR does not include these population and housing projections as a cap or limit to growth within the areas that would be subject to the Eastern Neighborhoods Area Plans. Rather, the growth projections were based upon the best estimates available at the time the Eastern Neighborhoods PEIR was prepared. Regardless, the Appellant's claim that the project's cumulative impact was not considered because the PEIR's projections for housing have been exceeded misconstrues the context in which the growth projections were used in the Eastern Neighborhoods PEIR and is not supported for the following reasons, discussed more fully below:

- 1) Growth under the Eastern Neighborhoods Area Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR.
- 2) The CPE Initial Study prepared for the Project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the project would have significant impacts that are peculiar to the project or site.
- 3) Appellant claims that cumulative environmental impacts have resulted from projects that have not been constructed, merely contemplated. However, population growth from potential projects is speculative, and is insufficient to provide substantial evidence of a significant environmental impact.
- 4) Appellant has not provided any evidence that significant physical environmental impacts have resulted from population growth exceeding Eastern Neighborhoods PEIR projections.
- 5) Because non-residential land uses generate more trips (including vehicle, transit, walk, and bike) per square-foot of development, the corresponding environmental impacts related to transportation, noise, and air quality are substantially greater for non-residential development than for residential development; therefore, the associated environmental impacts related to growth in Eastern Neighborhoods PEIR are less severe than anticipated. Appellant does not present evidence showing otherwise.
- 6) Appellant has not demonstrated that the Project would have a considerable contribution to a significant cumulative environmental impact.

1) Growth under the Eastern Neighborhoods Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than "caps" on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in

an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).

As of September 2017, projects containing 2,846 dwelling units and 560,460 square feet of non-residential space (excluding PDR loss), including the 2918-2924 Mission Street Project, had been completed, approved or are proposed to complete environmental review within the Mission Plan Area. Of the 2,846 dwelling units that are under review or have completed environmental review, building permits have been issued for 712 dwelling units, or approximately 25 percent of those units, well below the PEIR projection of 2,054 dwelling units. The remainder are projects that are in the “pipeline”, which represents projects that are proposed and still undergoing review. Based on historical records, it is unlikely that all of the potential growth represented by projects in the pipeline will actually occur. Some of these projects may not be approved. Others may be reduced through the entitlement and permitting processes. Even approved projects may not ultimately be constructed, based on changing economic conditions or other reasons. In any case, projects in the pipeline represent *potential future growth* not actual growth. For these reasons, only development that is completed or that is under construction should be considered in evaluating whether population growth in the Mission plan area has actually exceeded the growth projections assumed in the PEIR. Projects in the pipeline are only relevant in evaluating whether future growth may eventually exceed the PEIR projections. The current total of all non-residential development included in the Mission Plan Area as of the September 2017 pipeline of 560,460 square feet is well below the PEIR projections of 700,000 to 3.5 million square feet.

The growth projections in the PEIR were used as an analytical tool to contextualize the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.), and analyzed potential impacts based on this total development amount. Although the number of dwelling units currently proposed in the Mission Plan Area could eventually exceed the range of residential development anticipated by the Eastern Neighborhoods PEIR by approximately 792 dwelling units (if all proposed projects are both approved and constructed), the total amount of foreseeable non-residential space in the Mission Plan Area, is well below the maximum evaluated in the Eastern Neighborhoods PEIR.

Even if population growth in the Mission Plan Area exceeded the projections in the Eastern Neighborhoods PEIR, an appeal on these grounds would be without merit. The Eastern Neighborhoods PEIR used population growth projections to analyze the physical environmental impacts that could result from development under the Eastern Neighborhoods Plan on Land Use; Population, Housing, Business Activity, and Employment; Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water. The population growth projections do not represent a cap or upper limit of development permissible under the Eastern Neighborhoods Area Plans, nor would exceedance of the growth projections necessarily result in significant physical environmental impacts. For example, population estimates are used to assess whether the Eastern Neighborhoods Area Plans would increase the use of neighborhood parks such that substantial physical deterioration of the facilities would occur or

require construction of new physical recreation facilities that might have an adverse physical effect on the environment. Similarly, population estimates are used to analyze the potential need for new public services (such as a police or fire station) and utility facilities, the construction of which could result in adverse physical effects. The Appellant provides no evidence of physical environmental impacts resulting from growth exceeding PEIR population projections.

2) The CPE Initial Study prepared for the proposed project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the Project would have significant impacts that are peculiar to the Project or site.

The Project- and site-specific analysis contained in the CPE Initial Study is based on updated growth projections and related modelling to evaluate project-level and cumulative impacts on traffic and transportation, air quality, and greenhouse gases. For example, the projected transportation conditions and cumulative effects of Project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Initial Study conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using a run of the San Francisco County Transportation Authority's (Transportation Authority) San Francisco Activity Model Process (SF-CHAMP) and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As another example, as discussed on pages 26 to 28 of the CPE Initial Study, the Project's air quality impacts were screened using screening criteria established by the Bay Area Air Quality Management District in 2011 and screened using the City's Air Pollutant Exposure Zone mapping. The exposure zone mapping is based on modeling in 2012 of all known air pollutant sources, provides health protective standards for cumulative PM_{2.5} concentration and cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. As discussed on pages 28 to 30 of the CPE Initial Study, the Project's greenhouse gas emissions impacts were evaluated against consistency with San Francisco's GHG Reduction Strategy, a strategy that has resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan.

3) Appellant claims that cumulative environmental impacts have resulted from projects that have not been constructed, but are merely contemplated.

Appellant claims that the PEIR's projections for housing, including this Project and those "constructed, entitled, and/or in the pipeline" have been exceeded. Some of these projects in the "pipeline" are merely contemplated and are still undergoing review; some of these projects may not be approved. Others will be smaller than originally proposed. Still others may not rely on the projections in the PEIR, but will

instead conduct separate, independent environmental review altogether, which will include consideration of cumulative impacts as required by CEQA. Thus, the Appellant's speculation that housing development *may* someday exceed the growth projected in the Eastern Neighborhood Plan EIR is not compelling evidence that growth projections have been exceeded. The Project's residential units and the number of existing or entitled units does not exceed the PEIR projections.

4) There is no evidence in the record showing that significant physical environmental impacts have resulted from housing growth exceeding Eastern Neighborhoods PEIR projections and the Appellant does not provide any evidence to substantiate its allegations of such impacts.

The Appellant claims that the 2008 Eastern Neighborhoods Plan EIR is out of date because *housing* projections have been exceeded; therefore, the EIR analysis and determination cannot be relied upon. However, the Appellant provides no information to substantiate how the unsubstantiated claim of growth exceedance has resulted in direct, indirect, and/or cumulative environmental impacts beyond those disclosed in the PEIR or the CPE Initial Study. The Appellant must demonstrate the absence of substantial evidence supporting the Planning Department's analysis. At most, the Appellant shows that the pace of residential growth has been more rapid than projected in the Eastern Neighborhoods Plan EIR, such that someday in the future, that development may exceed the PEIR's projections for housing development. Such speculation is not evidence that the Project will cause specific environmental impacts that neither the PEIR or the CPE Initial Study disclosed.

Traffic

In bullet item 3 of the Appeal Letter (discussed further below under Concern 2), the Appellant notes several transportation-related issues allegedly not anticipated by the Eastern Neighborhoods PEIR, including "increased traffic due to reverse commutes and shuttle busses." No evidence was presented in support of these allegations. In fact, the available evidence indicates that traffic volumes at several intersections within the Mission District are actually *lower* than projected in the Eastern Neighborhoods PEIR, as discussed in more detail in Attachment A, Appeal of Community Plan Exemption for 2675 Folsom Street, based on additional transportation studies included as Attachment B. Observed traffic volumes in 2016 were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. In April 2017, updated traffic counts were conducted at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR.⁴ Compared to traffic volume projections for 2017, the updated traffic counts showed fewer vehicles at three of the intersections (3, 10, and 14 percent decreases) and more vehicles at one intersection (6 percent increase). The 6 percent increase is at the intersection of 16th and

⁴ Fehr & Peers, *Updated Eastern Neighborhoods Traffic Counts*, April 17, 2017.

South Van Ness, where there was an increase in traffic volume travelling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR (e.g., transit only lanes on Mission Street and lane reduction on Valencia Street). Overall, there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to traffic volume projections for 2017.

The travel demand analysis methodology employed in the Eastern Neighborhoods PEIR is provided on pages 267 through 269 of the PEIR. Briefly, the analysis relied upon the San Francisco County Transportation Authority (SFCTA) countywide travel demand forecasting model to develop forecasts for development and growth under the No Project and the three zoning options (A, B and C) through the year 2025 in the Eastern Neighborhoods study area. This approach took into account both future development expected within the boundary of the Eastern Neighborhoods Area Plans, and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area. Growth forecasts were prepared for each traffic analysis zone (or TAZ) in the Eastern Neighborhoods study area and the remainder of the City. As the Eastern Neighborhoods PEIR points out on page 268,

“[n]o separate cumulative model run was undertaken, because, as noted, the 2025 forecasts developed by the Planning Department include growth in the remainder of San Francisco, as well as in the rest of the Bay Area. Thus, each rezoning option effectively is [sic] represents a different cumulative growth scenario for the year 2025, including growth from development that would occur with implementation of the proposed Eastern Neighborhoods Rezoning and Area Plans, as well as other, non-project-generated growth accounted for in the 2025 No-Project scenario.”

As discussed on pages 17 through 21 of the CPE Initial Study for the Project, significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for transportation and circulation (specifically, transit). The Appellant provides no evidence that traffic conditions in the area of the Project today represent “changed circumstances” necessitating further environmental review beyond what was conducted in the CPE Initial Study, nor does the Appellant identify specific significant transportation and circulation impacts that would result from the Project that were not already analyzed in the PEIR.

As stated on page 17 of the CPE Initial Study, the Planning Department conducted project-level analysis of the pedestrian, loading, bicycle, emergency access, and construction transportation impacts of the Project. As discussed in the CPE Initial Study, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Initial Study conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected

using the SF-CHAMP model and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

The potential transportation and circulation impacts of the Project are evaluated under Topic 4 of the CPE Initial Study (pages 16 through 21). As discussed on page 11 of the CPE Initial Study, with the Planning Commission's adoption of Resolution 19579 on March 3, 2016, the City no longer considers automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion, to be a significant impact on the environment under CEQA. Consistent with Resolution 19579, the CPE Initial Study provides an analysis of the Project's anticipated project-specific and cumulative contribution to vehicle miles traveled and induced automobile travel. In both instances, the analysis determined that the Project would not result in a significant project-specific or cumulative impact. Furthermore, as discussed on page 11 of the CPE Initial Study under "Aesthetics and Parking," the Project qualifies as an infill project: it is in a transit priority area, it is on an infill site, and it is a mixed-use residential project. Consistent with CEQA section 21099, aesthetics and parking are not considered as significant environmental effects for such infill projects.

The "Transportation and Circulation" section of the CPE Initial Study provides a comprehensive analysis of the Project's anticipated trip generation and its potential effects on transit, pedestrians, bicyclists, loading, and construction traffic. The analysis is based on the Planning Department's transportation calculations and review, as stated above, and the analysis and conclusions presented in the Eastern Neighborhoods PEIR. On the basis of the substantial evidence provided by the Planning Department's review and an analysis of the Project's potential transportation and circulation effects in relation to the Eastern Neighborhoods PEIR, the CPE Initial Study concluded on pages 20 and 21 that the Project would not result in significant impacts on transit, pedestrians, and bicycles beyond those identified in the Eastern Neighborhoods PEIR.

The Appellant's contention that the environmental analysis in the CPE Initial Study is flawed because the Eastern Neighborhoods PEIR did not consider traffic and circulation, transit and transportation effects is not based upon substantial evidence and fails to reflect that traffic congestion is no longer considered an impact under CEQA; the Appeal Letter does not provide specific technical analysis with observable traffic and transportation effects.

Recreation and Open Space

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts on recreation and open space. As discussed above, the total amount of development assumed in the PEIR has not been exceeded. Moreover, the appellant has not demonstrate that the PEIR conclusion that implementation of the Eastern Neighborhoods Area Plans would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have an adverse effect on the environment are no longer valid as a result of significant new information or changed circumstances.

Further, the CPE Initial Study (page 32) identifies new open spaces and recreational facilities that have opened in the Mission since the PEIR. The Appeal Letter does not demonstrate either that population growth in the plan area exceeds the projections used to support the analysis of impacts on recreational resources in the PEIR or that such growth has resulted in the substantial deterioration of existing recreational resources or the need for construction of new recreational facilities beyond those identified in the PEIR. Moreover, the appeal provides no evidence or analysis that the Project would have a cumulatively considerable contribution to any such effects. Thus, the appellant's claims concerning impacts on recreation and open space do not support a determination that the Project would result in new or more severe impacts on recreational resources that are peculiar to the project or its site.

Shadow

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts related to shadow, yet again fails to provide any evidence of such claims. The PEIR determined shadow impacts to be significant and unavoidable because it could not determine the feasibility of complete mitigation for potential new shadow impacts of unknown proposals. The CPE Initial Study page 31 describes the project-specific preliminary shadow fan analysis that was prepared for the Project and states that the Project would not cast shadows on any neighborhood parks or outdoor public recreational facilities, and correctly determines that the Project would not result in significant shadow impacts that were not identified in the Eastern Neighborhoods PEIR. The Appeal Letter does not provide any evidence that the project would result in new or substantially more severe shadow impacts than were identified in the Eastern Neighborhoods PEIR.

Land Use and Consistency with Area Plans and Policies

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to land use and consistency with area plans and policies; no evidence is provided. The CPE Initial Study page 12 describes that the Eastern Neighborhoods PEIR determined that the rezoning and Area Plans would not divide individual neighborhoods or subareas and that the Planning Department has determined that the Project is consistent with the development density established in the Eastern Neighborhoods Area Plan. (Refer also to Concern 5, for further discussion of consistency with the Mission Area Plan)

Noise, Health and Safety, and Other Impacts

The Appellant also contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts related to noise, health and safety, and "other impacts to the Mission", yet provides no evidence to substantiate these assertions. Impacts related to noise and health and safety are discussed in more detail below in Concern 4. The Appellant neither describes the "other impacts to the Mission," nor provides any evidence of those impacts. Accordingly, the Appeal letter offers no substantial evidence to support its claim of "other impacts."

5) Non-residential development to date, which is associated with higher trip generation than residential development, has been lower than projected in the Eastern Neighborhoods PEIR, resulting in lesser impacts related to transportation, noise, and air quality than anticipated.

As noted above in Concern 1, the growth assumptions in the Eastern Neighborhoods PEIR are based on both household population and employment population from non-residential uses. As of September 2017, non-residential development completed, approved, or proposed in the Mission Plan Area accounts for 560,460 square feet of non-residential space (excluding PDR loss). The Eastern Neighborhoods PEIR forecast of up 3,481,536 square feet of non-residential development is approximately six times higher than has been completed, approved, or proposed to date. Non-residential uses, such as office, retail, and restaurants have higher trip generation rates than residential uses. According to the San Francisco Transportation Impact Analysis Guidelines (October 2002) utilized in the Eastern Neighborhoods PEIR, a one to two bedroom residential unit would generate roughly 7.5 to 10 trips per day, whereas non-residential uses of approximately the same square footage⁵ would generate the following daily trip rates per 1,000 square feet: 18 trips for office use; 150 trips for general retail use; and 200 trips for quality sit-down restaurant uses. Given that the transportation impact analysis in the Eastern Neighborhoods PEIR is based on trip generation associated with six times more non-residential uses than has been completed, approved, or proposed to date, the impacts associated with development's trips to date can reasonably be assumed to be lower than anticipated in the PEIR. In addition, as documented by SFMTA's recent travel decision survey summary report 2013 – 2017, the percentage of trips made by automobile, including for-hire vehicles, has not changed substantially over the last five years.⁶ Because vehicle trips are a component of overall person trips, correspondingly, the noise and air quality effects related to vehicle trips would also be less severe than anticipated.

6) Appellant has not demonstrated that the Project would make a considerable contribution to a significant cumulative environmental impact.

The Appellant has provided no evidence that the 2918-2924 Project, with its 75 dwelling units, would have a considerable contribution to a significant cumulative environmental impact.

⁵ Two-bedroom residential unit sizes vary, but this analysis is assuming 1,000 square feet per two-bedroom residential units as a proxy. This assumption is based by a Planning Code allowance for these size units: section 151.1 allows one car per dwelling unit in certain use districts, including Eastern Neighborhoods, that include at least two bedrooms and at least 1,000 square feet. Even if average two-bedroom residential unit sizes were lower (e.g., 600 or 800 square feet), the estimated number of trips for non-residential uses would still be higher than that estimated for residential uses.

⁶ Fehr & Peers, 2013-2017 Travel Decision Survey Data Analysis and Comparison Report, Prepared for SFMTA, July 2017. Available at https://www.sfmta.com/sites/default/files/reports/2017/Travel_Decision_Survey_Comparison_Report_2017.pdf

Conclusion

On page 3 of the Appeal Letter, the Appellant states: “The City is engaging in a pattern and practice of approving residential projects in the Mission based on a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review.” This is incorrect. The Planning Department properly relies upon CEQA Guidelines section 15183 to determine if additional environmental review is required for projects that are consistent with the development density established under existing zoning, community plans, or general plan policies, including the Eastern Neighborhoods Plan, for which an EIR was certified. In accordance with this provision of the CEQA Guidelines, additional environmental review **shall not** be required for such projects except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the Project or its site and which were not addressed in as significant impacts in a prior EIR, or which substantial new information shows will be more significant than described in that EIR. Here, the project-level environmental review in the CPE Initial Study determined that the Project would not result in significant effects that are peculiar to the Project or its site that were not previously disclosed in the Eastern Neighborhoods PEIR, and that there was no substantial new information to show that such impacts would be more significant than described in the PEIR.

The Appellant does not demonstrate that the Planning Commission’s determination that the Project would not result in significant effects that are peculiar to the project or its site and that were not previously disclosed in the Eastern Neighborhoods PEIR is not supported by substantial evidence.

Concern 2: The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered. Previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was [sic] erroneous in numerous respects.

Response 2: The CEQA findings adopted by the Planning Commission on December 15, 2017 as part of the Commission’s approval of the Conditional Use Authorization for the Project are not subject to appeal under the San Francisco Administrative Code. Further, under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE Initial Study and additional Planning Department analysis have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits.

Under San Francisco Administrative Code section 31.16(c)(3), (d)(3), and (e)(3), the grounds for appeal of an environmental determination are limited to whether the **environmental determination** is adequate under CEQA. The CEQA findings are findings made as a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the CPE. Any challenge to the CEQA findings must be

included as part of an appeal of the Project's approval action, which was a Conditional Use Authorization. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any CEQA findings be made when a project is approved in reliance on a CPE. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines section 15091.

Regardless, there is no substantial evidence in the record showing that the Project will cause adverse physical environmental impacts due to gentrification and displacement of existing residents and businesses. In fact, as discussed below, substantial evidence shows that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes.

Gentrification and Displacement

The Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The Department is actively engaging with the community, the Board, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls Interim Zoning Controls for Restaurants and Storefront Mergers in the Mission Interim Controls Area, the Calle 24 Special Use District, Mission Action Plan 2020 ("MAP2020"), and a broader citywide analysis of socioeconomic trends.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Latino community in the Mission, including the Mission Interim Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the Latino Cultural District, and 24th Street in particular.

The most robust effort to date, the MAP2020 is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past three years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to implement and advance its specific strategies through programs and legislation through the summer of 2018.

In addition, the Planning Department is working on a Community Stabilization and Anti-Displacement Strategy to undertake a broader analysis of displacement and gentrification issues citywide with a focus on equity working with UC Berkeley's Urban Displacement Project. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

However, the Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 2918-2924 Mission Street project are responsible for residential or commercial displacement. As shown in the attached analysis (Attachment A prepared for the 2675 Folsom Street CEQA appeal, the Appellant's contention that the proposed Project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement (see Attachment C for the ALH technical study). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

The issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues,

examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan-level and project-level CEQA documents under the relevant resource topics such as population and housing, transportation, air quality, noise, parks and open space, and public services. The appellant asserts that gentrification and displacement would result in impacts to cultural and historic resources, health and safety, and increased traffic due to reverse commutes and shuttle busses, and that these impacts have not been considered; however, no evidence of these purported impacts has been provided. These topics are discussed individually below.

Cultural and Historic Resources

The Calle 24 Latino Cultural Heritage District was identified in 2014,⁷ subsequent to certification of the Eastern Neighborhoods PEIR. The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The CPE Initial Study (page 15) indicates that the Project site is not within the Calle 24 Latino Cultural Heritage District; the western boundary of the district is across Mission Street from the Project site. As discussed, a cultural heritage district is defined as a region and a community linked together by similar cultural or heritage assets, and offering visitor experiences that showcase those resources.⁸ The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed Project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

Therefore, the CPE Initial Study correctly determined that the Project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR and that the

⁷ Board of Supervisors Resolution, File No. 140421, May 28, 2014.

⁸ Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. <http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf>, accessed June 8, 2016.

designation of the Calle 24 Latino Cultural District does not constitute significant new information that would result in a new significant historic resource impact or change the conclusions set forth in the Eastern Neighborhoods PEIR.

Health and Safety

Because the Appeal Letter provides no supporting evidence, it is unclear how the Appellant believes gentrification and displacement within the LCD would result in impacts to health and safety. The CPE Initial Study discusses health and safety concerns related to various environmental topics: pedestrian safety (page 21); noise (pages 23 and 24); air quality and health risks (pages 25 to 28); seismic and geologic hazards (pages 36 to 37); flooding risks (page 39); and hazards and hazardous materials (pages 40 and 41). Further discussion of this topic is provided below under Concern 4. The Appeal Letter does not provide any analysis connecting gentrification and displacement with public health and safety impacts.

Traffic

The Appellant claims that there is increased traffic due to reverse commutes and shuttle busses since certification of the Eastern Neighborhoods PEIR, which was not considered. At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, as discussed in the CPE Initial Study (pages 11 and 17,) automobile delay, as described solely by level of service or similar measures of traffic congestion is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579. Accordingly, the CPE evaluates whether the proposed project would result in significant impacts on vehicle miles traveled (VMT).

Even though, as discussed above, the CPE Initial Study establishes that the proposed Project would not have significant impacts either individually or cumulatively related to increased VMT, additional Planning Department analysis - based on updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission - presented in the 2675 Folsom Street Appeal Response (Attachment A) rebuts the Appellant's claim that increased commute distances by displaced workers are causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR. As shown in the 2016 transportation study and April 2017 traffic counts (Attachment B), observed traffic volumes and the percentage of estimated development completed were generally *lower* than expected in the Eastern Neighborhoods PEIR; this indicates traffic volumes similar to or slightly below PEIR projections. Further, environmental review for the commuter shuttle program concluded that the program reduces the number of commuters who drive alone to work, reducing regional VMT, and would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading. Thus, the available evidence demonstrates that new or substantially more severe transportation impacts on the Latino Cultural District are not occurring as a result of increased traffic.

Other

The Appeal letter claims that “previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was [sic] erroneous in numerous respects.” The Appellant provides no support whatsoever for this general assertion and has specified neither which reports, nor in what respects the reports are erroneous, hence no further response is given.

Conclusion

Available evidence refutes the Appellant’s contention that development under the Eastern Neighborhoods Rezoning and Area Plans is responsible for gentrification and displacement affecting the Calle 24 Latino Cultural District. Moreover, gentrification and displacement are socioeconomic impacts that are not within the scope of CEQA environmental review. Because the Calle 24 Latino Cultural District is not a historic resource under CEQA, any potential impacts would be considered social or economic effects, and not impacts on the physical environment subject to CEQA analysis. The Appellant’s claim that impacts to the Calle 24 Latino Cultural District were not considered with respect to cultural and historic resources, health and safety, and transportation is not supported by the record. Not only were these topics considered, the environmental analysis is supported by substantial evidence. The Appellant has not provided any information to the contrary.

Concern 3: The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.

Response 3: The Appellant’s contentions concerning community benefits are not valid grounds for an appeal of the CPE because they do not demonstrate that the Project would result in significant effects that are peculiar to the Project or its site that were not disclosed in the Eastern Neighborhoods PEIR, or which substantial new information shows will be more significant than described in the PEIR.

As stated above, CEQA section 21083.3 and CEQA Guidelines section 15183 mandate that projects that are consistent with the development density established under existing zoning, community plans, or general plan policies for which an EIR was certified shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not addressed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. The Appellant’s contentions concerning the funding and implementation of community benefits do not demonstrate that the Project would result in significant environmental effects that are peculiar to the Project or its site that were not disclosed in the Eastern Neighborhoods PEIR, nor do they demonstrate substantial new information showing that impacts would be more significant than described in the PEIR.

Therefore, these contentions do not present a valid ground for an appeal of the determination that the project qualifies for a CPE.

For informational purposes, however, the following discussion about the status of the community benefits identified in the CEQA findings and Statement of Overriding Consideration for the adoption of the Eastern Neighborhoods Area Plans is provided.

The Appellant does not specify which community benefits “have not been fully funded, implemented or are underperforming...” or which findings and determinations for the Project “rely on the claimed benefits to override impacts outlined in the PEIR.” Regardless, as the following discussion indicates, community benefits are being provided under the Eastern Neighborhoods Plan through an established process.

The Eastern Neighborhoods Plan included, as an informational item considered by the Planning Commission at the time of the original Eastern Neighborhoods Plans approvals in 2008, a Public Benefits Program detailing a framework for delivering infrastructure and other public benefits as described in an Implementation Document titled Materials for Eastern Neighborhoods Area Plans Initiation Hearing.⁹ The Public Benefits Program consists of:

- 1) an Improvements Program that addresses needs for open space, transit and the public realm, community facilities and affordable housing;
- 2) a Funding Strategy that proposes specific funding strategies and sources to finance the various facilities and improvements identified in the Improvements Plan, and matches these sources to estimated costs; and
- 3) a section on Program Administration that establishes roles for the community and City agencies, provides responsibilities for each, and outlines the steps required to implement the program.

Some of the benefits were to be provided through requirements that would be included in changes to the Planning Code. For example, Planning Code section 423 (Eastern Neighborhoods Community Infrastructure Impact Fee) fees are collected for “Transit”, “Complete Streets”, “Recreation and Open Space”, “Child Care”, and in some portions of the Mission District and the South of Market Area, “Affordable Housing”. Other benefits were to be funded by fees accrued with development and through other sources of funding. The Public Benefits Program was not intended to be a static list of projects; rather, it was designed to be modified by a Citizens Advisory Committee as needs were identified through time.

⁹ San Francisco Planning Department, *Materials for Eastern Neighborhoods Area Plans Initiation Hearing*, Case No. 2004.0160EMTUZ. April 17, 2008. Available at: http://sf-planning.org/sites/default/files/FileCenter/Documents/1507-VOL3_Implementation.pdf, accessed July 14, 2017.

The Appellant's assertion that "the claimed benefits to override impacts outlined in the PEIR are not supported," stating that benefits have not been have not been fully funded, implemented, or are underperforming, is incorrect.

In terms of the process for implementing the Public Benefits Program, new development within the Eastern Neighborhoods Plan area, including the Project, are required to pay development impact fees upon issuance of the "first construction document" (either a project's building permit or the first addendum to a project's site permit), which fees are collected to fund approximately 30 percent of the infrastructure improvements planned within the Eastern Neighborhoods Plan area. Additional funding mechanisms for infrastructure improvements are identified through the City's 10-year Capital Plan. Eighty percent of development impact fees must go towards Eastern Neighborhoods priority projects, until those priority projects are fully funded. The fees are dispersed to fund infrastructure improvements within the entirety of the Eastern Neighborhoods Plan area, on a priority basis established by the Eastern Neighborhoods Citizen Advisory Committee (CAC) and the City's Interagency Plan Implementation Committee (IPIC). The IPIC works with the CAC to prioritize future infrastructure improvements. Additionally, the Planning Department and Capital Planning Program are working with the implementing departments to identify additional state and federal grants, general fund monies, or other funding mechanisms such as land-secured financing or infrastructure finance districts to fund the remaining emerging needs. Impact fees are distributed among the following improvement categories: open space, transportation and streetscape, community facilities, childcare, library, and program administration. As stated in the January 2016 Planning Department's Interagency Plan Implementation Committee Annual Report,¹⁰ the Planning Department forecasts that pipeline projects, including the proposed project, would contribute approximately \$79.1 million in impact fee revenue within the Eastern Neighborhoods Plan area between fiscal years 2017 and 2021.

Infrastructure projects that are currently underway are also listed in the Planning Department's Interagency Plan Implementation Committee Annual Report. These include various streetscape, roadway, park, and childcare facility improvements. Additionally, a Transportation Sustainability Fee was adopted in November 2015 (BOS File Number 150790) and expenditures of the revenue generated through this fee are allocated according to Table 411A.6A in the Ordinance, which gives priority to specific projects identified in different area plans. These processes and funding mechanisms are designed to provide for implementation of infrastructure improvements to keep pace with development and associated needs of existing and new residents and businesses within the area. The CPE Initial Study provides further information regarding improvements within the Eastern Neighborhoods Plan Area. Regarding transit, as discussed on pages 20 and 21 of the CPE Initial Study, Mitigation Measures E-5

¹⁰ *City and County of San Francisco, Interagency Plan Implementation Committee Annual Report*, January 2016. Available at http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/2016_IPIC_Report_FINAL.pdf, accessed July 14, 2017.

through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Eastern Neighborhoods Area Plans with uncertain feasibility to address significant transit impacts. While these plan-level measures are not applicable to the Project, each is in some stage of implementation (see discussion on pages 20 and 21 of the CPE Initial Study). Regarding recreation, the funding and planning for several Eastern Neighborhoods parks and open space resources are discussed on pages 32 and 33 of the CPE Initial Study.

Thus, based on the available evidence, the public benefits included in the Public Benefits Program are in the process of being provided under the Eastern Neighborhoods Area Plans. As is generally the case with development fee-based provision of community benefits, capital facilities are constructed as fees are collected and are rarely provided in advance of development.

Concern 4: The CEQA findings did not take into account the potential impacts on the Zaida T. Rodriguez school and the school's children with respect to shadow; noise impacts on the Speech and Learning School; transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children; and overall health and safety of the children.

Response 4: The CEQA findings adopted by the Planning Commission on December 15, 2017 as part of the Commission's approval of the Conditional Use Authorization for the Project are not subject to appeal under San Francisco Administrative Code. The CPE Initial Study considered and did not identify significant environmental impacts peculiar to the Project or its site on the Zaida T. Rodriguez School or its students.

San Francisco Administrative Code section 31.16(c)(3), (d)(3), and (e)(3) limits the grounds for appeal of an environmental determination to whether the **environmental determination** is adequate under CEQA. The CEQA findings are findings are a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the CPE. Challenging the CEQA findings would appropriately be part of any appeal of the Project's approval action, which was a Conditional Use Authorization. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any CEQA findings be made when a project is approved in reliance on a CPE. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines section 15091.

The CPE Initial study identified the Zaida T. Rodriguez School adjacent to the Project site and considered the potential environmental effects of the Project on the school and the school's children, as further described below.

Shadow

The Eastern Neighborhoods PEIR determined shadow impacts to be significant and unavoidable, as the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time that the PEIR was certified. The CPE Initial Study examined potential site-specific

shadow impacts of the Project in accordance with the City's Initial Study Checklist criterion for shadow, which considers whether a project would "create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas." Shadow effects on schoolyards are not considered an environmental impact under CEQA (unless those outdoor recreation facilities are open to the public, such as through the San Francisco Shared Schoolyard Project). Thus, any shadow effects on the Zaida T. Rodriguez schoolyards would not result in a significant environmental impact under CEQA. Regardless, the Planning Department's preliminary shadow fan analysis indicates that the Project would not cast any shadows on the schoolyard of the Zaida T. Rodriguez schoolyard adjacent to the south (2950 Mission Street), as stated on CPE Initial Study, page 31. It is possible that the Project would cast shadows on the schoolyard across Osage Alley to the west (421 Bartlett Street) in the early morning hours; however, these shadows would retreat as the sun moves to the south and west during the day.

Noise

As discussed in the CPE Initial Study (pages 23 and 24), construction of the Project would result in temporary elevated noise levels at nearby residences and schools, including the Zaida T. Rodriguez Early Education School. Accordingly, Eastern Neighborhoods PEIR Mitigation Measure F-2 would apply to the Project, and the project sponsor has prepared a noise and vibration mitigation plan.¹¹ According to the noise mitigation plan, ambient noise and construction noise measurements would be taken at noise sensitive locations in the vicinity of the Project site during construction. Construction noise reduction may be achieved by various methods of equipment source noise reduction, noise barriers, and sensitive receptor noise reduction. These methods could include the following: providing intake and exhaust mufflers on pneumatic impact tools and equipment; using noise-attenuating shields, shrouds or portable barriers; using electric instead of diesel or gasoline-powered equipment; providing enclosures for stationary items of equipment and noise barriers around particularly noisy areas at the project site; minimizing noisy activities during the most noise sensitive hours; installing noise control curtains; and installing removable secondary acoustic window inserts to existing windows in sensitive receptor buildings. As stated in the CPE Initial Study and consistent with the PEIR noise impact analysis, compliance with this mitigation measure would result in a less-than-significant impact with regard to construction noise.

In addition, and as stated in the CPE Initial Study, all construction activities for the proposed project would be subject to the San Francisco Noise Ordinance which includes enforceable standards limiting construction noise.

The CPE Initial Study correctly concluded that there are no peculiar site-specific conditions that would result in new or substantially more severe noise impacts than considered in the Eastern Neighborhoods

¹¹ Clearwater Group, *Site Mitigation Plan, 2918-2924 Mission Street*, May 26, 2016.

PEIR. The PEIR considered that new developments would be constructed near noise-sensitive receptors, such as residences and schools; the presence of the Zaida T. Rodriguez School adjacent to the site is not a peculiar or unforeseen circumstance. Construction activities occur routinely in the City adjacent to noise-sensitive receptors, subject to noise regulations and similar noise mitigation measures as the Project. The Appeal Letter does not demonstrate that the CPE Initial Study did not consider the noise impacts on students at the Zaida T. Rodriguez School or that the conclusions in the CPE concerning noise impacts on the school are not supported by substantial evidence.

Transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children

The Planning Department considered the transportation impacts of the Project with respect to parents picking up and dropping off their children at the Zaida T. Rodriguez School. Initial plans for the Project submitted to the Department in June 2015 included an 18-car garage with the entrance on Osage Alley. Comments received on the Planning Department's *Notice of Project Receiving Environmental Review* distributed in September 2016 identified community concerns with regard to pedestrian safety for parents picking up and dropping off their children at the school, and for students and teachers crossing Osage Alley between the two school campuses. Based on these concerns, the project sponsor modified the Project to eliminate the parking garage, to remove the existing curb cuts and restore the sidewalk, and to incorporate a passenger loading zone in front of the building lobby on Mission Street, well separated from the school's passenger loading zone to the south of the Project site. With incorporation of these design changes, the Department determined that the Project would not have any significant transportation and circulation impacts, including pedestrian safety impacts on students and parents dropping off and picking up at the adjacent school.

Health and Safety

The CPE Initial Study considers the health and safety of the public, including students at the adjacent Zaida T. Rodriguez School, under several environmental topics. CPE Initial Study pages 26 to 28 evaluate the health and safety impacts related to air quality, such as exposure to construction dust, criteria air pollutant emissions, and health risks associated with air pollutants, such as those generated by construction vehicles and equipment. As discussed, compliance with the Construction Dust Control Ordinance would protect the health of the students through a combination of construction best management practices such as watering disturbed areas, covering stockpiled materials and haul trucks, prohibiting soil disturbing activities when wind speeds are great enough to create visible dust emissions outside the work zone, and street and sidewalk sweeping. In addition, the Project sponsor has prepared a *Site Mitigation Plan* for project construction, which has been reviewed and approved by the San Francisco Department of Public Health in accordance with Article 22A of the Health Code. The Site Mitigation Plan includes a detailed dust control plan that would entail installation of wind screens on the perimeter security fences to reduce potential dust migration to off-site areas and a dust monitoring program that triggers additional engineering controls or halting work if dust levels in excess of action levels (250 micrograms per cubic meter for each 10-minute average reading) or visible dust are observed. According

to the site mitigation plan's dust monitoring protocols, dust levels would be measured at nine station locations around the site perimeter using direct-reading instruments for particulate matter. Monitoring would be conducted once per hour for the first two days of new activity involving dust-generating activities; if no exceedances occur, the sampling frequency could be reduced. Records of dust mitigation daily inspections and dust monitoring results would be recorded on a daily log.¹² The regulations and procedures set forth would ensure that construction dust impacts would not be significant.

The CPE evaluates whether the Project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE Initial Study, this up-to-date, project-specific analysis demonstrates that the Project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The scale of the Project is well below the Bay Area Air Quality Management District's screening levels for criteria pollutants. Thus, construction and operation of the Project would not have a significant criteria air pollutant impact, as discussed on CPE Initial Study page 27.

Potential health risks to the public, including students of the Zaida T. Rodriguez school, were also considered in the CPE Initial Study, pages 27 and 28. As noted, the Project site is not within the Air Pollutant Exposure Zone, established by Health Code Article 38, and therefore does not require special consideration to determine whether project construction or operation would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality. Standard air quality methodologies used in the analysis are protective of all sensitive receptors, including residents and schoolchildren. As explained in the BAAQMD's *CEQA Air Quality Guidelines*: "Due to the variable nature of construction activity, the generation of toxic air contaminant emissions in most cases would be temporary, especially considering the short amount of time such equipment is typically within an influential distance that would result in the exposure of sensitive receptors to substantial concentrations. In addition, current models and methodologies for conducting health risk assessments are associated with longer-term exposure periods of 9, 40, and 70 years, which do not correlate well with the temporary and highly variable nature of construction activities." Although on-road heavy-duty diesel vehicles and off-road equipment would be used during the 20-month construction duration, emissions would be temporary and variable in nature and would not be expected to expose sensitive receptors to substantial air pollutants. The CPE Initial Study conclusion regarding potential health risks to nearby sensitive receptors is based on current guidance used for projects throughout the City, based on substantial evidence. The appellant has not shown any evidence to the contrary.

¹² San Francisco Department of Public Health, Environmental Health, SFHC Article 22a Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco. EHB-SAM Case No: 1296, June 15, 2016.

CPE Initial Study section 15, pages 40 to 42, evaluates potential hazards to the public, including students at the Zaida T. Rodriguez School, due to exposure to hazardous materials that could be released during construction from demolition of the existing building and during excavation and removal of contaminated soil. Hazardous building materials addressed in the Eastern Neighborhoods PEIR include asbestos, lead-based paints, polychlorinated biphenyls, and fluorescent lights containing mercury, which could present a public health risk if improperly handled during demolition. As discussed, compliance with state and local regulations and implementation of PEIR Mitigation Measure L-1 would ensure that building materials are handled appropriately to minimize the potential for exposure to hazardous building materials and, accordingly, to reduce potential health risks to a less-than-significant level. In addition, the CPE Initial Study discloses that the Project site was formerly used as an automobile service station and that contaminants present in soil and groundwater would be encountered during excavation and, if not properly handled, could result in releases that may expose the public to those hazardous materials and potentially result in adverse health effects. However, as discussed, article 22A of the Health Code, also known as the Maher Ordinance, routinely addresses development on sites with potentially hazardous soil or groundwater in order to protect public health and safety. In compliance with the Maher Ordinance, the project sponsor has submitted a 161-page site mitigation plan¹³ that presents the specific protocols for removing or managing the contaminants found in soil and groundwater. These include eight specific mitigation plans for the following: waste management and disposal; dust control (described in more detail above under the first paragraph in this section regarding health and safety); stormwater pollution protection; soil management and handling procedures; health and safety plan; vapor screening procedures; excavation management and waste; noise and vibration mitigation. As discussed in the CPE Initial Study, the Department of Public Health, Environmental Health has reviewed the site mitigation plan and determined that it is compliant with article 22A.¹⁴ The CPE correctly concludes that the Project would not result in any significant impacts related to hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

Conclusion

The CPE Initial Study considered and did not identify significant environmental impacts of the Project on the public, including the students at the Zaida T. Rodriguez school. The Appellant does not demonstrate that the Planning Commission's determination that the Project would not result in significant effects that are peculiar to the Project or its site on the Zaida T. Rodriguez School and the school's children with respect to a shadow, noise, transportation, and overall health and safety is not supported by substantial

¹³ Clearwater Group, Site Mitigation Plan, San Francisco Health Code Article 22A, Maher Ordinance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco, May 26, 2016.

¹⁴ Stephanie Cushing, Director, Environmental Health, San Francisco Department of Public Health, SFHC Article 22A Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco, June 15, 2016.

evidence. Further, the Eastern Neighborhoods PEIR and the CPE Initial Study did consider the effects of development on adjacent land uses and sensitive receptors as a result of the rezoning options considered and found those impacts to be less-than-significant. As discussed above, “the effect of a project on the environment shall not be considered peculiar to the project or the parcel...if uniformly applied development policies or standards have been previously adopted by the city or county with a finding that the development policies or standards will substantially mitigate that environmental effect when applied to future projects.” As referenced, these include the Construction Dust Control Ordinance, the Noise Ordinance, Article 22A of the Health Code, and Bay Area Air Quality Management District CEQA Guidelines. The presence of the Zaida T. Rodriguez School adjacent to the Project site does not result in a new significant environmental effect or increased severity of an environmental effect analyzed in the Eastern Neighborhoods PEIR, or substantial new information showing that the impacts analyzed in the PEIR would be more significant than described in the PEIR, such that a project-specific EIR would need to be prepared.

Concern 5: The Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan.

Response 5: The Project is consistent with the development density established under the Eastern Neighborhoods Area Plan, and would not result in significant impacts on the physical environment due to conflicts with the General Plan or the Mission Area Plan that are peculiar to the project or the project site.

On page 3 of the Appeal Letter, the Appellant states “The Proposed Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan.” The Appeal Letter provides no evidence in support of this claim.

Topic 1(b) in the “Land Use and Land Use Planning” section of the CPE Initial Study limits review of the Project’s conflicts with any applicable land use plan, policy, or regulation to those “adopted for the purpose of avoiding or mitigating an environmental effect.” Project-related policy conflicts and inconsistencies do not constitute, in and of themselves, impacts on the physical environment under CEQA. As discussed in the Initial Study CPE, the Project is consistent with the development density established in the Eastern Neighborhoods Area Plans, and thus implementation of the proposed project would not result in significant impacts that were not identified in the PEIR related to land use and land use planning.

While not relevant to this appeal, it should be noted that the consistency of the Project with those General Plan and Mission Area Plan policies that do not relate to physical environmental effects were considered by the Planning Commission as part of its determination of whether to approve, modify, or disapprove the Project.

The Planning Department's Citywide Planning and Policy Analysis Division determined that the Project was consistent with the General Plan and with the bulk, density, and land uses as envisioned in the Mission Area Plan, under the State Density Bonus Law. The determination further states:

"Objective 1.2 of the Mission Area Plan calls for maximizing development potential in keeping with neighborhood character. The proposed project is consistent with this objective by providing 75 dwelling units and utilizing the State Density Program. The project also includes 2 bedroom and 1 bedroom units to satisfy a unit mix, consistent with Objective 2.3; ensure that new residential developments satisfy an array of housing needs with respect to tenure, unit mix and community services...The proposed project's bulk and density are consistent with that permitted under the Mission Street NCT zoning with the State Density Bonus Law."

The Citywide determination concludes:

"For the purposes of the Citywide Planning and Policy Analysis division, the project is eligible for consideration of a Community Plan Exemption under California Public Resources Code Sections 21159.21, 21159.23, 21159.24, 21081.2, and 21083.3, and/or Section 15183 of the California Environmental Quality Act (CEQA) Guidelines."

As a general matter, the determination of whether a project is consistent with a specific plan or policy can be subjective, and is best made with a broad understanding of the often-competing policy objectives in a planning document. Consequently, policy consistency determinations are ultimately made by the City's decision-making bodies such as the Planning Commission and the Board of Supervisors independent of the environmental review process, as part of the decision to approve or reject the project. In its approval of the Project's Conditional Use Authorization, the Planning Commission determined that the project is generally consistent with the objectives and policies of the General Plan, including the Mission Area Plan.

Accordingly, the Project would not result in significant impacts on the physical environment due to inconsistency with the General Plan, the Eastern Neighborhoods Plan, or the Mission Subarea Plan that are peculiar to the Project or the project site.

CONCLUSION:

The Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The Planning Department conducted necessary studies and analyses, and provided the Planning Commission with the information and documents necessary to make an informed decision, based on substantial evidence in the record, at a noticed public hearing in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Planning Department respectfully recommends that the Board of Supervisors uphold the Department's determination for the CPE and reject Appellant's appeal.

Attachment A

Appeal of Community Plan Exemption for

2675 Folsom Street

Socioeconomic Analysis

March 13, 2017



SAN FRANCISCO PLANNING DEPARTMENT

APPEAL OF COMMUNITY PLAN EXEMPTION 2675 FOLSOM STREET PROJECT

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RE: File No. 161146, Planning Department Case No. 2014.000601ENV – Appeal of the Community Plan Exemption for the 2675 Folsom Street Project. Block/Lot: 3639/006, 007

PROJECT SPONSOR: Muhammad Nadhiri, Axis Development Corporation – (415) 992-6997

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

HEARING DATE: March 21, 2017

ATTACHMENTS: Appendix A – Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA
Appendix B – Eastern Neighborhoods / Mission District Transportation and Demographic Trends

1 INTRODUCTION

This memorandum and the attached documents are supplements to the Planning Department's (the "Department") November 29, 2016 responses to letters of appeal to the Board of Supervisors (the "Board") regarding the Department's issuance of a Community Plan Exemption ("CPE") under the Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report ("Eastern Neighborhoods PEIR or PEIR")¹ in compliance with the California Environmental Quality Act ("CEQA")

¹ [The Eastern Neighborhoods Rezoning and Area Plan Final EIR](#) (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) was certified by the Planning Commission on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

for the 2675 Folsom Street project. Specifically, this memorandum expands on the Planning Department's previous response to the appellant's contentions concerning socioeconomic impacts.

On October 21, 2016, J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council ("the appellant"), filed an appeal of the Planning Department's CEQA determination for the proposed project. On November 28, 2016, the Planning Department provided a response to the CEQA appeal. On November 29, 2016, the Board of Supervisors opened a hearing on the appeal of the CPE and continued the hearing to December 13, 2016, to allow additional time for the Department to prepare an analysis of potential socioeconomic effects of the proposed project within the Calle 24 Latino Cultural District.² The Board voted on December 13, 2016, to continue the appeal hearing to January 10, 2017, and on January 10, 2017, the Board continued the hearing to March 21, 2017, to provide additional time to allow the Department to complete the aforementioned socioeconomic impact analysis.

The decision before the Board is whether to uphold the Planning Department's determination that the proposed project is exempt from further environmental review (beyond what was conducted in the CPE Checklist) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183³ and deny the appeal, or to overturn the Department's CPE determination for the project and return the CPE to the Department for additional environmental review.

² The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue.

³ 14 Cal. Code of Reg. Section 15000 *et seq.* (CEQA Guidelines). The CEQA Guidelines are state regulations, developed by the California Office of Planning and Research and adopted by the California Secretary for Resources. They are "prescribed by the Secretary for Resources to be followed by all state and local agencies in California in the implementation of the California Environmental Quality Act." (CEQA Guidelines Section 15000.)

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2 EXECUTIVE SUMMARY

This memorandum addresses concerns about gentrification of the Calle 24 Latino Cultural District and related displacement of existing residents and local businesses. The Planning Department acknowledges that gentrification and displacement are occurring in the Mission District and other San Francisco neighborhoods, and is devoting substantial resources aimed at addressing these socioeconomic issues with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts. However, these socioeconomic effects are generally beyond the scope of the CEQA⁴ environmental review process. Under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts.

CEQA mandates streamlined review for projects like the 2675 Folsom Street project that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an environmental impact report ("EIR") was certified. Accordingly, additional environmental review for such projects shall not be required except to examine whether there are project-specific significant impacts that are peculiar to the project or its site. Pursuant to CEQA Guidelines section 15183(a): "This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." As such, the additional analysis presented in this memorandum is limited to examining whether the project would cause or contribute to socioeconomic effects that would in turn lead to significant physical impacts beyond those identified in the Program EIR certified for the adoption of the Eastern Neighborhoods Rezoning and Area Plans ("Eastern Neighborhoods PEIR").

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

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern

⁴ California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq.*

Neighborhoods rezoning and area plans. Neither these analyses nor the literature establishes empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement.

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

In conclusion, the Planning Department's determination that the 2675 Folsom Street project would not result in new or substantially more severe significant effects on the physical environment than were already disclosed in the Eastern Neighborhoods PEIR is valid. The department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

3 BACKGROUND

The central issues raised by the appellant focus on gentrification of the Mission and displacement of both Mission residents and local small businesses.⁵ As discussed in this supplemental appeal response, these socioeconomic issues, while real, are largely beyond the scope of CEQA environmental impact analysis.

Because the intent of CEQA is to provide information about the physical environmental impacts of a proposed action, public agencies have very limited authority under CEQA to address the non-physical effects of an action, such as social or economic effects, through the CEQA environmental review process.

The basic purposes of CEQA are to⁶:

1. Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.
2. Identify the ways that environmental damage can be avoided or significantly reduced.
3. Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
4. Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

These objectives are achieved through the preparation of informational reports for review by the public and adoption by public agencies. A public agency's adoption of a CEQA environmental review document (e.g., certification of a final environmental impact report or adoption of a community plan evaluation) is the agency's determination that the informational requirements of CEQA have been satisfied, but is neither a judgement of the merits of the subject project, nor an approval of the project itself. Rather, the adoption of a CEQA document is an agency's determination that the document provides sufficient information about the potential environmental effects of a project to inform subsequent discretionary actions on the project, such as consideration of whether to grant a conditional use permit for the project.

The focus of CEQA is on *physical* environmental impacts, such as impacts of a project on air quality, water quality, or wildlife habitat. CEQA Guidelines section 15131(a) states:

Economic or social effects shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes.

Moreover, CEQA section 21082.2 states, in part:

⁵ *Gentrification* is a process associated with increased investment in existing neighborhoods and the related influx of residents of higher socioeconomic status and increased property values. The effects of gentrification on residential, cultural, social, and political displacement have been the subject of substantial economic and planning research and analysis in the U.S. since at least the 1970s.

⁶ CEQA Guidelines section 15002.

- (a) The lead agency shall determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record.
- (b) The existence of public controversy over the environmental effects of a project shall not require preparation of an environmental impact report if there is no substantial evidence in light of the whole record before the lead agency that the project may have a significant effect on the environment.
- (c) Argument, speculation, unsubstantiated opinion or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment, is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

[Emphasis added.]

CEQA Guideline section 15360 defines the term *environment* as follows:

“Environment” means the physical conditions which exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. The area involved shall be the area in which significant effects would occur either directly or indirectly as a result of the project. The “environment” includes both natural and man-made conditions.

Neither the CEQA statute nor the CEQA Guidelines provide an express definition of non-physical effects such as social or economic effects. However, the Planning Department understands non-physical social and economic effects under CEQA to include for example changes in demographics, changes in property ownership or occupancy, and changes in the types of retail businesses in a neighborhood. Such changes are not impacts on the physical environment as defined in CEQA Guidelines section 15360.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor’s Office to preserve the viability of the Latino community in the Mission, including the Mission 2016 Interim Zoning Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the LCD, and 24th Street in particular.

The most robust effort to date, the Mission Action Plan 2020 (“MAP2020”) is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past two years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission’s unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to advance its specific strategies through legislation in the spring and summer of 2017.

In addition, the Planning Department is undertaking a broader socioeconomic analysis of displacement and gentrification issues citywide with a focus on equity. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

4 APPROACH TO ANALYSIS

The analysis provided in this memorandum examines whether the proposed project would cause, either individually or cumulatively, socioeconomic changes within the Calle 24 Latino Cultural District that would in turn lead to significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. The analysis consists of three parts.

The first part of this analysis examines whether the proposed project would *cause* gentrification or displacement, either individually or cumulatively. It is not enough under CEQA to show only that economic or social changes are occurring in the project area. Rather, the analysis must examine whether the project, either individually or in combination with other past, present, and reasonably foreseeable future projects, would cause these socioeconomic effects. The analysis need proceed further only if it establishes, based on substantial evidence, that the proposed project would cause the socioeconomic effects claimed by the appellant.

If the analysis determines that the project would cause gentrification or displacement, either individually or cumulatively, then the analysis must consider the second question: Would the economic or social effects attributable to the project result in a significant adverse physical impact on the environment? Changes in the types of businesses, cost of housing, or demographics in a project area are not considered physical environmental impacts under CEQA. These are examples of social and economic effects, not physical environmental impacts. As stated above, the focus of CEQA is on physical environmental impacts. Examples of physical impacts that could be linked to social or economic effects include impacts on transportation and related air quality, greenhouse gas, and noise impacts where such impacts are a direct or indirect result of social or economic changes.

Finally, if the analysis traces a chain of cause and effect establishing that the proposed project would result in significant adverse physical environmental impacts as a direct or indirect result of socioeconomic changes, the analysis must consider whether such impacts would constitute new or substantially more severe significant impacts than were identified in the Eastern Neighborhoods PEIR.

Because the proposed project is consistent with the development density established for the project site under the Eastern Neighborhoods area plans and rezoning, consideration of the potential socioeconomic impacts of the proposed project must be limited to significant physical impacts that are peculiar to the project or the project site in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

CEQA Guidelines section 15183 states, in part:

- (a) CEQA mandates that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there

are project-specific significant effects which are peculiar to the project or its site. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.

- (b) In approving a project meeting the requirements of this section, a public agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis:
- (1) Are peculiar to the project or the parcel on which the project would be located,
 - (2) Were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent,
 - (3) Are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action, or
 - (4) Are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR.

Accordingly, the analysis below examines whether socioeconomic effects of the proposed project would result in significant adverse impacts on the physical environment that:

- Are peculiar to the project or the parcel on which the project would be located
- Were not analyzed as significant effects in the Eastern Neighborhoods PEIR
- Are potentially significant off-site impacts and cumulative impacts which were not discussed in the Eastern Neighborhoods PEIR, or
- Are previously identified significant effects which, as a result of substantial new information which was not known at the time the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR

5 EASTERN NEIGHBORHOODS PLAN-LEVEL SOCIOECONOMIC EFFECTS

To evaluate whether socioeconomic effects that might be caused or exacerbated by the proposed project would result in new or more severe significant environmental impacts than were previously identified in the Eastern Neighborhoods PEIR, it is necessary to first review how such effects are addressed in the PEIR. The Eastern Neighborhoods PEIR included a thorough analysis of the socioeconomic effects of the rezoning and area plans. Specifically, the Population, Housing, Business Activity, and Employment section of the PEIR examines whether adoption of the area plans and rezoning would cause or substantially contribute to gentrification and the displacement of existing residents and businesses in the Eastern Neighborhoods plan areas, and if so, whether such effects would result in significant adverse

impacts on the physical environment⁷. A socioeconomic impact study prepared as a background report to the PEIR⁸ provides the basis for this analysis.

The PEIR determined that the adoption and implementation of the area plans and rezoning would induce substantial growth and concentration of population in San Francisco. In fact, one of the four citywide goals that serve as the “project sponsor’s objectives” for the Eastern Neighborhood Rezoning and Area Plans is:

Increase Housing: To identify appropriate locations for housing in the City’s industrially zoned land to meet a citywide need for more housing, and affordable housing in particular.

Notably, unlike other sections of the PEIR that base their analysis on *projected* growth through 2025, the Population, Housing, Business Activity, and Employment section considers the *total* housing supply potential of up to 26,500 new housing units on undeveloped parcels and soft sites under the rezoning. The analysis of potential gentrification and displacement effects in the PEIR is based on this full build out scenario, which assumes substantially greater population growth than the 2025 projections used to assess potential impacts on transportation, air quality and other growth-related impacts on the physical environment.⁹

The PEIR determined that the increase in population expected as a secondary effect of the rezoning and area plans would not, in itself, result in adverse physical effects, and would serve to advance some key City policy objectives, such as decreasing the air quality impacts of development by coordination of land use and transportation decisions (General Plan Air Quality Element Objective 3); provision of new housing, especially permanently affordable housing, in appropriate locations that meets identified housing needs and takes into account the demand for affordable housing created by employment demand (Housing Element Objective 1); encouragement of higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households (Housing Element Policy 1.1); identification of opportunities for housing and mixed-use districts near downtown and former industrial portions of the City (Housing Element Policy 1.2); identification of opportunities for housing and mixed use districts near downtown and former industrial portions of the City (Housing Element Policy 1.3); establishment of public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality (Transportation Element Objective 11); and giving first priority to improving transit service throughout the city, providing a convenient and efficient system as a preferable alternative to automobile use (Transportation Element Objective 20).

⁷ City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR*, p. 175-252, August 7, 2008.

⁸ Hausrath Economics Group, *San Francisco’s Eastern Neighborhoods Rezoning – Socioeconomic Impacts*, March 29, 2007.

⁹ City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR*, p. 240-241, August 7, 2008.

Moreover, the PEIR concluded that implementation of the plans would result in more housing options and a broader range of housing prices and rents, compared to conditions under the No-Project scenario. The PEIR determined that the rezoning and area plans could result in a better match between housing supply and demand in San Francisco than would otherwise be the case without the rezoning while potentially providing benefits such as a reduction in traffic and vehicle emissions if San Francisco workers could live closer to their jobs. The PEIR anticipated that the population increase expected from the rezoning could also generate economic growth by increasing demand for neighborhood-serving retail and personal services, although some existing businesses could be displaced by other businesses that might better serve new residents. The PEIR also determined that the additional population would increase demand for other City services (parks, libraries, health care and human services, police and fire protection, schools, and childcare).¹⁰

Second, the PEIR determined that none of the proposed rezoning options would result in the direct displacement of residents, given that the rezoning would not lead to the demolition of existing residential development and would result in a substantial increase in residential units throughout the plan areas. As stated above, the PEIR determined that the rezoning would result in less displacement because of housing demand than otherwise expected under the No-Project scenario, because the addition of more new housing in the Eastern Neighborhoods would provide some relief for housing market pressures without directly affecting existing residents.

However, the PEIR recognized that residential displacement is not solely a function of housing supply, and that adoption of the area plans and rezoning could result in indirect, secondary effects on neighborhood character—through gentrification—that could result in some displacement of existing residents over time. The PEIR disclosed that the replacement of former industrial uses with housing could result in gentrification of existing nearby residential areas and displacement of lower income households. The PEIR also observed, however, that the rezoning could help to ameliorate the potential effects of residential displacement by increasing the supply of affordable dwelling units sized to accommodate families.

The PEIR also disclosed that as a result of the rezoning and area plans, the real estate market would favor residential, retail, and other higher-value uses, leading to PDR displacement, either to other locations in the city or outside San Francisco, and to some business closures. While this was an existing trend prior to adoption of the area plans and rezoning, the PEIR anticipated that this trend would accelerate in areas rezoned for non-PDR uses. The PEIR further anticipated that displacement of PDR businesses would result in some San Franciscans, including Eastern Neighborhoods residents, with limited education, skills, and language abilities losing opportunities for local, higher wage jobs, which in turn could increase demand for affordable housing in San Francisco.

The PEIR concluded that adoption and implementation of the area plans and rezoning would not create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply. As stated above, the PEIR determined that adoption of the area plans and rezoning would not substantially increase the overall economic growth potential in San Francisco and would not result in

¹⁰ Ibid. p. 240-250

substantially more primary employment growth than otherwise expected in the city or the region, because most of the employment growth that would result from new housing in the Eastern Neighborhoods would be in neighborhood-serving retail and services, which are employment categories that tend to respond to increased population, not employment that precedes or leads to population growth.

Instead, the PEIR determined that implementation of the rezoning and area plans would increase the housing supply potential in the Eastern Neighborhoods and citywide, compared to conditions under the No-Project scenario without implementation of the proposed rezoning and area plans. The PEIR determined that by increasing housing supply relative to demand, more housing choices, and more (relatively) affordable housing units would be developed than without the rezoning, and that the Inclusionary Affordable Housing Program would require below-market-rate units to be developed in conjunction with market-rate projects. Therefore, housing prices and rents for both new and existing housing would generally be lower than would be the case with the more limited housing supply potential in these areas under the prior zoning and continuation of existing market trends. Additionally, the PEIR determined that the area plans and rezoning would reduce pressure to convert existing rental housing stock to relatively affordable for-sale housing (such as through condominium conversions and the tenants-in-common process), compared to No-Project conditions.

Still, the PEIR anticipated that for-sale housing in the Eastern Neighborhoods (and citywide) is likely to remain too expensive for most residents, underscoring the importance of providing and maintaining below-market-rate housing. A possible secondary impact of the area plans and rezoning would be a reduction in the number of sites where City-funded and other subsidized affordable housing units could be built, particularly on new development sites. The PEIR determined however, that maintaining the previous less-restrictive zoning would result in continued increase in land values in the Eastern Neighborhoods, which would also result in elimination of potential affordable housing sites, albeit on a more *ad hoc* basis. Nevertheless, the PEIR included Improvement Measure D-2: Affordable Housing Production and Retention, to reduce the less-than-significant physical effects of potential displacement of existing residents as a secondary effect of the rezoning.

The PEIR also determined that the rezoning would result in economic impacts that could displace existing neighborhood-serving businesses because, despite potential increases in business activity, some smaller, marginally profitable, and locally owned businesses would be likely to be displaced as economic conditions change, landlords begin to increase commercial rents, and more strongly capitalized businesses seek to locate in higher-priced neighborhoods. The PEIR identified improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving uses (i.e., Improvement Measure D-1: Support for Local, Neighborhood-Serving Businesses; Improvement Measure D-2: Affordable Housing Production and Retention; Improvement Measure D-3: Affordable Housing Sites; Improvement Measure D-4: Support for PDR Businesses; Improvement Measure D-5: Support for PDR Workers). The PEIR also notes that physical environmental impacts resulting from the growth under the rezoning and area plans are addressed under the relevant sections of the PEIR, such as transportation, air quality, noise, parks and open space, and public services.¹¹

¹¹ Ibid p. 239

In summary, the Eastern Neighborhoods PEIR identified the potential effects of the rezoning and area plans on housing supply and affordability, gentrification, displacement, locally owned businesses, and PDR use, and evaluated whether these socioeconomic effects would result in significant impacts on the physical environment consistent with the requirements of CEQA. The appellant's contention that these socioeconomic effects represent new information or changed circumstances that the Eastern Neighborhoods PEIR failed to consider is therefore incorrect.

6 PROJECT-LEVEL SOCIOECONOMIC EFFECTS

The proposed project at 2675 Folsom Street would demolish three existing warehouses and construct a mixed-use building with 100 market rate and 17 below market rate residential units (15 percent) and 5,200 square feet of PDR space. Because it would not directly displace any existing residents, the proposed project would not result in any related socioeconomic effects.¹²

The appellant contends, however, that even in the absence of direct displacement the project would have indirect displacement effects on existing residents and businesses as a result of gentrification pressures in the Calle 24 Latino Cultural District. As discussed above, the Eastern Neighborhoods PEIR analyzed the possibility that the increase in market rate housing anticipated under the area plans and rezoning could result in indirect displacement of existing residents and businesses as a secondary effect of gentrification and found that these socioeconomic effects would not result in significant physical environmental impacts. Because, as discussed in Section 5 above, the Eastern Neighborhoods PEIR identified potential cumulative gentrification and displacement effects of development under the rezoning and area plans, any such effects attributable to the proposed project would not be peculiar to the project or its site.

In the appellant's letter, the argument that market rate development may cause displacement through gentrification in the Latino Cultural District is primarily supported in two ways. The appellant asserts that displacement of "mom and pop Latino owned and operated concerns" with "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," (p. 7) along Valencia Street was caused by new market rate development. The appellant also argues that a research brief by UC Berkeley's Institute for Governmental Studies ("IGS") supports the position that market rate development causes displacement.

6.1 COMMERCIAL GENTRIFICATION

The first part of the appellant's argument—the assertion that the project would contribute to or accelerate the "Valencization" (p. 7) of the Calle 24 District—is presented only as a theoretical possibility, without

¹² As reported in the project-specific CPE, the proposed project would result in the net loss of 25,322 square feet of warehouse (PDR) space, which represents a considerable contribution to the significant unavoidable cumulative impact on land use within the Eastern Neighborhoods plan areas resulting from the loss of PDR space.

empirical evidence as to the causes of the changes along Valencia Street. The transition of Valencia Street to a regional shopping, dining, and entertainment destination has been underway at least since the early 2000s, predating the recent uptick in residential development in the corridor. The types of “gentrifying” businesses cited by the appellants, such as “high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios,” have been in operation along Valencia Street since well before the adoption of the Mission Area Plan. For example, the French bistro Garcon opened in 2005, the flagship store of the Weston boutique has been on Valencia Street since 2003, and the Yoga Tree studio opened in 2002. During the five-year period preceding the opening of Garcon (2001-2005), the number of market-rate units on Valencia increased by 108 (2.5% above the number of units in 2001) while the housing stock citywide expanded by 3.4%. While it is clear that the mix of businesses along Valencia has changed in recent decades, there is no evidence that market rate residential development caused the displacement of “mom and pop” businesses with upscale shopping and dining establishments.

The relatively slow pace of residential development on Valencia (compared to the rest of the city) is also evident over a longer time period. Market rate units along Valencia Street increased by 318 between 2001 and 2015, or roughly 7.9 percent, while the growth of market rate units citywide during the same period has been roughly 9.1 percent. A 2015 report by the City’s Office of Economic Analysis finds, through the analysis of census microdata, that 97 percent of all high-income households new to San Francisco move into existing housing.¹³ As the stock of new market rate housing units on the Valencia corridor has only expanded by roughly 0.5 percent each year over the past 15 years, it is more likely that the shift towards higher end retail along the corridor was caused by an influx of higher income residents into the existing housing stock. Therefore, appellant’s position that new market rate units caused the changes in that corridor and that the project would contribute to a similar process in the Calle 24 District is not supported by empirical evidence.

Although the appellant does not provide evidence in support of the contention that the proposed project would lead to the displacement of Latino-owned businesses, the Planning Department engaged ALH Urban & Regional Economics to evaluate the potential effects of new development under the Eastern Neighborhoods rezoning and area plans on existing businesses in the Calle 24 District.¹⁴ The results of this analysis are summarized below, and the full report is attached as Appendix A.

ALH found that there is little existing literature or study of commercial gentrification effects of new development, but cites a 2016 case study analysis in New York City, which indicates that: “The results of gentrification are mixed and show that gentrification is associated with both business retention and

¹³ City and County of San Francisco Office of the Controller, “Potential Effects of Limiting Market-Rate Housing in the Mission”, September 10, 2015.

¹⁴ Amy Herman, ALH Urban & Regional Economics, *Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA*, February 2017.

disruption.”¹⁵ The study further found that most businesses stay in place, and “displacement is no more prevalent in the typical gentrifying neighborhood than in non-gentrifying neighborhoods.”¹⁶ The study concludes that: “The fact that displacement is not systematically higher in New York City’s gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement.”¹⁷ These findings are similar to the conclusions in the Eastern Neighborhoods PEIR as discussed in Section 5 above.

Based on this study, ALH suggests that it is reasonable to conclude that commercial displacement is no more likely to occur in the Calle 24 District than in other San Francisco neighborhoods not experiencing gentrification. ALH also notes that the study suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally, recognizing, however, that in “neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents.”¹⁸

ALH observes that this latter point is similar to the appellant’s concern about the “Valenciazation” of the Calle 24 District. However, as discussed above, the changes in the commercial character of the Valencia Street corridor occurred during a period with a limited amount of new market rate development on or near Valencia Street. This suggests that other factors may be more directly associated with commercial gentrification in the Mission than market rate residential development. Thus, in the absence of evidence, and supported by the limited existing academic literature, ALH does not accept the appellant’s premise that market rate residential development causes gentrification of commercial space.

Nevertheless, at the Planning Department’s direction, ALH conducted an analysis of the effects of development anticipated under the Eastern Neighborhoods rezoning and area plans on retail supply and demand within the Calle 24 District. The results of this analysis are summarized below, and the complete analysis is presented in Appendix A.

ALH’s analysis considers entitled projects and projects in the pipeline (i.e., projects with filed permit applications but not yet approved) within a three to four block radius of the Calle 24 District. ALH

¹⁵ Rachel Meltzer, *Gentrification and Small Business: Threat or Opportunity?*, Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See <https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html>.

¹⁶ Ibid.

¹⁷ Ibid p. 80.

¹⁸ Ibid.

conservatively estimates¹⁹ demand for retail services that could be generated by new residential development within this study area. Although the focus of the appellant's concern is on market rate development, the analysis estimates retail demand of all residential development, both market rate and below market rate.

ALH estimates that new residential development within the study area would generate demand for a total of 34,400 square feet of neighborhood-oriented retail and commercial space, representing 3.6 percent of the existing approximately 480,000 square feet of commercial base within the Calle 24 District. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores), and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. ALH notes that a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area. ALH also observes that because residents of new development within the study area would not likely shop and dine exclusively within the Calle 24 District, some portion of new demand for neighborhood-oriented services would be expressed outside of the study area.

New development under the Eastern Neighborhoods rezoning and area plans would create a total of approximately 30,400 square feet of net new retail space within the study area. Thus, there is essentially equilibrium between the amount of neighborhood-oriented retail demand and net new retail space resulting from anticipated development within the study area. Because not all neighborhood-oriented demand is likely to be expressed for only the retail space in the Calle 24 District, there would likely be a relative surplus of net new neighborhood-oriented retail space relative to new demand. ALH therefore concludes that demand for retail services generated by new residential development within the study area would not result in substantial pressure on the existing retail base in the Calle 24 District.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the Calle 24 District as well as the larger Mission District as a whole. As noted above, the Calle 24 District is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.²⁰ Demand analysis for existing households in the Mission and Calle 24 District indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases (see Exhibits 10 through 13 of Appendix A). The demand analysis for each area was prepared using the same methodology and assumptions as for the Calle 24 District pipeline households.

¹⁹ The ALH retail demand estimate is considered conservative for purposes of this analysis because assumptions made in the analysis (e.g., average household income and spending patterns) are more likely to result in overestimation rather than underestimation of the actual retail demand that could be generated.

²⁰ San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011- 2015*, Table 2.1.1, page 9.

The retail demand analyses are summarized in **Table 1**, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing Calle 24 District households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 1: Retail Inventory and Demand Mission and Calle 24 Latino Cultural District					
		Square Feet Supported		Supply Multiplier	
Area	Retail Inventory	Total	Neighborhood Oriented	Total	Neighborhood Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
Calle 24 District	480,000	325,500	141,500	1.5	3.4
Sources: San Francisco Planning Department, <i>Mission Area Plan Monitoring Report: 2011-2015</i> , Table 2.1.1, page 9 ALH Urban & Regional Economics					

These demand estimates indicate that the supply of retail in the Mission as a whole and the Calle 24 District outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the Calle 24 District, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case considering that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

The San Francisco Controller's Office peer reviewed the ALH report, and concurred with its conclusions, stating: "There is no reason to believe that development in the pipeline would increase commercial rents in the neighborhood, considering that new development in the pipeline would raise the neighborhood's supply of commercial space, as well as demand."²¹

In summary, neither the relevant literature, nor the available evidence support the appellant's contention that the proposed project would result, either individually or cumulatively, in commercial gentrification within the Calle 24 Latino Cultural District.

6.2 RESIDENTIAL DISPLACEMENT

ALH reviewed numerous studies and papers to identify the existing published research that best address the relationships between housing production, housing cost, and displacement. Based upon this review of the literature and related studies, five papers stand out in regards to their consideration of this issue.

²¹ City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report*, February 22, 2017.

These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015. <http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016). <http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf>

City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016. <http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper>

Appendix A includes a synopsis of the findings from each of these studies most specifically addressing housing production and housing costs, with an emphasis, if possible, on rental housing, as this is most applicable to the Calle 24 District and San Francisco.

The findings from the five studies identified above support the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering²², new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, with affordable housing having double the protective effect of market-rate housing, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

²² *Filtering* is the process by which the cost of older market rate housing stock is suppressed through the increased availability of newer market rate development.

The appellant references one of the studies reviewed by ALH (the Zuk and Chapple brief) to argue that the proposed project would cause displacement. However, as further discussed in Appendix A, the Zuk and Chapple brief does not support this conclusion. As the appellant's letter itself highlights, the brief stresses the importance of building both market rate and subsidized housing in order to ease displacement pressures at the regional scale. The report finds "that market-rate housing built in the 1990s significantly reduces the incidence of displacement from 2000 to 2013",²³ and states further: "These findings provide further support for continuing the push to ease housing pressures by producing more housing at all levels of affordability throughout strong-market regions."²⁴ Another way of phrasing these findings is that if the project was not built, displacement pressures in the city and region would increase, as the project includes both market rate and affordable units, both of which have an attenuating effect on displacement, according to the study. Zuk and Chapple find that the effect at finer grained scales (such as the census block group level) is "insignificant"²⁵, meaning that neither a positive nor a negative impact could be detected. Thus, the Zuk and Chapple brief does not support the appellant's contention that development like the proposed project causes displacement.

The San Francisco Controller's Office concurred with ALH's analysis, stating: "There is no reason to believe that new housing increases the market rents of vacant rental units or the sales prices of for-sale units."²⁶

In addition to ALH's review of the relevant research, the Planning Department undertook exploratory analysis to test the proposition that market rate development has caused displacement at a finer grained scale (the census tract) in San Francisco over the past 15 years and has similarly found no clear cause and effect relationship. A statistical simple correlation analysis between new units added between 2000 and 2015 by census tract and eviction notices served between 2011 and 2015 shows only a weak *negative* correlation, that is census tracts with *more* development saw *fewer* evictions.²⁷²⁸ This analysis uses the

²³ Miriam Zuk & Karen Chapple, *Housing Production, Filtering and Displacement: Untangling the Relationships*, University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 6.

²⁴ Ibid p. 3.

²⁵ Ibid p. 7.

²⁶ City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report*, February 22, 2017.

²⁷ The Planning Department analyzed both "no fault" and "for cause" evictions, since "for cause" evictions currently make up a majority of all cases. This relationship holds for both types of evictions.

²⁸ This analysis standardized evictions in census tracts across the city by dividing them by the total number of rental units in the census tract in order to compare relative rates of evictions between tracts and not to compare absolute numbers of evictions, since tracts with greater amounts of rental housing would be assumed to have a proportionately greater absolute number of evictions.

frequency of eviction notices as an appropriate proxy and indicator for overall displacement pressure. In order to detect whether new market rate housing “signals” the desirability of neighborhoods and attracts high-income residents in a later period, staff correlated eviction notices given between 2011 and 2015 with new market rate units built during four periods (2001 to 2005, 2006 to 2010, 2011 to 2015, and 2001 to 2015). Each showed a weak and non-statistically significant correlation between evictions and new development and a very low “goodness of fit”, meaning that to the extent that a correlation exists, new market rate development explains very little of the variability of evictions across neighborhoods. In the absence of a statistically significant correlation between these two variables, the causal relationship between new market rate development and evictions/displacement claimed by the appellants is extremely speculative (if not unlikely) and is not supported by any empirical evidence in the record.

6.3 CONCLUSION

Neither the relevant published research nor available data support the appellant’s contention that the proposed project would result, either individually or cumulatively, in indirect displacement of existing residents or businesses as a secondary effect of gentrification. Moreover, even if the proposed project could have these effects, this would not represent a new or more severe impact that is peculiar to the project or its site because the Eastern Neighborhoods PEIR included a detailed analysis of this topic. Finally, to the extent that the proposed project would cause or contribute to gentrification or displacement effects identified in the Eastern Neighborhoods PEIR, these socioeconomic effects would not in and of themselves constitute environmental impacts under CEQA.

7 PHYSICAL ENVIRONMENTAL IMPACTS

Pursuant to CEQA Guidelines section 15131(a): “[a]n EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes.” Accordingly, the following analysis examines the appellant’s claim that the proposed project would result in *physical* changes to the environment as a consequence of gentrification and displacement that were not analyzed as significant effects in the Eastern Neighborhoods PEIR.

As discussed above, the Eastern Neighborhoods PEIR determined that adoption and implementation of the area plans and rezoning would result in economic impacts that could potentially displace existing businesses and residents, and identifies improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving businesses and residents. Although the PEIR did not establish a causal link between potential displacement effects and significant physical environmental impacts, the PEIR did identify physical environmental impacts related to growth under the area plans and rezoning. The PEIR analyses the physical environmental impacts caused by

growth anticipated under the area plans and rezoning in the relevant resource topic sections, such as transportation, air quality, noise, and parks and open space.

The appellant claims that the proposed project would cause or contribute to socioeconomic effects that would in turn cause significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Specifically, the appellant contends that the proposed project, through gentrification and displacement, would have significant cumulative impacts on traffic, parking, health and safety, and greenhouse gasses, and on aesthetic, historic, and cultural aspect of the Calle 24 Latino Cultural District. Since, as shown above, there is no evidence to support the appellant's claim that the proposed project would cause or contribute to gentrification or displacement effects, it follows that there is also no evidence to establish a causal link between gentrification and displacement and physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Notwithstanding the above, the following analysis tests the appellant's claims by examining whether, regardless of the cause, physical impacts are occurring within the Calle 24 Latino Cultural District beyond those anticipated in the Eastern Neighborhoods PEIR.

7.1 TRANSPORTATION

Pursuant to the requirements of CEQA section 21083.3 and CEQA Guidelines section 15183, the CPE checklist prepared for the 2675 Folsom Street project evaluates whether the proposed project would result in significant impacts on transportation, either individually or cumulatively, beyond those identified in the Eastern Neighborhoods PEIR.²⁹ This analysis is supported by a 222-page project-specific transportation impact study, that evaluates the project-level and cumulative impacts of the proposed project on vehicle miles traveled, transit, bicycle and pedestrian safety (including pick up and drop off at the nearby Cesar Chavez Elementary School), loading, and emergency services and access.³⁰ Contrary to the appellant's contentions, the project-specific transportation impact analysis does not rely on "outdated" information. Instead, the analysis uses the latest transportation models, forecasting, and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE determines that the proposed project would not result in significant impacts on transportation beyond those identified in the Eastern Neighborhoods PEIR.

Even though the analysis provided in the CPE fully satisfies the requirements of CEQA and no further analysis of the transportation impacts of the proposed project is required, the Planning Department worked with transportation consultants at Fehr & Peers to explore the appellant's claims that the proposed project would cause or contribute to new or substantially more severe transportation impacts than were identified in the Eastern Neighborhoods PEIR due to new information or changed

²⁹ San Francisco Planning Department, *2675 Folsom Street Project Community Plan Exemption Checklist*, pp. 17-21, September 20, 2016.

³⁰ Fehr & Peers, *2675 Folsom Street Transportation Impact Study*, April 2016.

circumstances not previously considered. This analysis compares the transportation impacts anticipated in the Eastern Neighborhoods PEIR with up-to-date transportation impact data and models. As summarized below and further detailed in Appendix B, the results of this analysis demonstrate that current transit and traffic conditions are generally better than the Eastern Neighborhoods PEIR anticipated would be the case by this time. The PEIR anticipated there would be less transit capacity and correspondingly higher capacity utilization (crowding) on the Muni lines serving the Mission and estimated that a slightly higher percentage of new trips would be made by private vehicles than current data demonstrate. In addition, while the Mission has undergone significant demographic and economic change, residents on average still own around the same number of vehicles, and use non-auto modes at similar rates as they did prior to adoption of the rezoning and area plans.

7.1.1 Transit

The Eastern Neighborhoods PEIR determined that population growth under the rezoning and area plans would result in significant cumulative impacts on transit. Specifically, the PEIR anticipated that daily transit trips between 2000 and 2025 would increase by approximately 254,000 trips or about 20 percent over baseline conditions within San Francisco as a whole and by approximately 28,000 daily trips or approximately 38 percent in the Eastern Neighborhoods. The PEIR determined that without increases in peak-hour capacity, population growth in the Eastern Neighborhoods would result in significant cumulative impacts on transit capacity. The PEIR identified Mitigation Measures E-5 through E-11 to address impacts and transit capacity. These measures call for:

- Transit corridor improvements (e.g., along Mission Street between 14th and Cesar Chavez streets, 16th Street between Mission and Third streets, Bryant Street or other parallel corridor between Third and Cesar Chavez streets, a north-south corridor through portions of SoMa west of Fifth Street, and service connecting Potrero Hill with SoMa and downtown)
- Implementing service recommendations from the Transit Effectiveness Project, Better Streets Plan and Bicycle Plan when available and as feasible
- Providing additional funding for Muni maintenance and storage facilities
- Increasing passenger amenities, such as expanded installation of the Next Bus service and new bus shelters
- Expanding use of transit preferential street technologies to prioritize transit circulation, and
- Expanding the Transportation Demand Management program to promote the use of alternate modes of transportation.

The PEIR determined that while these measures would reduce operating impacts and improve transit service within the Eastern Neighborhoods, the adverse effects to transit could not be fully mitigated. Also, given the inability to determine the outcome of the Transit Effectiveness Program, Better Streets Plan, Bicycle Plan, and other plans and programs that were in process at the time that the PEIR was certified and uncertainty regarding future funding of these plans and programs, the PEIR determined that the feasibility of these mitigation measures could not be assured. Thus, the PEIR determined that cumulative impacts on transit under the rezoning and area plans would be significant and unavoidable.

Since the certification of the Eastern Neighborhoods PEIR, the City has implemented many of the plans, programs, and improvements identified in Eastern Neighborhoods PEIR Mitigation Measures E-5 through E-11 as summarized below.

In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that go towards funding transit and complete streets projects. In addition, the Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).^[1] The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. With respect to Mitigation Measures E-5: Enhanced Transit Funding and Mitigation Measure E-11: Transportation Demand Management, on February 7, 2017 the Board of Supervisors adopted amendments to the planning code, referred to as the Transportation Demand Management Program.^[2] Additionally, SFMTA has sought grants through local Proposition A funds directly supporting the 14 Mission Rapid Project, the Potrero Avenue Project for the 9 San Bruno and 9R San Bruno Rapid routes (currently under construction), and the 16th Street Transit Priority Project for the 22 Fillmore (expected construction between 2017 and 2020). The SFMTA also pursued funding from the Federal Transit Administration and the Metropolitan Transportation Commission for the transit corridor projects for the 14 Mission along Mission Street and for the 22 Fillmore along 16th Street. In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing NextBus, Customer First, and the Transit Effectiveness Project, which was approved by the SFMTA Board of Directors in March 2014. There are about 850 NextBus displays throughout the City with strong coverage throughout the Mission District. Customer First improved lighting and shelters at stops. The Transit Effectiveness Project is now called Muni Forward and includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency.

In addition, Muni Forward also includes transit service improvements to various routes with the Eastern Neighborhoods Plan area the service improvements include the creation of new routes such as the implementation of Route 55 on 16th Street between the intersection of 16th and Mission Streets and Mission Bay, changes to route alignment such as for the 27 Bryant, the elimination of underused existing routes or route segments, changes to the frequency and hours of transit service, changes to the transit vehicle type on specific routes, and changes to the mix of local/limited/express services on specific routes. Many of the service improvements analyzed as part of Muni Forward in the Transit Effectiveness Project EIR have been implemented, but some are receiving further study.

^[1] Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

^[2] San Francisco Board of Supervisors. 2017. BOS File 160925. Available online at <https://sfgov.legistar.com/LegislationDetail.aspx?ID=2830460&GUID=EFCB06B2-19CB-4777-B3A5-1638670C3A2C> accessed February 21, 2017. Additional information is available at the Planning Department web page for TDM at <http://sf-planning.org/shift-transportation-demand-management-tdm> accessed February 21, 2017.

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Street. The minor improvements consist of a toolkit of treatments implemented on an as-needed basis to support bicycling in the city such as shared lane markings called sharrows and the provision of bicycle parking within the public right-of-way including bicycle racks on sidewalks and on-street bicycle corrals. Most near-term improvements have been implemented as indicated above. With the implementation of bicycle facilities as part of the Bicycle Plan and envisioned as part of the 2013 Bicycle Strategy, San Francisco has experienced an increase in bicycle ridership. Since 2006, the SFMTA has conducted annual bicycle counts during peak commute hours at various intersections throughout the city.³¹ While the bicycle counts at any one intersection may fluctuate from year to year, the most recent counts from 2015 demonstrate that the overall the number of bicyclists in the city, including in the Mission District, have increased over the counts from 2008, when the Eastern Neighborhoods PEIR was certified. For example, at the intersection of 17th and Valencia Streets in the p.m. peak there were 485 cyclists in 2008 compared with 1,219 in 2015, and at the intersection of 23rd Street and Potrero Avenue in the p.m. peak there were 50 cyclists in 2008 compared with 106 in 2015.

The San Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in section 138.1 of the planning code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size.

Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan areas include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

Overall, compared to the transit service analyzed in the Eastern Neighborhoods PEIR, current transit service has increased by 8 percent in the a.m. peak hour, 14 percent during midday, and 6 percent in the p.m. peak hour. As a result, the significant impacts identified in the Eastern Neighborhoods PEIR on transit capacity have not materialized. The following analysis compares the impacts on transit capacity anticipated in the Eastern Neighborhoods PEIR with current and projected future transit conditions in light of the transit system improvements described above.

The SFMTA Board has adopted an 85-percent capacity utilization performance standard for transit vehicle loads, meaning that Muni transit lines should operate at or below 85 percent of transit vehicle capacity. This performance standard more accurately reflects actual operations and the likelihood of "pass-ups" (i.e., vehicles not stopping to pick up more passengers). The Planning Department applies this

³¹ SFMTA. 2009-2016. Bike Reports Available online at <https://www.sfmta.com/about-sfmta/reports/bike-reports>. Accessed February 21, 2017.

standard as a CEQA threshold of significance for determining peak period transit demand impacts to the SFMTA lines. **Table 2** shows the capacity utilization for the 11 Muni lines serving the Eastern Neighborhoods plan areas under the 2000 CEQA baseline and the 2025 no project and with project cumulative scenarios as reported in the Eastern Neighborhoods PEIR. The last two columns of the table show 2013 capacity utilization on these same lines based on SFMTA data and the SF-CHAMP³² 2040 cumulative scenario based on current model inputs. As shown in **Table 2**, capacity utilization on the Muni bus and light rail lines serving the Eastern Neighborhoods is generally lower than the PEIR baseline conditions, and the anticipated 2040 cumulative conditions are better than the anticipated 2025 cumulative conditions.

³² The San Francisco Chained Activity Modeling Process ("SF-CHAMP") is a regional travel demand model designed to assess the impacts of land use, socioeconomic, and transportation system changes on the performance of the local transportation system. The San Francisco County Transportation Authority developed SF-CHAMP to reflect San Francisco's unique transportation system and socioeconomic and land use characteristics. It uses San Francisco residents' observed travel patterns, detailed representations of San Francisco's transportation system, population and employment characteristics, transit line boardings, roadway volumes, and the number of vehicles available to San Francisco households to produce measures relevant to transportation and land use planning. Using future year transportation, land use, and socioeconomic inputs, the model forecasts future travel demand.

Table 2: Muni Capacity Utilization at Maximum Load Point Weekday PM Peak Hour Inbound/Outbound							
Line	EN PEIR 2000 Baseline	EN 2025 No Project	EN 2025 Option A	EN 2025 Option B	EN 2025 Option C	SFMTA Fall 2013	SF-CHAMP 2040
9-San Bruno	94%/110%	120%/151%	134%/151%	135%/149%	148%/165%	57%/68%	61%/84%
12-Folsom	94%/30%	109%/42%	112%/42%	113%/41%	120%/52%	73%/57%	N/A ¹
14-Mission	47%/ 86%	60%/113%	62%/113%	63%/112%	69%/122%	49%/40%	39%/76%
22-Fillmore	82%/85%	95%/102%	98%/102%	100%/101%	107%/109%	61%/58%	68%/83%
26-Valencia	26%/76%	33%/89%	33%/89%	33%/90%	35%/94%	N/A ²	N/A ²
27-Bryant	86%/57%	111%/78%	118%/78%	119%/77%	126%/84%	60%/46%	63%/55%
33-Stanyan	68%/56%	87%/74%	89%/74%	91%/73%	97%/81%	53%/42%	63%/55%
48-Quintara	87%/72%	112%/94%	113%/94%	115%/93%	119%/100%	57%/65%	67%/63%
49-Van Ness-Mission	73%/ 93%	85%/112%	89%/112%	91%/111%	100%/121%	48%/47%	N/A ³
53-Southern Heights	27%/31%	34%/44%	35%/44%	35%/43%	37%/48%	N/A ⁴	N/A ⁴
67-Bernal Heights	67%/68%	86%/88%	87%/88%	87%/88%	88%/88%	15%/46%	22%/66%
¹ Under Muni-Forward, the 12-Folsom may be replaced by the 10 Sansome on a portion of the route and by the 27 Bryant on the remainder of the route. ² The 26-Valencia route was eliminated in December 2009. ³ The 49-Van Ness-Mission will change to limited stop/rapid service at the time that the Van Ness BRT service commences. ⁴ The 53-Southern Heights route was eliminated in December 2009. Bold text denotes significant impact based on exceedance of 85-percent capacity utilization significance threshold. Sources: Eastern Neighborhoods PEIR p. 282 San Francisco Planning Department, <i>Transit Data for Transportation Impact Studies</i> , May 15, 2015. SFCTA, <i>SF-CHAMP model run for Central Corridor 2040 Cumulative Scenario</i> , November 12, 2013.							

In conclusion, as a result of substantial increases in transit capacity, the cumulative impacts on transit resulting from growth under the Eastern Neighborhoods rezoning and area plans is *less* severe rather than more severe than anticipated in the PEIR. As such, it is evident that the demographic changes occurring in the Mission have not resulted in significant impacts on transit service that were not anticipated in the Eastern Neighborhoods PEIR. Therefore, the proposed project would not result in significant impacts, either individually or cumulatively, on transit beyond those identified in the PEIR.

7.1.2 Traffic Congestion

At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, in 2013, the state legislature amended CEQA adding Chapter 2.7: Modernization for Transportation Analysis of Transit Oriented Infill Projects. Accordingly, CEQA section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the state CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that promote the “reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” CEQA section 21099(b)(2) states that upon certification of the revised CEQA Guidelines for determining transportation impacts pursuant to

section 21099(b)(1), automobile delay, as described solely by level of service (LOS) or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*³³ (proposed transportation impact guidelines) recommending that transportation impacts for projects be measured using a vehicle miles traveled ("VMT") metric. VMT measures the amount and distance that a project might cause people to drive, accounting for the number of passengers within a vehicle.

OPR's proposed transportation impact guidelines provides substantial evidence that VMT is an appropriate standard to use in analyzing transportation impacts to protect environmental quality and a better indicator of greenhouse gas, air quality, and energy impacts than automobile delay. Acknowledging this, San Francisco Planning Commission Resolution 19579, adopted on March 3, 2016:

- Found that automobile delay, as described solely by LOS or similar measures of vehicular capacity or traffic congestion, shall no longer be considered a significant impact on the environment pursuant to CEQA, because it does not measure environmental impacts and therefore it does not protect environmental quality.
- Directed the Environmental Review Officer to remove automobile delay as a factor in determining significant impacts pursuant to CEQA for all guidelines, criteria, and list of exemptions, and to update the Transportation Impact Analysis Guidelines for Environmental Review and Categorical Exemptions from CEQA to reflect this change.
- Directed the Environmental Planning Division and Environmental Review Officer to replace automobile delay with VMT criteria which promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses; and consistent with proposed and forthcoming changes to the CEQA Guidelines by OPR.

Planning Commission Resolution 19579 became effective immediately for all projects that had not received a CEQA determination as of March 3, 2016, and for all projects that have previously received CEQA determinations, but require additional environmental analysis. Therefore, the CPE for the proposed project does not consider whether the proposed project would have significant impacts either individually or cumulatively on traffic congestion as measured by LOS. Instead, in accordance with CEQA section 21099 and Planning Commission Resolution 19579, the CPE evaluates whether the proposed project would result in significant impacts on VMT. As stated in the CPE checklist and supported by the project-specific transportation impact study, the proposed project would not have a significant impact either individually or cumulatively on VMT. As noted above, this analysis uses the latest transportation models and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE concludes that the project would not have a significant impact on traffic that is peculiar to the project or

³³ This document is available online at: https://www.opr.ca.gov/s_sb743.php.

the project site, and that no further environmental review of the project's effects on traffic congestion is required in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

Even though, as discussed above, the CPE establishes that the proposed project would not have significant impacts either individually or cumulatively related to increased VMT, the following analysis further examines the appellant's contentions that the project would have substantially more severe impacts on traffic than were identified in the Eastern Neighborhoods PEIR.

7.1.3 Travel Behavior

The appellant contends that gentrification and displacement that the proposed project would contribute to are resulting in increased traffic due to "reverse commutes," stating:

"The PEIR did not anticipate the "advanced gentrification" of the neighborhood, along with the extensive displacement of Latino families and businesses, the reverse commute to distant areas, and that impact on greenhouse gas emissions and on traffic congestion... Due to the unexpected rise in rents throughout the Bay Area, displaced residents are now required to commute distances as far as Vallejo and Tracy, distances was [sic] not contemplated in the PEIR for the Eastern Neighborhoods."

As presented in Appendix B and summarized below, updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission do not support the appellant's claim that increased commute distances by displaced workers is causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR.

Many factors affect travel behavior, including land-use density and diversity, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development located in areas with poor access to non-private vehicular modes of travel generate more automobile travel compared to development located in urban areas, where a higher density mix of land uses and travel options other than private vehicles are available. Given these travel behavior factors, San Francisco has a lower ratio of VMT per household than the San Francisco Bay Area regional average.

The San Francisco County Transportation Authority uses the SF-CHAMP model to estimate VMT by private automobiles and taxis for different land use types. The SF-CHAMP model assigns all predicted trips within, across, and to or from San Francisco onto the roadway network and the transit system by mode and transit carrier for a particular scenario. For example, the 2040 SF-CHAMP model run assigns trips to and from each of the 981 transportation analysis zones across San Francisco based on the land use development that is projected. Trips that cross San Francisco, but do not have an origin or destination in the city are projected using inputs from the regional transportation model. SF-CHAMP models travel behavior based on the following inputs:

- Projected land use development (based on the Planning Department's pipeline) and population and employment numbers – as provided by the Planning Department, based on the Association

of Bay Area Governments ("ABAG") Projections (currently the Projections 2013 (Sustainable Communities Strategy)).

- Observed behavior from the California Household Travel Survey 2010-2012
- Census data regarding automobile ownership rates and county-to-county worker flows
- Observed vehicle counts and transit boardings.

Neither SF-CHAMP nor the regional travel model³⁴ explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth³⁵. Based on the model inputs, which as noted above include development in the Planning Department's pipeline, both regional average and local San Francisco VMT is expected to decrease in the future.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute distances. However, the model indicates that overall aggregate regional growth is expected to reduce the average distance that a typical worker travels between home and work. The Transportation Authority estimates that existing average VMT per household is 17.2 for the region and 5.9 for the project area (Transportation Analysis Zone 170). VMT per household is expected to decrease to 16.1 for the region and to 5.3 for the project area by 2040³⁶. Employment data shows that the share of Bay Area residents living more than 10 miles from their employer increased from 2004 to 2014; over the same period, the absolute number of individuals living more than 10 miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modes share is at its lowest point since 1960, based on census data. Moreover, the Eastern Neighborhoods PEIR anticipated traffic impacts due to increased vehicle trips associated with population growth.

The Eastern Neighborhoods PEIR determined that increased vehicle trips resulting from population growth and development under the rezoning and area plans would result in level of service impacts at representative intersections in the Mission. Of the 13 study intersections in the Mission, the PEIR determined that significant LOS impacts would occur at three intersections during the weekday p.m. peak hour under rezoning Option A, five under Option B, and four under Option C. The PEIR also

³⁴ SF-CHAMP is built using the regional travel model, and adding additional detail to TAZs located within San Francisco.

³⁵For additional detail on the process of developing the travel model, see the MTC documentation at:
<http://mtcgis.mtc.ca.gov/foswiki/Main/Development>

³⁶ Schwartz, Michael, Coper, Drew, *Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research*, February 2016. Kosinski, Andy, *VMT Analysis for 2675 Folsom Street, Case No 2014-000601*, April 2016.

determined that three additional intersections in the Mission would operate at unacceptable levels of service under both the no project and each of the three rezoning options by 2025.

To test the appellant's assertion that traffic conditions in the Mission are worse than anticipated in the PEIR, Fehr & Peers worked with Planning to select four of the intersections studied in the Mission for the Eastern Neighborhoods PEIR and conduct one-day p.m. peak hour turning movement counts in December 2016³⁷. In order to present a representative count of vehicles, these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the level of traffic expected in the PEIR based on the total change in housing units constructed in the Mission from 2011 to 2015. Full turning movement volumes and estimated calculations are included in Appendix B.

As shown in Appendix B, on average, observed traffic volumes in 2016 were around 5 to 10 percent *lower* than expected in the Eastern Neighborhoods PEIR and the percentage of estimated development completed; this indicates traffic volumes similar to or slightly below PEIR projections³⁸. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR.

7.1.4 Private Car Ownership and Driving Rates in the Mission

The appellant contends that gentrification and displacement are also resulting in increased traffic and related impacts because higher income correlates with higher private car ownership and driving rates. Again, available evidence does not support the underlying premise that the proposed project would cause or contribute to gentrification or displacement in the first place. Moreover, the appellant's claim that the rate of private car ownership in the Mission has increased, and that this is causing significant cumulative traffic and greenhouse gas impacts beyond those anticipated under the Eastern Neighborhoods PEIR is not supported by the available evidence.

Partially due to the in-migration of higher income earners, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000. Median annual income increased from around \$67,000 to around \$74,000 during that time (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above \$100,000, which has more than doubled from 2000 to 2014.

³⁷ While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

³⁸ Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

However, although the typical household has a higher income, automobile availability on a per capita basis has not increased over the same period. The same percentage of households have zero cars available (39 percent to 40 percent of households), and the average number of vehicles available per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 percent to 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, the Eastern Neighborhoods PEIR transportation impact analysis accounted for this growth, and as discussed above, observed traffic volumes in 2016 were around 5 to 10 percent lower on average than expected in the Eastern Neighborhoods PEIR.

In addition to census data, the Planning Department has conducted three case studies at residential developments built in the past ten years in the Mission neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, market-rate housing, although 555 Bartlett Street and 1600 15th Street each include between 15 and 20 percent onsite below market rate units. Surveys at these sites were conducted in 2014 and 2015 during the extended a.m. and p.m. peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 4**.

Table 3: Comparison of Shifts in Income and Automobile Travel Indicators Mission Residents						
Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above \$100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	\$67,000	\$81,000	15%	29 %	39%	0.85
2004 - 2009	\$70,000	\$98,000	31%	25 %	40%	0.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	\$74,000	\$109,000	40%	27 %	40%	0.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%
Source: Decennial Census, 2000, Tables H044, P030, DP3; American Community Survey, 5-year averages, 2009 & 2014, Tables S1901, S0802, B25044; Fehr & Peers, 2016.						

Table 4: Observed Mode Splits at Residential Developments in the Mission								
Address	Drive Alone	Carpool	Walk	Taxi / TNC	Bike	SF Muni	BART	Private Shuttle
1600 15th St¹ (596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street² (183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street³ (288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%
¹ Survey conducted August 13, 2014. ² Survey conducted August 27, 2014. ³ Survey conducted July 9, 2015. Based on trips made between 7 a.m. – 10 a.m. and 3 p.m. – 7 p.m. on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts. Source: SF Planning, 2015; Fehr & Peers, 2016								

The three sites showed a drive alone mode share that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 3**). The total auto mode share (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto mode share for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).³⁹ Thus, the available evidence demonstrates that new or substantially more severe impacts on the Latino Cultural District are not occurring as a result of increased private vehicle ownership.

7.1.5 Commuter Shuttles

The appellant states that the increase in commuter shuttles since the Eastern Neighborhoods PEIR was certified constitutes substantial new information and/or changed circumstances that “render the current PEIR obsolete,” stating:

³⁹ SF-CHAMP auto mode share is based on the Central SoMa 2012 Baseline model run; the presented mode shares are for the analysis zones where each of the case study developments is located.

“The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such we have high earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no fault evictions.”

CEQA Guidelines section 15183(b)(4) provides that in conducting the streamlined environmental review mandated for projects that are consistent with the development density established under an adopted community plan or zoning, a public agency must limit its examination of environmental effects to those which the agency determines are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR. Accordingly, the increase in the use of commuter shuttles since the certification of the Eastern Neighborhoods PEIR is relevant only to the extent that the proposed project, either individually or cumulatively, would result in more severe adverse impacts than were identified in the Eastern Neighborhoods PEIR because of the increase in shuttles. Thus, whether or not commuter shuttles cause or exacerbate displacement as the appellant contends, which is a matter of substantial debate⁴⁰, is not relevant to determining if the proposed project would have new or more severe impacts on the physical environment than previously identified. Nevertheless, by increasing the supply of both market rate and below market rate housing, the proposed project along with other housing development under the Eastern Neighborhoods rezoning and area plans would serve to alleviate market pressures from any increased demand for housing attributable to commuter shuttles. Regardless, as discussed above, any such effects are socioeconomic in nature, and are not in and of themselves significant impacts on the physical environment.

7.1.5.1 San Francisco Commuter Shuttle Program

The number of privately operated shuttles in San Francisco has grown in recent years. Numerous employers, educational institutions, medical facilities, office buildings, and transportation management associations offer shuttle service to their employees, students, and clients. Some development projects are required to provide shuttle services as part of their conditions of approval (and the impacts of their shuttle services are considered within the development project’s environmental review), and an employer may comply with San Francisco’s Commuter Benefits Ordinance and the Bay Area’s Commuter Benefits Program by offering a free commute shuttle to employees. The majority of the commuter shuttles are closed systems that provide service to a specific population and are not open to the general public. Most shuttles are provided for free to employees (or students, tenants, etc.). There are two distinct markets within the shuttle sector: those that operate within San Francisco (intra-city) and those that operate between San Francisco and another county (inter-city regional). Shuttles support local San Francisco and regional goals by decreasing single occupancy vehicle trips, vehicle miles traveled, and private vehicle ownership.

⁴⁰ According to rider surveys conducted as part of the environmental review for SFMTA’s Commuter Shuttle Program, only 5 percent of shuttle riders would move closer to their jobs if shuttles were unavailable.

Prior to August 2014, San Francisco did not regulate commuter shuttle activity on city streets. Shuttles operated throughout the city on both large arterial streets, such as Van Ness Avenue and Mission Streets, and smaller residential streets. Shuttles loaded and unloaded passengers in a variety of zones, including passenger loading (white) zones, Muni bus stops (red) zones, and other vacant curb space. When curb space was unavailable, shuttles often would load or unload passengers within a travel lane. The lack of rules and guidelines for where and when loading and unloading activities were permitted, and the lack of vacant space in general, resulted in confusion for shuttle operators and neighborhood residents, inconsistent enforcement, and real and perceived conflicts with other transportation modes.

To address these issues, in January 2014, the SFMTA Board of Directors approved an 18-month pilot program to test sharing of designated Muni zones and establish permitted commuter shuttle-only passenger loading (white) zones for use by eligible commuter shuttles that paid a fee and received a permit containing the terms and conditions for use of the shared zones. The pilot program began in August 2014, and created a network of shared stops for use by Muni and commuter shuttle buses that applied to participate, and restricted parking for some hours of the day in certain locations to create passenger loading (white) zones exclusively for the use of permitted commuter shuttles.

Based on information collected through the pilot program, SFMTA developed and adopted a Commuter Shuttle Program effective February 2016. As required under CEQA, the Planning Department conducted a detailed evaluation of the potential environmental effects of the Commuter Shuttle Program prior to its adoption.⁴¹ The environmental review for the shuttle program concluded that the program would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading, air quality, greenhouse gas emissions, and noise. According to this review, the availability of commuter shuttles:

- Reduces the number of commuters who drive alone to work
- Reduces regional VMT
- Reduces regional emissions of ROG, PM₁₀, and PM_{2.5}
- Increases regional NO_x emissions, but not in excess of the applicable CEQA significance threshold
- Reduces greenhouse gas emissions
- Increases health risk from exposure to diesel exhaust, but not in excess of the applicable CEQA significance thresholds
- Increases traffic noise but not in excess of applicable CEQA significance thresholds

Thus, the available evidence demonstrates that the increased use of commuter shuttles has not resulted in new or substantially more severe significant impacts on transportation than previously identified in the Eastern Neighborhoods PEIR.

⁴¹ San Francisco Planning Department, Case No. 2015-007975ENV, October 22, 2015.

7.1.6 Parking

In accordance with CEQA section 21099 parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the appellant's concerns regarding impacts of the proposed project on parking are not subject to review under CEQA.

7.1.7 Conclusion

Based on the evidence and analysis presented above, the transportation impacts resulting from planned growth under the Eastern Neighborhoods rezoning and area plans appear to be less severe than expected in the Eastern Neighborhoods PEIR. Therefore, socioeconomic effects of the proposed project would not result in an increase in the severity of previously identified significant impacts on transportation as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified.

7.2 AESTHETIC IMPACTS

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

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the environmental review for the proposed project does not consider aesthetic effects.

7.3 HISTORIC AND CULTURAL IMPACTS

The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The district is defined as a region and community linked together by similar cultural or heritage assets, and offering a visitor experiences that showcase those resources.⁴²

⁴² Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. <http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf>, accessed June 8, 2016.

The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

The appellant incorrectly characterizes economic and social effects as physical environmental impacts, stating:

“Here, the cumulative impacts of the proposed project and other projects poses the risk of accelerated Valenciaization [sic] of the LCD. Here, mom and pop Latino owned and operated concerns are at risk of being replaced by high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios. This is a change in the physical environment...”

As discussed above in Section 5.1 Commercial Gentrification, the appellant’s claim that the proposed project would cause or contribute to commercial gentrification is not supported by empirical evidence. However, even if the project would lead to such effects, this would not constitute a physical environmental impact. The replacement of existing retail businesses with other retail businesses that the appellant claims the project would cause may constitute a change in the character of the 24th Street commercial corridor. Contrary to the appellant’s assertion, such a change is an economic and social effect that shall not be treated as a significant effect on the environment per CEQA Guidelines section 15131(a) (see Section 3.0 Approach to Analysis above).

7.4 GREENHOUSE GAS IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant greenhouse gas impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant’s claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant’s assertions regarding greenhouse gas impacts.

Moreover, unlike the PEIR, which was certified prior to the addition of greenhouse gas impacts to the Planning Department’s CEQA initial study checklist, the CPE includes an assessment of the proposed project’s greenhouse gas emissions. This analysis uses the Planning Department’s current greenhouse gas impact assessment methodology, which evaluates projects for conformity with San Francisco’s *Strategies*

*to Address Greenhouse Gas Emissions.*⁴³ The analysis presented in the CPE demonstrates that the proposed project would not result in a significant impact either individually or cumulatively due to greenhouse gas emissions not previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

7.5 AIR QUALITY IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant air quality impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding air quality impacts.

The CPE evaluates whether the proposed project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE checklist, this up-to-date, project-specific analysis demonstrates that the proposed project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

8 CONCLUSION

The Planning Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The department is actively engaging with the community, the Board of Supervisors, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls, the Calle 24 Special Use District, MAP2020, and a broader citywide analysis of socioeconomic trends.

However, the Planning Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 2675 Folsom Street project are responsible for residential or commercial displacement. As shown in the above analysis, the appellant's contention that the proposed project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence. Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban

⁴³ San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco*, November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

Finally, the issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues, examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan level and project level CEQA documents under the relevant resource topics such as transportation, air quality, noise, parks and open space, and public services. The appellant has not demonstrated that the department's CEQA determination for the 2675 Folsom Street project is not supported by substantial evidence. The Planning Department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination for the proposed project in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

Attachment B

1. Fehr & Peers, Eastern Neighborhoods /
Mission District Transportation and
Demographic Trends, January 12, 2017

2. Fehr & Peers, Updated Eastern
Neighborhoods Traffic Counts,
April 17, 2017



January 12, 2017

Chris Kern
Senior Environmental Planner
1650 Mission Street, Suite 400
San Francisco, CA 94103

Subject: Eastern Neighborhoods / Mission District Transportation and Demographic Trends

Dear Chris:

Fehr & Peers has prepared this letter summarizing key transportation trends that have occurred since the adoption of the Eastern Neighborhoods Plan in August 2008, focusing on the Mission District. Specifically, San Francisco Planning staff identified three key questions regarding the transportation analysis prepared for the Eastern Neighborhoods Plan environmental review process and subsequent effects on the transportation network due to new development:

- If new construction based on the Eastern Neighborhoods Plan results in displacement of lower income workers, do these workers then move to distant suburbs and increase the number of automobile commute trips and regional VMT compared to the Eastern Neighborhoods Plan EIR?
- Does new housing in the Eastern Neighborhoods plan area attract higher income residents, who own more cars and are therefore adding additional automobile trips than were accounted for in the Eastern Neighborhoods Plan EIR?
- Do commuter shuttles have transportation impacts not considered in the Eastern Neighborhoods Plan EIR?

Overall, Fehr & Peers has found that the Eastern Neighborhoods Plan EIR took a fairly conservative approach to transportation analysis and findings. The EIR generally estimated that a slightly higher percentage of new trips would be made by private vehicles than recent traffic counts as well as census travel survey data would suggest are occurring. On a more detailed level, Fehr & Peers found that while the Mission has undergone significant demographic and economic



change, residents on average still appear to own around the same number of vehicles, and use non-auto modes at similar rates as in the period from 2000 – 2009.¹

With regards to the effects of potential displacement of lower-income households, data tracking individuals or households who move out of the neighborhood is not available, limiting our ability to state with certainty whether displacement of lower income workers is leading those same workers to increase their vehicle travel. Collecting this data would require a long-term focused survey effort on a different horizon that which is available for the preparation of this letter report .

In absence of this data, Fehr & Peers has conducted an analysis and review of the regional models used to develop the travel demand estimates for the Eastern Neighborhoods Plan EIR and, more generally, the role that they play in planning/CEQA efforts. This review of the travel model focuses on available data, and how that data can be used to answer the questions posed above. The regional model uses available data, such as existing mode share, trends in travel time to work, and current research on travel behavior to assess how changes in population or employment affect vehicle travel on our transportation facilities. The growth in households and jobs included in the model is based on regional and local planning efforts such as Plan Bay Area, City general plans, and specific plans such as the Eastern Neighborhoods Plan.

The growth in the share of households and jobs located in dense, urban areas (as planned for in Plan Bay Area and the Eastern Neighborhoods Plan) is expected to generally decrease regional vehicle miles traveled per capita between now and 2040. In the short term, the distance between Bay Area residents and their places of employment has increased slightly from 2004 to 2014; this has not, however, been accompanied by a similar increase in the share of regional commuting by single-occupant vehicle.

In addition to these demographic and economic variables, several new technologies and programs have affected transportation in the Eastern Neighborhoods area. Commuter shuttles to campuses in the Peninsula and South Bay have grown in amount and ridership, and some members of the community are concerned they may be negatively affecting traffic or public transit operations. Fehr & Peers has not found any evidence that their effects have not been contained in the envelope of traffic effects analyzed in the Eastern Neighborhoods Plan EIR.

¹ Fehr & Peers has attempted to maintain consistency across data sources. Census data is used from the 2000 decennial census, and from the 2004 – 2009 and 2009 – 2014 five-year average reports of the American Community Survey. Non-Census data may use other base years.



With regards to non-automotive travel, Planning and SFMTA have both undertaken substantial citywide efforts to encourage non-auto modes of travel, including MuniForward and Planning's Transportation Sustainability Program (TSP); these provide mechanisms for encouraging shifts to sustainable modes of travel, although it is still too early in their implementation to provide detailed analysis on their efficacy. These programs would be expected to have the effect of decreasing overall vehicular travel, and perhaps increasing transit ridership.

Background and Literature on Factors Surrounding Travel Behavior

While this letter focuses on the interplay between jobs and housing and the effect that relationship has on local and regional travel patterns, these elements are only one potential factor in individual travel behavior. Regional traffic and travel patterns are the combination of many different factors that influence individual decisions; these factors include items related to the built environment, local land use, regional distributions of housing and jobs, household socioeconomic factors, roadway network design and capacity, and availability of alternative transportation services such as transit.

When used in travel demand models, these variables can be sorted into four groups: socioeconomic characteristics, travel options, local land use characteristics, and regional land use characteristics, all of which influence total regional travel². The below narrative discusses how these complicated factors are reflected in the variables selected for use in the regional model; these variables rely on data that is readily available, and broad enough for regional use. Many other individual circumstances are not reflected in the model, even though they may influence decisions with respect to residential location, employment, and household formation. Instead, the model focuses on the outcomes of these decisions, and uses past trends to predict future changes in variables that can more easily be included in the model. The following is a summary of some of the factors used in modeling travel behavior, and definitions or explanations of each for reference.

Socioeconomic Characteristics

For modeling purposes, several variables are used as proxies for socioeconomic characteristics that influence travel. These variables include the number of workers and non-workers in each

² Hu, H., Choi, S., Wen, F., Walters, G., & Gray, C. J. (2012, February). Exploring the Methods of Estimating Vehicle Miles of Travel. In *51th Annual Meeting of the Western Regional Science Association*.



household, the age of household members, and median household income. Generally, larger households make more trips by all modes; people between ages 16 – 64 are more likely to drive, and higher income individuals are more likely to own a car; as such, analysis areas with populations meeting these characteristics tend to generate a larger number of vehicle trips in the model. Other individual traits, including English proficiency, ability to obtain a driver's license, and ability or disability may also influence travel decisions at this level, but are too generalized to be included in a regional travel demand model, despite their importance to individual decisions.

Travel Options

Travel options variables include considerations of transit access, transit quality, and access to a vehicle. Each of these factors can determine the mode an individual chooses to make a given trip. Generally, individuals will choose the most efficient mode among those that they have access to. Efficiency can include considerations such as cost, estimated travel time, comfort, wait times, or convenience, among other concerns. In travel models, these factors are considered through proxy variables such as car ownership, distance from transit, and the frequency at which nearby transit operates.

Local Land Use and Built Environment

Local land use variables include variables often referred to as "the D's": density of jobs and housing, diversity of land uses, design of roadway facilities and the urban environment, and similar elements. These factors help to create urban environments that are more walkable, and tend to have a lower automobile modeshare³. The academic literature surrounding the effects of land use on transportation choices has shown fairly consistently that dense, mixed-use neighborhoods with strong regional access have the lowest levels of vehicle trip-making.⁴ When used in travel models, these are usually translated into measures of density for a given area, such as the number of dwelling units or jobs per acre.

Regional Land Use and Built Environment

Regional land use patterns determine travel patterns mostly as a function of where people live versus places they typically travel to; the most common example of this is the relationship

³ Cervero, R., & Kockelman, K. (1997). Travel demand and the 3Ds: density, diversity, and design. *Transportation Research Part D: Transport and Environment*, 2(3), 199-219.

⁴ Ewing, R., & Cervero, R. (2010). Travel and the built environment: a meta-analysis. *Journal of the American planning association*, 76(3), 265-294.



between a person's home and workplace. Regional accessibility, such as the availability of longer distance transportation options (including regional transit such as BART and Caltrain, as well as freeways and major arterials) also plays a key role in transportation decisions. Ongoing jobs-housing imbalances have been shown to have a substantial effect on the distance households travel to work, while regional accessibility (as measured by the mix of destinations easily accessible by a household) also tends to encourage non-auto trips^{5,6,7}.

Number of Long-Distance Commute Trips

In addressing the question of whether the new residential construction in the Eastern Neighborhoods plan displaces lower income workers and therefore leads to longer commute trips from distant suburbs, Fehr & Peers focused on available data which includes regional data on inter-county commutes, and data showing the regional distance between a worker's home and workplace. While speculation exists that individuals that move out of the Mission commute longer distances to existing jobs, the literature on job change following residential relocation is very limited. As such, it cannot be ascertained whether individuals moving from the Mission to outlying areas keep or change their job location.

In addition to the potential for longer commute trips, households moving from the Mission to areas with fewer non-auto transportation options may increase their use of private vehicles for non-work trips. This increase in trips may be offset by individuals who move into denser neighborhoods and then use private vehicles less often, particularly if new housing growth is concentrated in these denser neighborhoods.

As an example of how residential location affects commute patterns, **Table 1** summarizes the number of commuters who both live and work in the same Bay Area County, the number who live and work in different counties and drive alone to work, and the median rent by county to serve as a proxy for cost of living. Counties that have a lower than average share of residents who drive alone to work in another county are Santa Clara County, Sonoma County, and San Francisco County, while counties with the largest share of residents who drive alone to work in another county are San Mateo, Contra Costa, and Solano Counties.

⁵ Ewing, R. (1995). Beyond density, mode choice, and single-purpose trips. *Transportation Quarterly*, 49(4), 15-24.

⁶ Levinson, D. M. (1998). Accessibility and the journey to work. *Journal of Transport Geography*, 6(1), 11-21.

⁷ Cervero, R. (1996). Jobs-housing balance revisited: trends and impacts in the San Francisco Bay Area. *Journal of the American Planning Association*, 62(4), 492-511.



Based on these figures, we would assume that a net movement of households from San Francisco to counties such as Contra Costa County and Solano County without a corresponding movement in jobs would result in a higher share of individuals driving longer distances to work. However, job and housing growth projections prepared by ABAG indicate that population growth will be concentrated in areas that, in general, have fewer individuals driving alone to work across county lines.⁸

TABLE 1: COMMUTERS LIVING AND WORKING IN DIFFERENT COUNTIES, 2010 ¹						
County	Employed Residents	Residents Working in Same County	Percentage Working in Same County	Drove Alone to Another County for Work	Percentage Drive Alone to Another County	2010 Median Rent ²
Santa Clara	817,000	712,000	87%	85,000	10%	\$1,471
Sonoma	226,000	188,000	83%	29,000	13%	\$1,227
San Francisco	432,000	331,000	77%	68,000	16%	\$1,446
Napa	62,000	48,000	77%	12,000	19%	\$1,218
Alameda	693,000	468,000	68%	142,000	20%	\$1,233
Marin	121,000	79,000	65%	29,000	24%	\$1,563
Contra Costa	466,000	281,000	60%	121,000	26%	\$1,311
San Mateo	349,000	205,000	59%	101,000	29%	\$1,525
Solano	184,000	109,000	59%	55,000	30%	\$1,199
Grand Total	3,350,000	2,421,000	72%	642,000	19%	\$1,353

1. VitalSigns does not provide data prior to 2010.

2. Median rents are based on self-reported rents paid by current residents across a variety of unit types, and do not reflect the rent accepted by new residents. Amounts shown are adjusted for inflation to 2014 dollars.

Source: Metropolitan Transportation Commission VitalSigns, 2016; Fehr & Peers, 2016

To study the total *future* change in vehicle trips and vehicle miles traveled due to demographic shifts and changing development patterns, a travel model is typically employed studying conditions both with and without a demographic change.

⁸ ABAG projections are taken from Plan Bay Area 2013.



Fehr & Peers performed a brief review of the model data used in developing the future year VMT and travel forecasts used for CEQA purposes, and found that they do account for changes in the number of households by income level, as well as changes in the number of jobs throughout the region. Travel models are used to forecast future year conditions, as well as changes in traffic due to major land use changes (such as the adoption of the Eastern Neighborhoods Plan). These models are designed to use research on current travel patterns to estimate how changes in roadway configurations, population locations, and jobs can affect vehicle travel as well as travel by other modes. The San Francisco specific model, SF-CHAMP, uses the same data as the regional model, but reassigns growth within San Francisco to reflect local planning efforts. Individual model runs can provide estimates of traffic levels on individual roadways, and as noted above are often used for portions of the traffic and VMT analyses prepared for CEQA purposes.

In order to provide these estimates, SF-CHAMP estimates travel behavior at the level of transportation analysis zones (TAZs). There are 981 TAZs within San Francisco that vary in size from single city blocks in the downtown core, to multiple blocks in outer neighborhoods, to even larger geographic areas in historically industrial areas like the Hunters Point Shipyard. It also includes zones outside of San Francisco, for which it uses the same geography as the current MTC Model: "Travel Model One". For each TAZ, the model estimates the travel demand based on TAZ population and employment assumptions developed by the Association of Bay Area Governments (ABAG). Essentially, the model does its best to represent average travel choices and patterns of "people" (the daytime service population) that represent all travelers making trips to and from each TAZ the entire day⁹.

Neither SF-CHAMP nor the regional travel model explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth. Future concentrations of jobs and housing are based on the most recent regional planning documents prepared by ABAG.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute

⁹ Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record



distances. However, the model does indicate that overall aggregate regional growth is expected to help reduce the average distance that a typical worker travels between home and work. The SFCTA has estimated that existing average VMT per household is 17.2 for the region and 8.4 in San Francisco. The regional VMT per household is expected to decrease to approximately 16.7 by the year 2040¹⁰. Employment data shows that the share of Bay Area residents living more than ten miles from their employer increased from 2004 to 2014 (See **Table 2**); over the same period, the absolute number of individuals living more than ten miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modes share is at its lowest point since 1960, based on census data.

TABLE 2: DISTANCE FROM HOME CENSUS BLOCK TO WORK CENSUS BLOCK¹, BAY AREA RESIDENTS, 2004 - 2014

Distance	2004 ²		2014	
	Number of Workers	Share of Workers	Number of Workers	Share of Workers
Less than 10 miles	1,507,000	52%	1,600,000	47%
10 to 24 miles	800,000	27%	944,000	28%
25 to 50 miles	351,000	12%	445,000	13%
Greater than 50 miles	255,000	9%	390,000	12%
Drive-Alone Commute Modeshare	79%		76%	

1. LEHD data uses payroll and other labor information; distances may not represent an employee's typical workplace, but rather the location of their employer's office for labor reporting purposes.

2. 2004 base year is used due to data from 2000 not being available

Source: Longitudinal Employer-Household Dynamics, 2016; MTC VitalSigns, 2016; Fehr & Peers, 2016

Vehicle Trip Rates and Demographics of New Residents

While data are unavailable for households moving away from the Mission, a look at ACS data shows some insight on households that have recently moved to the Mission from elsewhere.

¹⁰ Schwartz, Michael, Coper, Drew. (2016, February). Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research. And Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record



Around 15 percent of Mission residents had moved within the past year; of these, around half moved to the Mission from outside of San Francisco (**Table 3**). New residents, particularly those moving from outside of California, tend to have higher incomes than existing residents.

TABLE 3: MIGRATION STATUS OF MISSION RESIDENTS¹ IN PAST YEAR AND MEDIAN INDIVIDUAL INCOME

Year		Did not move in past year	Moved; within San Francisco	Moved; from different county in CA	Moved; from different state	Moved; from abroad
2004-2009	% of Residents	86%	9%	2%	2%	1%
	Median Income (2014 Dollars)	\$37,000	\$40,000	\$32,000	\$40,000	\$15,000
2009 -2014	% of Residents	86%	8%	3%	2%	1%
	Median Income (2014 Dollars)	\$35,000	\$43,000	\$32,000	\$76,000	\$46,000

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.

Source: ACS Table S0701, 5-year averages, 2004-2009, 2009-2014; Fehr & Peers, 2016

Generally, higher income households tend to have more vehicles per household, and also tend to drive more (See **Table 4**). However, a preliminary look at trends studied in the Census and American Community Survey (ACS) indicate that this effect has had a minimal effect on overall vehicular use in the Mission district from 2000 to 2014.

TABLE 4: DRIVE ALONE MODESHARE BY INCOME GROUP, MISSION RESIDENTS¹ (2009- 2014)

Worker Earnings	% Driving Alone to Work
<\$15,000	16%
\$15,000 – \$25,000	21%
\$25,000 - \$50,000	24%
\$50,000 – \$75,000	28%
>\$75,000	29%
Average, All Incomes	27%

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.

Source: ACS Table S1901, 5-year averages, 2009-2014; Fehr & Peers, 2016



Partially due to the in-migration of higher income earners shown in **Table 3**, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000 (see **Table 5**). Median annual income increased from around \$67,000 to around \$74,000 during that time period (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above \$100,000, which has more than doubled from 2000 to 2014.

However, although the typical household has a higher income, vehicles per households has not increased over the same time period. The same percentage of households have zero cars (39 – 40 percent of households), and the average number of vehicles per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 – 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, this growth is in line with past trends, and does not exceed the level of vehicle travel projected in the Eastern Neighborhoods EIR, as discussed below.

In addition to census data, Planning has conducted three case studies at residential developments built in the past ten years in the Mission Neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, largely market-rate housing, although 555 Bartlett Street and 1600 15th Street each have between 15 and 20 percent of units set aside as below market rate housing. Surveys at these sites were conducted during the extended AM and PM peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in

Table

6.



TABLE 5: COMPARISON OF SHIFTS IN INCOME AND AUTOMOBILE TRAVEL INDICATORS, MISSION RESIDENTS¹

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above \$100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	\$67,000	\$81,000	15%	29 %	39%	.85
2004 - 2009	\$70,000	\$98,000	31%	25 %	40%	.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	\$74,000	\$109,000	40%	27 %	40%	.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
 Source: American Community Survey, Tables B25044, B08130, S1901, 5-year averages, 2004 – 2009 and 2009 - 2014 ; Decennial Census, Tables H044, P030, DP3, 2000; Fehr & Peers, 2016



TABLE 6: OBSERVED MODE SPLITS AT RESIDENTIAL DEVELOPMENTS IN THE MISSION

Address	Drive Alone	Carpool	Walk	Taxi / TNC	Bike	SF Muni	BART	Private Shuttle
1600 15th St (162 market rate units, 40 BMR units, 596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street (49 market rate units, 9 BMR units, 183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street (114 market rate units, 288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

Based on trips made between 7AM – 10AM and 3PM – 7PM on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone modeshare that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 5**). The total auto modeshare (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto modeshare for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).¹¹

Transit Modeshare Over Time

The share of Mission residents commuting via transit has remained fairly steady from 2000 to 2014, based on ACS journey to work data (see **Table 7**). Transit modeshare has decreased slightly in recent years, from a high of 46 percent in 2004 – 2009; most of this shift has been to bicycling and “other means” (which may include trips made by TNC). This fluctuation is well within a typical margin of error, and includes a period of decreased Muni transit service during the Great Recession; service was restored in 2015.

¹¹ SF-CHAMP auto modeshare is based on the Central SoMa 2012 Baseline model run; the presented modeshares are for the analysis zones where each of the case study developments are located.



TABLE 7: MISSION RESIDENT TRANSIT MODESHARE TRENDS, 2000 – 2014 (COMMUTE TRIPS ONLY)

Year	Total Transit Modeshare	Muni Bus or Rail ¹	BART ²	Caltrain ³
2000	42%	24%	16%	1%
2004 – 2009	46%	29%	16%	1%
2009 – 2014	44%	24%	18%	3%

1. "Bus or trolley bus" and "Streetcar or trolley car" categories

2. "Subway or elevated" category

3. "Railroad" category

Source: ACS 2014; Fehr & Peers, 2016

Expected and Observed Peak Hour Vehicle Traffic Growth

The Eastern Neighborhoods Transportation Impact Study (TIS) and EIR analyzed several intersections within the Mission District. Fehr & Peers worked with Planning to select four of these intersections and conduct one-day PM peak hour turning movement counts in December 2016¹²; these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 – 2015. Full turning movement volumes and estimated calculations are included in **Attachment A**.

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2016 relative to the 2025 projections), and around 10 percent complete¹³ for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission. **Table 8** shows a summary of observed and estimated traffic volumes for the intersections analyzed.

¹² While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

¹³ Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.



On average, observed traffic volumes in 2016 were around 5 - 10 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete¹⁴. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods Plan. The observed traffic counts also include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

TABLE 8: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2016 To Date Projected Volume ¹	2016 Observed Volume	Net Difference (2016 Observed – 2016 Projected)	% Difference
Guerrero / 16 th	2,704	2,895	2,729	2,628	-101	-4%
S. Van Ness / 16 th	2,513	2,682	2,534	2,692	158	6%
Valencia / 16 th	1,848	2,168	1,885	1,572	-313	-17%
Valencia / 15 th	2,287	2,438	2,311	1,913	-398	-17%
Average					-164	-7%

1. 2016 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

Source: Fehr & Peers, 2016; Eastern Neighborhoods TIS, 2008

¹⁴ While not shown in Table 8, projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.



Policy and Program Changes since Adoption of Eastern Neighborhoods Plan

The above analysis represents a look at how 2016 compares to conditions considered in the Eastern Neighborhoods Plan TIS and EIR. However, since the adoption of the Eastern Neighborhoods Plan, the City has embarked on several projects and programs designed to better accommodate sustainable growth. Future transportation investments are anticipated to align with these goals, and include a focus on transit capital and operational investments, bicycle infrastructure, and pedestrian safety. Many of these improvements may be financed by fees collected from new developments.

San Francisco Bicycle Plan

The 2009 San Francisco Bicycle Plan was adopted shortly after the adoption of the Eastern Neighborhoods Plan. It identifies specific bicycle route improvement projects, and is intended to foster a safe and interconnected bicycle network that supports bicycling as an attractive alternative to driving. This plan identified sixty total bicycle projects and bicycle route improvements, several of which are located within the Eastern Neighborhoods Plan area. In the Mission, this includes facilities on 17th Street and 23rd Street, as well as potential long-term improvements on Shotwell Street and Capp Street.

Better Streets Plan

The Better Streets Plan, adopted in 2010, includes streetscape policies and guidelines that outline streetscape requirements for new development, as well as generally guide the design of new street improvement projects. It seeks to enhance the pedestrian environment, and includes guidelines for width and design of sidewalks, crosswalks, and general enhancements to the pedestrian environment, including street trees, lighting, and other elements. New developments are expected to bring relevant streetscape elements near their project into compliance with the Better Streets Plan as part of the development review process.

Muni Forward

Muni Forward is an adopted plan following the findings of the Transit Effectiveness Project (TEP). The TEP was an in-depth planning process that sought to evaluate and enhance the Muni system; in 2014, the SFMTA Board of Directors adopted many of these recommendations, which included an overall 12 percent increase in Muni service citywide. Major projects affecting the Mission include the installation of red bus-only lanes on Mission Street, as well as service improvements



on the 14 and 14R buses, which provide a key connection for Mission residents to sites along the Mission Street corridor.

Vision Zero

Vision Zero, adopted in 2014, represents an action plan for building better and safer streets, with the goal of having zero traffic fatalities by the year 2024. This goal utilizes a “safe systems” approach to protect people from serious injury or death when a crash occurs by creating safe roads, slowing speeds, improving vehicle design, educating people, and enforcing existing laws. Part of this process includes identifying high injury corridors, where people are more likely to experience serious injury or death as a result of automobile collisions. Guerrero Street, Valencia Street, Mission Street, South Van Ness Avenue, Harrison Street, 15th Street, 16th Street, 17th Street, 24th Street, Cesar Chavez Street, and segments of 18th Street and Dolores Street are all included in the Vision Zero High Injury Network. High priority projects to address these issues in the Mission include the installation of bus-only lanes on Mission Street, as well as installation of pedestrian countdown signals at key intersections on Guerrero Street and S. Van Ness Avenue.

Propositions A and B (2014)

In 2014, San Francisco voters passed Propositions A and B, both of which provided additional funding for transportation projects, almost all of which was designated for transit, pedestrian, and bicycle improvements. Proposition A authorized \$500 million in general obligation bonds for transportation infrastructure needs citywide. Funds were earmarked for specific project types that focused on transit, bicycle, and pedestrian improvements, including construction of transit-only lanes and separated bikeways, transit boarding islands, escalator upgrades, new pedestrian signals, sidewalk improvements, and Muni maintenance facilities. Proposition B required that the City’s contributions to SFMTA increase based on population growth, including both the daytime and night-time populations. Additionally, Proposition B required the 75 percent of any population-based increase be used to improve Muni service, and 25 percent be used for improving street safety.

Transportation Sustainability Program

The Transportation Sustainability Program (TSP) reflects plans to adopt smart planning and investment practices to improve and expand on the existing transportation system. They include requiring new developments to adopt comprehensive transportation demand management (TDM) programs (anticipated to be in effect early 2017) in order to reduce the number of trips



made by automobile, as well as adoption of the new Transportation Sustainability Fee for new developments, and environmental review guidance that prioritizes smart growth in the form of infill development near quality transit service.

Commuter Shuttle Program

The SFMTA implemented a formal Commuter Shuttle Program in 2014 to regulate how long-distance commuter shuttles utilize public roadways and public curb space, including bus stops. An October 2015 review found that the program was eligible for a categorical exemption (Case No. 2015-007975ENV). The analysis used for this determination also examined the total number of shuttles and shuttle stop incidents. This study found that shuttle vehicles would remain less than 10 percent of vehicles traveling on arterials with shuttle stop locations, and that this increase was not expected to substantially affect traffic operations on arterial roadways. As shown in **Table 8**, current levels of traffic within the Mission remain below expected volumes based on the amount of development completed under the Eastern Neighborhoods Plan.

On-Demand Smartphone Ride Companies

At the time of the Eastern Neighborhoods EIR, transportation network companies (TNCs) such as Lyft, Uber, and Chariot did not exist. In recent years, this method of transportation has grown significantly. However, many details regarding how these companies fit into the larger transportation picture in San Francisco is unclear. To date, no holistic study has examined whether TNC users are making trips they would not otherwise make, or substituting a Lyft or Uber ride for either a public transit trip or private vehicle trip. Based on the surveys conducted at newer residential developments, the combination of Taxi and on-demand / smartphone-based transportation represents between three and eight percent of all trips. These trips have not led to growth in traffic at Eastern Neighborhoods study intersections that exceed what was predicted, based on actual intersection-level counts, and can reasonably be considered to fall within the envelope of transportation effects identified in the Eastern Neighborhoods EIR.



Sincerely,

FEHR & PEERS

A handwritten signature in black ink, appearing to read 'ehw'.

Eric Womeldorff, P.E.
Principal

A handwritten signature in black ink, appearing to read 'Teresa Whinery'.

Teresa Whinery
Transportation Planner

Attached:

Attachment A

Attachment A - Percent Complete

Option A Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option A Plan Total (Delta from Baseline)	104,400	37,200	422,021	-448,753	114,000	0	782
Progress	-24%	41%	26%	46%	35%	100%	65%
Progress: Non-Residential & Non-PDR	20%						
Progress: Residential	65%						
Percent Complete, Option A	40%						

Option C Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option C Plan Total (Delta from Baseline)	609,480	49,448	2,214,011	-3,370,350	598,323	10,274	2,054
Progress	-4%	31%	5%	6%	7%	0%	25%
Progress: Non-Residential & Non-PDR	4%						
Progress: Residential	25%						
Percent Complete, Option C	10%						

No Project Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN CNP Total (Delta from Baseline)	134,700	36,900	551,400	-513,185	144,000	1	420
Progress	-19%	41%	20%	40%	28%	100%	120%
Progress: Non-Residential & Non-PDR	16%						
Progress: Residential	120%						
Rounded Estimate Complete, No Project	70%						
Time Estimate Complete, No Project (2016 - 2000) / (2025 - 2000)	64%						

Attachment A - Turning Movement (Option A)

		2000 Baseline	2025 NP	2025 Option A	2016 NP Estimate	2016 Option A To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Observed	Change from To-Date Estimate	% of Estimated Traffic
16th & Guerrero	NBL	73	81	86	78	78	2,789	16	2,628	-161	80%
	NBT	649	721	761	695	694		599			
	NBR	60	67	72	64	65		52			
	SBL	50	52	53	51	51		10			106%
	SBT	748	784	760	771	753		815			
	SBR	43	45	44	44	43		76			
	EBL	16	17	18	17	17		8			95%
	EBT	301	314	305	309	303		291			
	EBR	61	64	68	63	64		64			
	WBL	81	87	87	85	83		55			97%
	WBT	537	572	571	559	551		521			
	WBR	85	91	91	89	87		121			
S. Van Ness & 16th	NBL	0	0	0	0	0	2,591	70	2,692	101	123%
	NBT	530	578	567	561	545		656			
	NBR	96	104	104	101	99		67			
	SBL	0	0	0	0	0		65			126%
	SBT	575	587	616	583	591		689			
	SBR	39	40	42	40	40		44			
	EBL	0	0	0	0	0		9			72%
	EBT	448	476	474	466	458		295			
	EBR	52	64	74	60	61		71			
	WBL	0	0	0	0	0		7			91%
	WBT	674	727	728	708	696		653			
	WBR	99	106	105	103	101		66			

Attachment A - Turning Movement (Option A)

	NBL	59	63	71	62	64	2,018	39	1,572	-446	84%
	NBT	442	480	535	466	479		417			
	NBR	0	0	0	0	0		0			
	SBL	0	0	0	0	0		2			
	SBT	549	553	557	552	552		407			75%
	SBR	199	218	224	211	209		162			
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	108	93	87		54			
Valencia & 16th	WBT	443	632	655	564	528		396			
	WBR	83	118	123	105	99		95			76%
	NBL	49	50	51	50	50	2,376	40	1,913	-463	77%
	NBT	398	433	497	420	438		323			
	NBR	73	74	78	74	75		71			
	SBL	70	74	77	73	73		43			
	SBT	499	530	535	519	513		364			71%
	SBR	50	53	54	52	52		48			
	EBL	28	30	29	29	28		36			
	EBT	318	336	334	330	324		272			
	EBR	65	69	67	68	66		44			84%
	WBL	58	62	63	61	60		52			
	WBT	604	647	645	632	620		549			
	WBR	75	80	81	78	77		71			89%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS
2025 NP: Eastern Neighborhoods Plan TIS
2025 + Opt. A: Eastern Neighborhoods Plan TIS
2025 + Opt. B: Eastern Neighborhoods Plan TIS
2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

Attachment A - Turning Movement (Option C)

	2000 Baseline	2025 NP	2025 Option C	2016 NP Estimate	2016 Option C To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Total Count	Change from To-Date Estimate	% of Estimated Traffic
16th & Guerrero	NBL	73	81	87	78	74	16	2,628	-101	
	NBT	649	721	776	695	662	599			84%
	NBR	60	67	72	64	61	52			
	SBL	50	52	52	51	50	10			
	SBT	748	784	772	771	750	815			107%
	SBR	43	45	44	44	43	76			
	EBL	16	17	18	17	16	8			
	EBT	301	314	301	309	301	291			96%
	EBR	61	64	70	63	62	64			
	WBL	81	87	88	85	82	55			
16th & Guerrero	WBT	537	572	585	559	542	521			
	WBR	85	91	92	89	86	121			98%
	NBL	0	0	0	0	0	70	2,692	158	
	NBT	530	578	589	561	536	656			125%
	NBR	96	104	107	101	97	67			34%
	SBL	0	0	0	0	0	65			
	SBT	575	587	598	583	577	689			
	SBR	39	40	41	40	39	44			130%
	EBL	0	0	0	0	0	9			
	EBT	448	476	457	466	449	295			74%
S. Van Ness & 16th	EBR	52	64	78	60	55	71			
	WBL	0	0	0	0	0	7			
	WBT	674	727	741	708	681	653			93%
	WBR	99	106	108	103	100	66			

Attachment A - Turning Movement (Option C)

	NBL	59	63	69	62	60	1,885	39	1,572	-313	
	NBT	442	480	518	466	450		417			
	NBR	0	0	0	0	0		0			
	SBL	0	0	0	0	0		2			
	SBT	549	553	583	552	552		407			
	SBR	199	218	230	211	202		162			
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			
	WBL	73	104	99	93	76		54			
Valencia & 16th	WBT	443	632	603	564	459		396			
	WBR	83	118	113	105	86		95			
	NBL	49	50	53	50	49		40			
	NBT	398	433	477	420	406		323			
	NBR	73	74	79	74	74		71			
	SBL	70	74	77	73	71	2,311	43	1,913	-398	
	SBT	499	530	550	519	504		364			
	SBR	50	53	55	52	51		48			
	EBL	28	30	29	29	28		36			
	EBT	318	336	326	330	319		272			
Valencia & 15th	EBR	65	69	67	68	65		44			
	WBL	58	62	63	61	59		52			
	WBT	604	647	657	632	609		549			
	WBR	75	80	82	78	76		71			

Sources:

2000 Baseline:	Eastern Neighborhoods Plan TIS
2025 NP:	Eastern Neighborhoods Plan TIS
2025 + Opt. A:	Eastern Neighborhoods Plan TIS
2025 + Opt. B:	Eastern Neighborhoods Plan TIS
2016 NP	
Estimate:	= (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]
2016 Opt. A	
Estimate:	= (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)
2016 Opt. C	
Estimate:	= (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

MEMORANDUM

Date: April 17, 2017
To: Chris Kern, San Francisco Planning Department
From: Teresa Whinery and Eric Womeldorff, Fehr & Peers
Subject: **Updated Eastern Neighborhoods Traffic Counts**

SF16-0908

Fehr & Peers recently contracted with a traffic count firm to perform additional vehicle counts at key intersections studied in the Eastern Neighborhoods Plan Environmental Impact Report (EIR). These counts were used for analysis of transportation trends presented in a January 12, 2017 letter discussing Eastern Neighborhoods / Mission District Transportation and Demographic Trends.

Traffic counts were originally performed on Tuesday, December 13, 2016 due to the need to provide analysis prior to the appeal hearing for 2675 Folsom Street. While traffic counts are not generally conducted in December, care was taken to perform the counts while local schools were in session, on a day with average weather. The additional counts, taken on Tuesday, April 4, 2017 and on Tuesday, April 11, 2017 are intended to supplement the original counts, and provide a second data point taken in a typical spring month. San Francisco schools were in session on both of the April count dates.

The amended **Table 8** below shows the vehicle counts collected in April. Three of the four intersections are within three percent of PM peak hour traffic volumes collected in December. At the fourth intersection (Valencia / 16th), total PM peak hour vehicle volumes were around eight percent higher, though still within an industry-accepted daily fluctuation level of 10 percent during peak hours. Updating the prior analysis concerning contributions and expected vehicle volumes with these new April counts does not result in any substantive differences in findings presented in Fehr & Peers' January 2017 letter.



TABLE 1: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2017 To Date Projected Volume¹	2017 Observed Volume²	Net Difference (2017 Observed – 2017 Projected)	% Difference
Guerrero / 16 th	2,704	2,895	2,729	2,652	-77	-3%
S. Van Ness / 16 th	2,513	2,682	2,534	2,688	154	6%
Valencia / 15 th	1,848	2,168	1,885	1,616	-269	-14%
Valencia / 16 th	2,287	2,438	2,311	2,089	-222	-10%
Average					-104	-4%

1. 2017 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

2. Observed volumes are from traffic counts conducted at three intersections on April 4, 2017, and at Guerrero/16th on April 11 2017. Counts at Guerrero were rescheduled due to vandalism of the count equipment.

Source: Fehr & Peers, 2017; Eastern Neighborhoods TIS, 2008

Attachment C

ALH Urban & Regional Economics Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco March 2017

**Socioeconomic Effects of Market-Rate
Development on the Calle 24 Latino
Cultural District, San Francisco, CA**

Prepared for:

**The City and County of San Francisco
Planning Department**

Prepared by:

ALH | ECON

ALH Urban & Regional Economics

March 2017

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March 1, 2017

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

**Re: Socioeconomic Effects of Market-Rate Development on the Calle 24
Latino Cultural District, San Francisco, CA**

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Calle 24 Latino Cultural District (LCD). The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to a Board of Supervisor's November 2016 request.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,



Amy L. Herman
Principal

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I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

There are many market-rate residential apartment projects proposed in San Francisco's Mission District, and specifically within the Calle 24 Latino Cultural District (LCD). Locally, some concern has been raised about the adequacy of environmental analysis prepared for these projects, specifically regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues. In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

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

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRS for well over ten years, and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with the Pipeline residential projects in or near the LCD finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts, such as the displacement of existing commercial establishments. The amount of neighborhood-oriented demand generated by residents of the pipeline projects in and near the LCD (e.g., 34,400 square feet) is approximately equivalent to the amount of net retail space planned in those projects (e.g., 30,447 square feet). It is therefore not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects. Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.

Retail supply and demand analysis for the Mission and the LCD demonstrate that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents.

This indicates three issues: (1) broad socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood; (2) new residential development in the LCD plays an insignificant role in influencing the overall commercial make-up of the district, as the commercial base is supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20 years. Over this time, average rents for investment grade properties with 50 or more units increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco tapered off, characterized by relatively flat increases in rental rates overall, with some neighborhood variability. Historic market trends suggest that increases in rents will continue to occur; however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur. Moreover, during 2016, the San Francisco entered a slower period of rent increases, including relative to nationwide trends in rent appreciation.

ALH Economics reviewed academic and related literature to probe whether market-rate apartment production in the LCD will impact rents of existing properties, thereby making housing less affordable for existing residents. The findings generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic literature does not support the concern that gentrification associated with new LCD market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or

economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL GENTRIFICATION

ISSUE OVERVIEW

Concern has been raised about the *commercial* gentrification impacts of new residential development in the Calle 24 Latino Cultural District LCD, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies. There is little existing literature or study of commercial gentrification effects of new development, however, a 2016 study published by Rachel Meltzer, Assistant Professor of Urban Policy at the Milano School of International Affairs, Management, and Urban Policy at The New School, cited that case study analysis in New York City indicated that “[t]he results of gentrification are mixed and show that gentrification is associated with both business retention and disruption.”¹ Meltzer further found that most businesses stay in place, and “displacement is no more prevalent in the typical gentrifying neighborhood than in nongentrifying neighborhoods.”² These are findings derived from citywide analysis of business displacement and replacement in New York City, and from three neighborhoods with both gentrifying and nongentrifying census tracts. These neighborhoods are East Harlem, Astoria, and Sunset Park. While the results vary by neighborhood, Meltzer concludes by stating that “[t]he fact that displacement is not systematically higher in New York City’s gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement.”³

The Mission District, specifically the LCD, is a vibrant neighborhood retail market, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other ethnic restaurants, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Based on Meltzer’s paper, it is therefore reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification. Meltzer suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally. Meltzer also recognizes, however, that in “neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents.”⁴

This latter point is similar to concerns expressed regarding the potential for new development in the LCD to result in changes similar to what has been seen in the Valencia Street Corridor – a commercial area that has experienced significant change in past decades. As demonstrated by City of San Francisco research, the change in the Valencia Street Corridor occurred despite the relative lack of new residential development, which suggests that other factors may be more directly associated with

¹ Rachel Meltzer, “Gentrification and Small Business: Threat or Opportunity?,” *Cityscape: A Journal of Policy Development and Research*, Volume 18, Number 3, 2016, page 57. See <https://www.huduser.gov/portal/periodicals/cityscape/vol18num3/index.html>.

² Ibid.

³ Ibid, page 80.

⁴ Ibid.

commercial gentrification in San Francisco than new area residential development. Thus, based on the evidence presented and existing academic literature, ALH Economics does not agree that new residential development causes gentrification of commercial space.

In reaching this conclusion, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects in the LCD, and other projects near the LCD whose residents could potentially generate retail and services demand in the LCD. The analysis estimates the amount of space likely to be supported by the Pipeline households, and assess if this could result in a change of the composition of the commercial base in the LCD. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes other ethnic restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores, laundromats, a variety of other neighborhood-oriented businesses, and a limited number of commercial vacancies.

The analysis finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, there is no basis to suggest that existing commercial establishments will be displaced because of the Pipeline projects in or near the LCD.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for 2016 Q3⁵ was examined to identify proposed residential projects in and near the LCD. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Project that are under construction

Projects in the LCD were identified based on the LCD's boundaries, while other projects near but outside the LCD were identified within about a 3-4-block radius of the LCD's boundaries. There may be yet other projects close to this area, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to the LCD. The projects and their net unit counts and net new retail square footage are listed in Table 1 on the following page.

Information extracted from the Development Pipeline, and supplemented by the Planning Department, indicates a total of 1,019 net new housing units. This includes 705 market rate units, comprising 298 in the LCD and 407 near the LCD, and 314 affordable housing units, comprising 158 in the LCD and 156 near the LCD (i.e., 35% affordable in the LCD and 28% affordable near the LCD, totaling 31% affordable overall). Most of the affordable housing units are rental, but a small number are owner units. In total, there are 456 units planned in the LCD and 563 units planned near the LCD. In addition, these projects include 10,735 net new square feet of retail space in the LCD and another 19,712 square feet near the LCD. This is a total of 30,447 square feet of net new retail space.

This residential pipeline reflects a significant increase over past housing production in the Mission District. Based upon the City's Housing Inventory reports, a total of 2,132 net new housing units were

⁵See <https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pq> for the database.

built in the Mission between 2001 and 2015. This is equivalent to an average of 143 units per year.⁶ The specific share of these units in and around the LCD is indeterminate, but this low number for the Mission suggests the LCD had a much lower amount of development in this timeframe, which likely contributed to rising rents due to limited supply. With so more units planned on a relative basis, rents could contribute to soften as they did in 2016 (see next report section on rent trends).

Table 1. Pipeline Projects
By Location, Approvals Status, Type of Housing Units, and Net New Retail

Project Status and Location	Housing Unit Composition					Net New Retail
	Market Rate	Affordable		Senior Affordable	Total	
		Rental	Owner			
<u>LCD Projects</u>						
<i>Entitled</i>						
2600 Harrison St	20	0	0	0	20	0
<i>Non-entitled</i>						
1296 Shotwell St	0	0	0	96	96	0
2675 Folsom St	94	23	0	0	117	0
1515 South Van Ness Ave	118	39	0	0	157	5,241
2782 Folsom St	4	0	0	0	4	0
3314 Cesar Chavez St (1)	50	0	0	0	50	1,740
2799 24th Street	7	0	0	0	7	-269
3357 26th Street	5	0	0	0	5	4,023
<i>Sub Total LCD Projects</i>	298	62	0	96	456	10,735
<u>Projects Near but Outside the LCD</u>						
<i>Entitled</i>						
1198 Valencia St	43	0	6	0	49	5,050
1050 Valencia St	12	0	0	0	12	1,900
2000 Bryant Street	191	3	0	0	194	1,087
<i>Non-entitled</i>						
2070 Bryant Street (2)	0	0	136	0	136	0
2632 Mission St	14	0	2	0	16	7,766
1278 - 1298 Valencia St	35	0	0	0	35	3,737
2918 Mission St	48	7	0	0	55	-500
3620 Cesar Chavez St	24	0	0	0	24	672
3659 20th St	5	0	0	0	5	0
3700 20th St	1	0	0	0	1	0
606 Capp St	18	2	0	0	20	0
987 Valencia St	8	0	0	0	8	0
2610 Mission	8	0	0	0	8	0
<i>Sub Total Projects Near LCD</i>	407	12	144	0	563	19,712
Total Pipeline	705	74	144	96	1,019	30,447

Sources: San Francisco Development Pipeline, 2016, Q3; City and County of San Francisco Planning Department; and ALH Urban & Regional Economics.

(1) Affordable unit count as yet unknown.

(2) Unit range 99-136. Analysis assumes 136. Analysis also conservatively assumes units will be owner units, but the tenure has not yet been determined.

⁶ See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2015.

PIPELINE RETAIL DEMAND

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and maximum income requirements for the affordable units, and percent of household income spent on housing. Since most of the Pipeline projects are planned and are not in lease up phase, project rents for all units are not available. However, preliminary pricing and unit mix for the proposed Axis Development Group project at 2675 Folsom Street, which includes 40% 2+ bedroom units, indicates average monthly rents of \$4,100 for market rate units.⁷ To support the analysis, this rate is assumed for all the identified market rate Pipeline apartment units. This assumption and the assumption for all the planned Pipeline units by location and type are presented in Exhibit 1. For the affordable rental units (excluding the senior units), households are assumed to comprise a 3-person household at 55% of Area Median Income (AMI). This results in an annual household income assumption of \$53,300 for 2016. The assumption for the senior households is \$41,450 a year, which is the 55% of AMI income for 1-Person households for 2016. This may be high, and thus conservative for the purpose of this analysis, as approximately 20% of the affordable senior housing units will be targeted to formerly homeless individuals. Finally, the affordable owner units are assumed to be occupied by 4-person households at 80% of AMI. This annual household figure is \$86,150.

The average household income for the market rate units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of \$148,000 for the market rate units. In San Francisco, the rent burden is often much greater, but the analysis *conservatively* assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. In like manner, the rents or monthly mortgage payments for the affordable units are assumed to comprise one-third the household incomes, divided over a 12-month period. Thus, rents or mortgage payments are equivalent to \$1,481 to \$2,393 per month. These figures might be conservative because they do not consider utility or other monthly costs, and because of the unlikely one-third of income spent on housing costs assumption.

The amount households spend on retail goods varies by household income. Data published by the U.S. Bureau of Labor Statistics, 2015 Consumer Expenditures Survey, provides information regarding

⁷ Provided to ALH Urban & Regional Economics. The market rate rent is generally consistent with average San Francisco rents for investment-grade properties. Through most of 2016, rents averaged approximately \$2,830 for a studio, \$3,370 for a one-bedroom unit, \$3,620 to \$4,715 for a two-bedroom unit, and \$4,580 for a three-bedroom unit, with an overall average of \$3,570. These rates are pursuant to RealAnswers, a real estate resource that tracks apartment rents in major markets.

household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to upon ALH Economics estimates of the percentage of income spent on retail goods based on the type of retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the \$40,000 to \$49,999 annual income range, with an average household income of \$44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results range from 26% of income for the market rate units to 42% for the senior affordable rental units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent. These figures total per household retail spending ranging from \$19,900 for the households in the affordable rental units to \$39,100. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.⁸ Therefore, given the occupancy assumptions, the total demand comprises \$14.0 million for the households in the Pipeline LCD units and \$19.3 million for the households in the Pipeline near LCD households. The grand total is \$33.3 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the more comparable to the type of retail goods located in the LCD.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2014 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.2% on home furnishings & appliances to a high of 17.1% on food & beverage stores (e.g., grocery stores). Other key categories include 13.5% on general merchandise (e.g., department and discount stores), 12.2% on food services & drinking places (e.g., restaurants and bars), and 12.4% on other retail, which includes drug stores, electronics, health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods. By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 2, on the following page.

⁸ Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties is 95.3%, which rounds to 95%.

**Table 2. Assumed Percentage of Pipeline Residents
Spending at Neighborhood-Oriented Outlets**

Retail Category	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	50%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	25%
General Merchandise Stores	25%
Food Services & Drinking Places	75%
Other Retail Group (6)	33%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 36% of retail spending by Pipeline households comprises neighborhood-oriented spending.

The aggregated retail demand estimates for the occupied LCD and near LCD pipeline households were converted to supportable square feet based upon the following: industry average assumptions regarding store sales performance; an adjustment to allow for a modest vacancy rate; and an allocation of additional space for services, such as banks, personal, and business services. The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2016 sales estimates. The resulting sales per square foot figures, presented in Exhibit 4, range from a low of \$309 per square foot for general merchandise stores to a high of \$669 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. While 36% of overall retail spending is assumed to comprise support for neighborhood outlets, a factor of 75% was incorporated for services to recognize the more neighborhood orientation of these services.

The Pipeline projects include those located in the LCD and those located near but not in the LCD, typically within a 3-4 block radius. Much of the neighborhood-oriented demand generated by LCD households could be directed at commercial operations located in the LCD, but some could also be directed to commercial operations within walking distance of the LCD or beyond, and thus outside the LCD. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households near but outside the LCD could be directed to commercial operations in the LCD. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the LCD, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline

households is likely to be directed to businesses located in the LCD, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

LCD Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the LCD indicate estimated support for 14,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the two largest market-rate projects includes the following: the 117-unit proposed project by Axis Development Group at 2675 Folsom Street with 4,100 square feet (see Exhibit 8) and the 157-unit proposed project by Lennar at 1515 South Van Ness with 5,300 square feet (see Exhibit 8). This means the remaining, smaller Pipeline LCD projects are estimated to generate demand for 5,100 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the LCD, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the LCD, thus not all the 14,300 square feet of demand may be directed at LCD establishments.

Near LCD Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the near LCD Pipeline projects indicate estimated support for 19,900 square feet of neighborhood-serving retail and commercial space (see Exhibit 8). This includes projects located outside the boundaries of the LCD, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the near the LCD projects, with only a portion likely directed toward LCD operations. Thus, only a portion of the 19,900 square feet of demand could comprise demand for retail and services located in the LCD.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline is presented in Exhibit 9, and summarized below in Table 3. The figures total 25,493 square feet of retail space, 8,900 square feet of service space, resulting in a rounded total of 34,400 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located in the LCD. Moreover, a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction in the LCD at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area.

**Table 3. Pipeline Projects Neighborhood-Oriented
Commercial Square Feet of Demand**

Retail Category	Square Feet Supported (1)		
	LCD	Near LCD	Total
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	1,140	1,566	2,705
Building Materials and Garden Equip.	289	397	686
Food and Beverage Stores	3,018	4,146	7,164
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	662	909	1,571
General Merchandise Stores	1,615	2,219	3,834
Food Services and Drinking Places	2,667	3,664	6,331
Other Retail Group	1,349	1,853	3,202
Subtotal	10,739	14,754	25,493
Additional Service Increment	3,749	5,151	8,900
Total	14,489	19,905	34,393
Total Rounded to Nearest 100	14,500	19,900	34,400
Net New Retail Planned	10,735	19,712	30,447

Sources: Exhibits 5, 8, and 9; and Table 1.

The summary in Table 3 also includes the net new retail space planned in the LCD and near the LCD. As noted earlier, this totals 10,735 square feet in the LCD and 19,712 square feet near the LCD, for a combined total of 30,447 square feet. *As these figures indicate, there is almost equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in both the LCD and near the LCD.* Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in the LCD and Near LCD. Thus, *it is not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects.* This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes gentrification of commercial space.

Moreover, even without the net new addition of retail space in the Pipeline projects the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the LCD. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the LCD has approximately 480,000 square feet of retail space.⁹ If, say, 75% of the LCD demand and 33% of the Near LCD demand were specifically directed to LCD establishments, this would equate to just about 17,500 square feet of space, or 3.6% of the existing commercial base in the LCD. This is a relatively small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, this analysis is moot, as the Pipeline projects will instead be increasing the retail base, therefore eliminating any risk of pressure on the existing commercial base. *Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.*

⁹See <https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q> for the database.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the LCD as well as the Mission District. As noted above, the LCD is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.¹⁰ Demand analysis for existing households in the Mission and LCD indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases. This is demonstrated by the analysis in Exhibits 10 through 13, with Exhibit 10 presenting the household counts and weighted average household incomes for area households in 2015.¹¹ These household counts and average household incomes are 15,062 and \$103,551 in the Mission, respectively, and 4,083 and \$109,587 in the LCD, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the LCD pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 12 and 13 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 4, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing LCD households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

**Table 4. Mission and LCD Retail Inventory and
Total and Neighborhood-Oriented Commercial Square Feet of Demand**

Area	Retail Inventory	Square Feet Supported (1)		Supply Multiplier	
		Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
LCD	480,000	325,500	141,500	1.5	3.4

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 12 and 13; and ALH Urban & Regional Economics.

These demand estimates indicate that the supply of retail in the Mission as a whole and the LCD outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the LCD, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

¹⁰ See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: <https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q>.

¹¹ The household count and income figures for the LCD are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the LCD. These shares were estimated by ALH Economics based upon the visual overlap of the LCD physical boundary with the census tract boundaries.

This analysis demonstrates that the Mission and the LCD are both regional shopping destinations, and that broad socioeconomic change (i.e., citywide, regionally) is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the LCD exceeds the demand from existing residents and is largely supported by persons living beyond the LCD, new residential development within the LCD does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units in the LCD will be delivered.

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the increase in housing market costs has trended not in a straight line but more in a “boom and bust” pattern. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), has tracked these trends generally for the San Francisco apartment market, including for the past 20 years. RealAnswers, however, only includes “investment grade” properties with 50 or more units, which, as of December 2016, is 24,066 units, or about 11% of San Francisco’s rental housing stock.¹² This is only a portion of San Francisco’s rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco’s rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco’s large number of rental units that are subject to rent control.

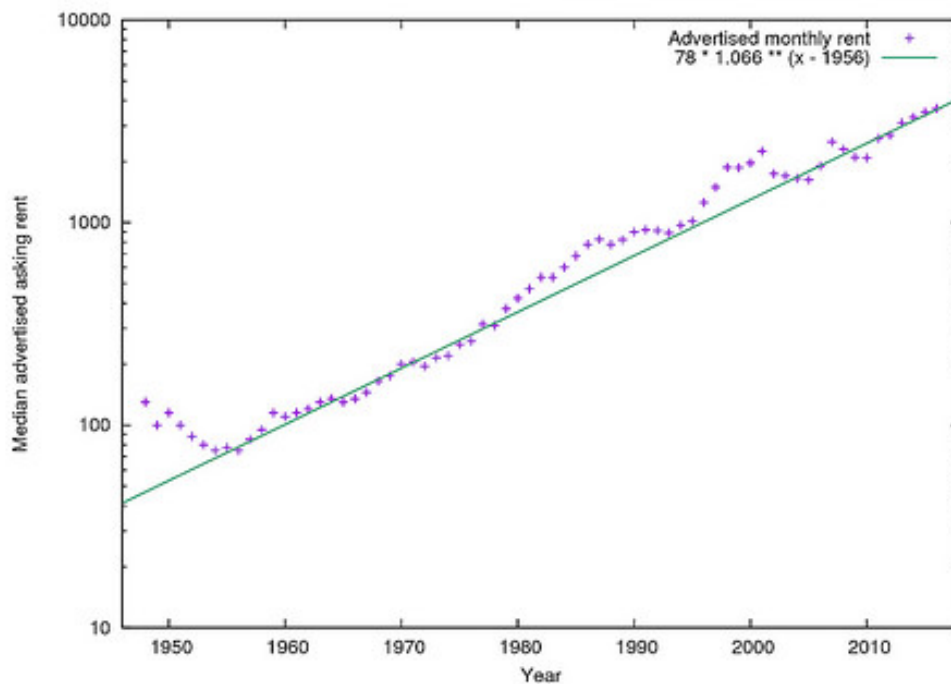
Exhibit 14 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco’s rents increased at an average annual rate of 5.5%. In absolute terms, this represents a near tripling of rents, from an average of \$1,235 in 1996 to \$3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.¹³ Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some boom periods (1996-1997, 1999-2000, 2010-2014), as well as a few bust years (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual rent increase of 6.6% (not adjusted for inflation).¹⁴ While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.

¹² Based on a count of approximately 220,500 rental units in 2014 per City and County of San Francisco estimates.

¹³ Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984+100 for All Urban Consumers. November 15, 2016.

¹⁴ <https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html>



Currently, as shown by the RealAnswers data in Exhibit 14, San Francisco appears to be entering once again into a bust period with the rate of recent rent increases for investment grade units slowing down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This recent slowdown in the rental market for investment grade rental units represented is mirrored in other rental real estate sources, including Zumper, a rental real estate web site, which reports that rents for one-bedroom units citywide declined by 4.9% in 2016.¹⁵

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reported a recent slowdown in rent increases in San Francisco, with a 0.4% increase in 2016, matching the RealAnswers data trend.¹⁶ Pursuant to the Yardi Matrix, the 2016 rental rate increase in San Francisco was a fraction of the 4.0% national rental rate increase, based on 119 markets, and was actually the second lowest rate of increase nationally, surpassing only Houston, which indicated an actual rent decline.¹⁷ This varies somewhat from historical trends, wherein over just the past eight years, the unadjusted rate of increase in San Francisco rents was 4.8% (per data presented in Exhibit 14), compared to the year over year national rate of increase of 2.3% over the same time period reported by the Yardi Matrix.¹⁸ Thus, San Francisco's current market rate

¹⁵ <https://www.zumper.com/blog/2016/12/san-francisco-prices-decreased-4-9-in-2016/>, as reported in <http://sf.curbed.com/2016/12/21/14039464/rent-prices-san-francisco-2016-bayview>

¹⁶ http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

¹⁷ Ibid.

¹⁸ http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

residential rental market is experiencing a marked deviation from local and comparative historical trends. Despite the recent slowdown in rental rate increases, however, San Francisco has maintained its position as *the most expensive market in the country* with a one-bedroom rent of \$3,330 per month.¹⁹

Looking at the neighborhood level, Zumper found that *most* neighborhoods experienced a decline in rents in 2016, but that median rents for one-bedroom units in Bayview increased 11.5% and rents in the Mission increased less than 5%. This increase in rents in the Mission is lower than the increases measured in 2015, which were 5% to 10% for one- bedroom units.²⁰

Based on evidence reviewed, San Francisco rents have tapered off, with 2016 characterized by relatively flat increases in rental rates overall, averaging declines in some neighborhoods and modest increases in others, such as the Mission District. Increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, but at this moment in time the San Francisco market appears to be entering a slower period of rent increases. As noted above, however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production in the LCD will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, five papers (including document links) stand out in regards to their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.

<http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).

<http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf>

¹⁹ <https://www.zumper.com/blog/2016/12/zumper-national-rent-report-december-2016/>

²⁰ <https://www.zumper.com/blog/2015/12/see-how-san-francisco-rent-prices-changed-in-2015-2/>

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016. <http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper>

The findings from the five studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline in the San Francisco's LCD in the Mission. The key findings of each study are highlighted.

California Legislative Analyst's Office

March 2015 Study. Taylor's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

"California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains

new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices."²¹

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

"after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower."²²

Thus, the Taylor study concludes, as a result of conducting statistical analysis, that *a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.*

February 2016 Study. In response to concerns about housing affordability for low-income households following release of his 2015 study, Taylor's February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state's coastal urban communities would help make housing more affordable for low-income Californians. As cited by Taylor:

"Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.

Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."²³

²¹ Mac Taylor, "California's High Housing Costs: Causes and Consequences," March 17, 2015, page 3.

²² Ibid, page 12.

²³ Mac Taylor, "Perspectives on Helping Low-Income Californians Afford Housing," February 2016, page 1.

In this paper, Taylor presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs;
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households (e.g., filtering).

Further, Taylor cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. Taylor additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community's housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California's slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, *Taylor's paper concludes that more private development is associated with less displacement.*²⁴ Taylor cites that his analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, his study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, his findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).²⁵ Taylor theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community's inclusionary housing policies.²⁶ In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, Taylor also found displacement was more than twice as likely than in low-income census tracts with high construction levels.²⁷ This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

City and County of San Francisco, Office of Economic Analysis

In 2015, Supervisors Mark Farrell and Scott Wiener requested the Office of Economic Analysis (OEA) to prepare a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a

²⁴ Taylor defines a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see Taylor, page 13).

²⁵ Ibid, page 9.

²⁶ Ibid.

²⁷ Ibid, page 10.

moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

“lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city’s ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium.”²⁸

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

“market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable.”²⁹

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.³⁰ Finally, and perhaps most on point regarding market-rate housing production impacts on pricing, the study stated:

“We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. On the contrary, both in the Mission and across the city, new market rate housing tends to depress, not raise, the value of existing properties.”³¹

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that *new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period.*³²

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley’s Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by Taylor in “Perspectives on Helping Low-Income

²⁸ City and County of San Francisco, Office of the Controller-Office of Economic analysis, “Potential Effects of Limiting Market-Rate Housing in the Mission,” September 10, 2015, page 1.

²⁹ Ibid, page 28.

³⁰ Ibid.

³¹ Ibid.

³² Ibid page 26.

Californians Afford Housing” (February 2016), wherein Taylor’s study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of Taylor’s findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if Taylor’s noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple’s findings largely support the argument that building more housing reduces displacement pressures, and agree that “market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population.”³³ They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that *“neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.”*³⁴ They further cite that drilling down to local case studies, they “see that the housing market dynamics and their impact on displacement operate differently at these different scales”³⁵ and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.³⁶

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen’s study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen’s study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

“Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how

³³ Miriam Zuk, Karen Chapple, “Housing Production, Filtering and Displacement: Untangling the Relationships,” University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.

³⁴ Ibid, page 7.

³⁵ Ibid, page 10.

³⁶ Ibid, page 1.

limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."³⁷

Monkkonen states that "constraining the supply of housing increases rents."³⁸ He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that through filtering, new housing units can improve overall housing affordability at the metropolitan level. He further states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise be inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."³⁹ He further states that the filtering process is a "crucial element to stave off increases in housing rents," and cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."⁴⁰ Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that *increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement. In conclusion, Monkkonen states "Not building housing in some parts of the city pushes the pressure for development, along with any negative impacts, to neighborhoods with fewer resources to resist."*⁴¹

Applied San Francisco Research and Findings

To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify readily available data points local to San Francisco, the Mission District, and the LCD. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then

³⁷ Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.

³⁸ Ibid, page 5.

³⁹ Ibid page 6.

⁴⁰ Ibid.

⁴¹ Ibid, page 7.

be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as \$0 - \$499, \$500-\$999, \$1,000-\$1,499, \$1,500- \$1,999, and \$2,000+. The rent range band tops out at \$2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the \$2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco, the census tracts defining the Mission District, and thus also the census tracts that most correspond with the LCD, pursuant to the American Community Survey (ACS).⁴² Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as RealAnswers, with the latter tracking prices and price changes for a 20-year period, from 1996 to 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco, the Mission District, and the LCD. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. ***No specific trends were identified for the City or the Mission District and LCD suggesting that housing production has an impact on apartment rents, including increases in rent or rent suppression.*** While not the result of a rigorous study, this finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as Mac Taylor, et. al. for the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between

⁴² To support this analysis, the census tracts comprising the LCD were identified. For census tracts only partially in the LCD, estimates were prepared regarding the percentage of each census tract's housing units that are located in the LCD.

housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases.

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco, the Mission District, and LCD is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed many papers comprising the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification because how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development *cause* gentrification and displacement?

ALH Economics identified 11 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with *public policy tools* available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income

households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development in the LCD will cause displacement ***is not supported by the evidence in the academic literature.*** The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. Generally speaking, CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." Most specifically, the CEQA Guidelines state that:

"[e]conomic or social effects of a project shall not be treated as significant effects on the environment."⁴³ CEQA defines the "[e]nvironment" as "*physical conditions*,"⁴⁴ and impacts analyzed under CEQA must be "related to a physical change."⁴⁵

Under the CEQA guidelines, however, *physical changes* to the environment caused by a project's economic or social effects are secondary impacts that should be included in an EIR's impact analysis *if they are significant*.⁴⁶ There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.⁴⁷

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.⁴⁸

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

⁴³ CEQA Guidelines, § 15131, subd. (a)

⁴⁴ Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.

⁴⁵ Guidelines, §15358(b).

⁴⁶ CEQA Guidelines §15064(e)

⁴⁷ The primary case is *Bakersfield Citizens for Local Control v City of Bakersfield* (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include *Anderson First Coalition v City of Anderson* (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and *Gilroy Citizens for Responsible Planning v City of Gilroy* (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.

⁴⁸ This case is *Gray v County of Madera* (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.⁴⁹ Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.⁵⁰

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

⁴⁹ Representative cases include *Preserve Poway v. City of Poway* (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not “include such psychological, social, or economic impacts on community character;” and *Cathay Mortuary, Inc. v. San Francisco Planning Com.* (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not “related to any environmental issue.”

⁵⁰ See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study “economic displacement”; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; and Group 4 Architecture, Research + Planning, Inc.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, commercial market analysis, economic development and

redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's Home Improvement Warehouse, or Target store. The studies have also been conducted for

large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007
- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonoma, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006

- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April, 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, anticipated opening 2017
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opening anticipated early 2017
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, broke ground in 2015
- Sacramento Entertainment and Sports Center, mixed-use entertainment complex with 682,500 square feet of retail space
- San Francisco, Warriors Arena, groundbreaking January 2017

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Fresno, Fresno 40, totaling 209,650 square feet
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center (groundbreaking on transportation improvements April 2013)
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

Projects In Progress/Engaged in the Public Process

- Chico, Walmart expansion, expansion of an existing Walmart store plus addition of three development parcels including a fueling station, restaurant, and retail space
- Davis, Davis Innovation Center, an innovation center with 4.0 million square feet of planned space, including tech office, laboratory, R&D, assembly, industrial flex space, ancillary retail space, and a hotel.
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center
- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space



AMY L. HERMAN
PRINCIPAL

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OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- Environmental Science Associates
- First Carbon Solutions
- General Electric Company
- Gresham Savage Nolan & Tilden
- Kaiser Permanente
- Lawrence Berkeley National Laboratory
- Lennar
- City of Los Banos
- Merlone Geier Partners
- Michael Brandman Associates
- Mills Corporation
- City of Mountain View
- Port of San Francisco
- The Presidio Trust
- Pulte Homes
- Ronald McDonald House
- Santa Clara Valley Transportation Authority
- City of Santa Rosa
- Shea Properties
- Sheppard Mullin Richter & Hampton LLP
- Simon Property Group
- The Sobrato Organization
- Southbay Development
- City of Sunnyvale
- Sunset Development Co.
- Westfield Corporation

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Howard Hughes Corporation. Managed economic impact and fiscal impact analysis for a large-scale master planned development in Honolulu, including residential, commercial, and industrial land uses.

FISCAL IMPACT ANALYSIS

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

San Francisco Mayor's Office of Economic Development. Conducted fiscal and economic impact analysis of redevelopment and expansion of San Francisco's Parkmerced residential community, including assessing the project's impacts on the San Francisco Municipal Transportation Agency.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts.

DEVELOPMENT FEASIBILITY

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles

ChevronTexaco. Conducted a regional market analysis of an 8,400-acre oil field retired from active oil production in the New Orleans, Louisiana metropolitan area.

City of San Jose. Managed alternative City Hall location analysis, focused on recommending a long-term occupation strategy for the City. Following relocation of City Hall conducted a study examining the feasibility of redeveloping the City's former City Hall location and nearby parking facilities for residential, retail, and civic land uses.

General Motors Corporation. Managed reuse studies for closed manufacturing facilities in Indiana (250 acres, 14 sites) and New Jersey (80 acres). Studies focused on the long term reuse and redevelopment potential of the closed manufacturing sites.

CORPORATE LOCATION ANALYSIS

Toyota Motor Corporation. Conducted a location analysis study for a distribution facility in the San Francisco Bay Area, designed to minimize travel time distance to the majority of area dealerships.

Cisco Systems. Managed multiple corporate location studies for Cisco Systems, headquartered in San Jose, California. These studies focused on the formulation of both a regional and a North American location strategy.

Starbucks Coffee Company. Directed analysis examining alternative locations for a new coffee roasting plant in the Western United States. A variety of economic, business, and labor market data were collected. The roasting plant was successfully sited in Sparks, Nevada.

Sacramento Regional Transportation District (RTD). Managed a consultant team assisting the RTD in planning for its immediate and long-term administrative office space needs, and in developing a strategy for maximizing the value of the existing RTD complex.

Hines. Managed comparative analysis highlighting business and employee costs associated with business locations in three competitive Bay Area locations.

AMY L. HERMAN
Principal**EDUCATION**

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Total Estimated Income and Spending on Retail from New Project Households
2016 Dollars

Residential Land Use	Average Monthly Rent Assumption (1)	Estimated Average Household Income (2)	Number of Households (3)	Percent Income Spent on Retail (4)	Per Household Retail Spending (5)	Total Retail Demand (5)
Project						
Axis - Market Rate	\$4,100	\$148,000	89	26%	\$39,100	\$3,476,200
Axis - Affordable Rental (6)	\$1,481	\$53,300	23	37%	\$19,900	\$458,400
Subtotal			112			\$3,934,600
Other LCD Projects						
Entitled Market Rate	\$4,100	\$148,000	19	26%	\$39,100	\$742,100
Entitled Affordable Rental (Senior) (7)	NA	\$41,450	96	42%	\$17,600	\$1,686,800
Not Entitled Market Rate	\$4,100	\$148,000	176	26%	\$39,100	\$6,874,400
Not Entitled Affordable Rental (6)	\$1,481	\$53,300	39	37%	\$19,900	\$777,300
Subtotal			330			\$10,080,600
Total LCD						\$14,015,200
Near LCD Projects						
Entitled Market Rate	\$4,100	\$148,000	233	26%	\$39,100	\$9,100,700
Entitled Affordable Rental (6)	\$1,481	\$53,300	3	37%	\$19,900	\$59,800
Entitled Affordable Owner (8)	\$2,393	\$86,150	6	32%	\$27,900	\$167,400
Not Entitled Market Rate	\$4,100	\$148,000	154	26%	\$39,100	\$6,015,100
Not Entitled Affordable Rental (6)	NA	\$53,300	9	37%	\$19,900	\$179,400
Not Entitled Affordable Owner (8)	\$2,393	\$86,150	138	31%	\$27,000	\$3,732,000
Subtotal			543			\$19,254,400
Total (8)		-	985	--	--	\$33,269,600

Source: Axis Development Group; 2016 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFRA) that contains San Francisco, and ALH Urban & Regional Economics.

- (1) Market rate rents are based on the estimated average for the Axis project at 2675 Folsom, because rent projections are available for this planned project and none of the other projects at the time this analysis was prepared.
- (2) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.
- (3) Assumed to comprise occupied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.
- (4) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
- (5) Figures rounded to the nearest \$1,000.
- (6) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. The affordable rental units are assumed to be rented to 3-person households at 55% of Area Median Income (AMI). The corresponding annual household income for 2016 is \$53,300.
- (7) Assumes a 1-person household at 55% of AMI.
- (8) Assumes a 4-person household at 80% of AMI.
- (9) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2015

Characteristic	Household Income Range									
	All Consumer Units	\$15,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 and more	
Average HH Income	\$69,627	\$22,263	\$34,746	\$44,568	\$59,293	\$83,413	\$119,828	\$170,277	\$314,010	
Amount Spent on Retail (2)	\$21,689	\$12,777	\$16,130	\$17,611	\$20,811	\$26,436	\$33,284	\$40,780	\$50,660	
Percent Spent on Retail (3)	31%	57%	46%	40%	35%	32%	28%	24%	16%	

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2015, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

- (1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
- (2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
- (3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2014
(in \$000s)

Type of Retailer	Total Taxable Sales (1)	State of California		Percent of Total	Percent Assumed Neighborhood- Oriented (2)
		Taxable Sales Adjusted to Total Retail			
Motor Vehicle & Parts Dealers	\$73,232,242	\$73,232,242	14.3%	0%	
Home Furnishings & Appliances	\$26,557,730	\$26,557,730	5.2%	50%	
Building Materials & Garden Equipment	\$31,299,110	\$31,299,110	6.1%	10%	
Food & Beverage Stores	\$26,298,414	\$87,661,380 (3)	17.1%	80%	
Gasoline Stations	\$55,733,384	\$55,733,384	10.9%	0%	
Clothing & Clothing Accessories	\$36,822,241	\$36,822,241	7.2%	25%	
General Merchandise Stores	\$52,013,855	\$69,351,807 (4)	13.5%	25%	
Food Services & Drinking Places	\$67,864,614	\$67,864,614	13.2%	75%	
Other Retail Group (6)	\$50,014,587	\$63,733,757 (5)	12.4%	33%	
Total (7)	\$419,836,177	\$512,256,264	100%	NA	

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2014; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and ALH Urban & Regional Economics.

- (1) Taxable sales are pursuant to reporting by the BOE.
- (2) Assumption prepared by ALH Urban & Regional Economics.
- (3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.
- (4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.
- (5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2014 represented approximately 13.51% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.
- (6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.
- (7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2016 Projected (1)

Store or Category (2)	2010		2011		2012		2013		Average In 2016's
	In 2010's	In 2016's	In 2011's	In 2016's	In 2012's	In 2016's	In 2013's	In 2016's	
Apparel									
Apparel - Specialty	\$405	\$463	\$447	\$494	\$472	\$512	\$451	\$483	\$488
Women's Apparel	\$365	\$417	\$455	\$502	\$515	\$559	\$473	\$506	\$496
Shoe Stores	\$371	\$424	\$454	\$501	\$487	\$528	\$475	\$508	\$491
Ross Dress for Less	\$324	\$370	\$195	\$215	\$195	\$212	\$362	\$387	\$296
Kohl's	\$229	\$262	\$215	\$237	\$209	\$227	\$190	\$203	\$232
Discount Stores									
Target	\$196	\$224	\$212	\$234	\$213	\$231	\$202	\$216	\$226
Wal-Mart	\$282	\$322	\$290	\$320	\$304	\$330	\$297	\$318	\$323
	\$422	\$482	\$499	\$551	\$456	\$495	\$376	\$402	\$483
Department Stores Category									
Sears	\$252	\$288	\$276	\$305	\$274	\$297	\$285	\$305	\$299
	\$206	\$236	\$205	\$226	\$210	\$228	\$161	\$172	\$216
Domestics Category									
Furniture Category	\$294	\$336	\$288	\$318	\$268	\$291	\$300	\$321	\$316
Average of Domestics & Furniture	\$198	\$226	\$290	\$320	\$361	\$392	\$449	\$480	\$355
	\$246	\$281	\$289	\$319	\$315	\$341	\$375	\$401	\$336
Neighborhood Center Category									
Supermarkets	\$535	\$612	\$533	\$589	\$575	\$624	\$611	\$654	\$619
Specialty/Organic	\$510	\$583	\$658	\$727	\$698	\$757	\$756	\$809	\$719
Drug Stores	\$724	\$828	\$657	\$726	\$667	\$724	\$629	\$673	\$737
Rite Aid	\$421	\$481	\$560	\$618	\$549	\$596	\$556	\$595	\$573
CVS	\$802	\$917	\$806	\$890	\$883	\$958	\$875	\$936	\$925
Restaurants Category									
Casual Dining	\$429	\$490	\$496	\$548	\$480	\$521	\$486	\$520	\$520
Fast Food Chains	\$431	\$493	\$578	\$638	\$563	\$611	\$567	\$607	\$587
	\$431	\$493	\$507	\$560	\$492	\$534	\$543	\$581	\$542
Home Improvement									
	\$269	\$308	\$278	\$307	\$287	\$311	\$301	\$322	\$312
Auto - DIY Stores (3)									
	\$205	\$234	\$218	\$241	\$220	\$239	\$217	\$232	\$237
Other Retail Categories									
Accessories	\$778	\$889	\$978	\$1,080	\$1,191	\$1,292	\$1,032	\$1,104	\$1,091
HBA, Home Fragrances	\$541	\$619	\$474	\$523	\$531	\$576	\$519	\$555	\$568
Electronics & Appliances	\$686	\$784	\$1,171	\$1,293	\$821	\$891	\$946	\$1,012	\$995
Office Supplies	\$263	\$301	\$270	\$298	\$262	\$284	\$283	\$303	\$296
Sports	\$226	\$258	\$239	\$264	\$252	\$273	\$253	\$271	\$267
Pet Supplies	\$185	\$212	\$188	\$208	\$218	\$237	\$234	\$250	\$227
Book Superstores	\$180	\$206	\$247	\$273	\$210	\$228	\$189	\$202	\$227
Toys	\$320	\$366	\$333	\$368	\$312	\$338	\$220	\$235	\$327
Music Superstores	\$318	\$364	\$317	\$350	\$314	\$341	\$292	\$312	\$342
Gifts, Hobbies & Fabrics	\$124	\$142	\$136	\$150	\$137	\$149	\$151	\$162	\$151
Average of Other Retail Categories	\$362	\$414	\$435	\$481	\$425	\$461	\$412	\$441	\$449

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.

(2) Includes industry- and category-representative stores.

(3) Average reflects a four-year trend.

Exhibit 5
Pipeline Projects in the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.	
			Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	\$2,003,615	\$800 (6)	2,505	0
Home Furnishings and Appliances	\$726,613	\$336	2,165	1,140
Building Materials and Garden Equip.	\$856,336	\$312	2,745	289
Food and Beverage Stores	\$2,398,393	\$669	3,584	3,018
Gasoline Stations	\$1,524,851	NA (7)	N/A (7)	0
Clothing and Clothing Accessories	\$1,007,447	\$401	2,515	662
General Merchandise Stores	\$1,897,448	\$309	6,137	1,615
Food Services and Drinking Places	\$1,856,758	\$550	3,378	2,667
Other Retail Group	\$1,743,739	\$449	3,883	1,349
Subtotal	\$14,015,200	--	26,912	10,739
Additional Service Increment (15% of total) (9)	N/A	N/A	4,749	3,749 (8)
Total	N/A	N/A	31,661 (10)	14,489
Total Rounded to Nearest 100			31,700	14,500

Source: ALH Urban & Regional Economics.

- =(1) See "&E1. Rents, Income, Retail Spending" for the amount of estimated retail sales demand from the Pipeline projects' households located in the LCD and Exhibit 3 for the percentage distribution by category."
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxin (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
Axis Development Group, 2675 Folsom Street
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Total Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$562,491	\$800 (6)	703	740	0
Home Furnishings and Appliances	\$203,988	\$336	608	640	320
Building Materials and Garden Equip.	\$240,406	\$312	771	811	81
Food and Beverage Stores	\$673,320	\$669	1,006	1,059	847
Gasoline Stations	\$428,084	NA (7)	NA (7)	NA (7)	0
Clothing and Clothing Accessories	\$282,829	\$401	706	743	186
General Merchandise Stores	\$532,686	\$309	1,723	1,814	453
Food Services and Drinking Places	\$521,263	\$550	948	998	749
Other Retail Group	\$489,534	\$449	1,090	1,147	379
Subtotal	\$3,934,600	--	7,555	7,953	3,015
Additional Service Increment (15% of total) (9)	N/A	N/A	1,333	1,403	1,053 (8)
Total	N/A	N/A	8,888 (10)	9,356	4,067
Total Rounded to Nearest 100			8,900	9,400 (11)	4,100

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7
Lennar, 1515 South Van Ness Boulevard
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Total Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$736,510	\$800 (6)	921	969	0
Home Furnishings and Appliances	\$267,096	\$336	796	838	419
Building Materials and Garden Equip.	\$314,781	\$312	1,009	1,062	106
Food and Beverage Stores	\$881,626	\$669	1,317	1,387	1,109
Gasoline Stations	\$560,521	N/A (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	\$370,328	\$401	924	973	243
General Merchandise Stores	\$697,484	\$309	2,256	2,375	594
Food Services and Drinking Places	\$682,527	\$550	1,242	1,307	980
Other Retail Group	\$640,982	\$449	1,427	1,502	496
Subtotal	\$5,151,854	--	9,892	10,413	3,948
Additional Service Increment (15% of total) (9)	N/A	N/A	1,746	1,838	1,378 (8)
Total	N/A	N/A	11,638 (10)	12,251	5,326
Total Rounded to Nearest 100			11,600	12,300 (11)	5,300

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$2,752,612	\$800 (6)	3,441	3,622	0
Home Furnishings and Appliances	\$998,237	\$336	2,975	3,131	1,566
Building Materials and Garden Equip.	\$1,176,453	\$312	3,771	3,969	397
Food and Beverage Stores	\$3,294,967	\$669	4,924	5,183	4,146
Gasoline Stations	\$2,094,875	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	\$1,384,054	\$401	3,455	3,637	909
General Merchandise Stores	\$2,606,757	\$309	8,431	8,875	2,219
Food Services and Drinking Places	\$2,550,857	\$550	4,641	4,886	3,664
Other Retail Group	\$2,395,569	\$449	5,334	5,615	1,853
Subtotal	\$19,254,400	--	36,972	38,918	14,754
Additional Service Increment (15% of total) (9)	N/A	N/A	6,524	6,868	5,151 (8)
Total	N/A	N/A	43,496 (10)	45,785	19,905
Total Rounded to Nearest 100			43,500	45,800 (11)	19,900

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	\$4,756,228	\$800 (6)	5,945	6,258	0
Home Furnishings and Appliances	\$1,724,850	\$336	5,140	5,410	2,705
Building Materials and Garden Equip.	\$2,032,789	\$312	6,515	6,858	686
Food and Beverage Stores	\$5,693,359	\$669	8,507	8,955	7,164
Gasoline Stations	\$3,619,726	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	\$2,391,501	\$401	5,970	6,284	1,571
General Merchandise Stores	\$4,504,204	\$309	14,569	15,335	3,834
Food Services and Drinking Places	\$4,407,615	\$550	8,020	8,442	6,331
Other Retail Group	\$4,139,328	\$449	9,217	9,702	3,202
Subtotal	\$33,269,600	--	63,883	67,245	25,493
Additional Service Increment (15% of total) (9)	N/A	N/A	11,274	11,867	8,900 (8)
Total	N/A	N/A	75,157 (10)	79,112	34,393
Total Rounded to Nearest 100			75,200	79,100 (11)	34,400

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 10
Households and Mean Household Income
2015
Mission District and Latino Cultural District (LCD)

Geographic Area	Households	Mean Household Income 2015
<u>Mission District Census Tracts (1)</u>		
177	756	\$112,144
201	2,910	\$71,117
208	2,663	\$107,806
209	1,823	\$86,878
228.01	1,939	\$136,756
228.03	1,610	\$117,145
229.01	1,434	\$97,385
229.02	794	\$133,584
229.03	1,133	\$108,556
	15,062	\$103,551
Total/Weighted Average		
<u>LCD (2)</u>		
	%	
209	40%	302
228.03	50%	805
229.01	100%	1,434
229.02	100%	794
229.03	66%	748
Total		4,083
		\$109,587

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(2) The census tract percentages for the LCD portion of the Mission District per ALH Urban & Regional Economics using, "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD. Percentages comprise ALH Economics assumptions.

Exhibit 11
Mission District and LCD
Total Estimated Income and Spending on Retail from Existing Area Households
2016 Dollars

Area	Estimated Average Household Income		Number of Households (1)	Percent Income Spent on Retail (3)		Per Household Retail Spending (4)	Total Retail Demand (4)
	2015 (1)	2016 (2)					
Mission	\$103,551	\$107,769	15,062	29%		\$31,700	\$477,080,800
LCD	\$109,587	\$114,051	4,083	29%		\$33,500	\$136,872,400

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

- (1) See Exhibit 10 for estimated 2015 household incomes.
- (2) Incomes are inflated from 2015 to 2016 pursuant to a CPI adjustment for All Urban Consumers from July 2015 to July 2016. The CPI factors are 238.654 for July 2015 and 248.375 for July 2016, resulting in a 1.04073 inflation rate.
- (3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
- (4) Figures rounded to the nearest \$1,000.

Exhibit 12
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$68,203,552	\$800 (6)	85,254	89,742	0
Home Furnishings and Appliances	\$24,734,072	\$336	73,705	77,584	38,792
Building Materials and Garden Equip.	\$29,149,872	\$312	93,429	98,346	9,835
Food and Beverage Stores	\$81,641,874	\$669	121,994	128,414	102,732
Gasoline Stations	\$51,906,300	N/A (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	\$34,293,742	\$401	85,605	90,110	22,528
General Merchandise Stores	\$64,589,577	\$309	208,911	219,906	54,976
Food Services and Drinking Places	\$63,204,506	\$550	115,003	121,056	90,792
Other Retail Group	\$59,357,306	\$449	132,175	139,132	45,913
Subtotal	\$477,080,800	--	916,075	964,290	365,567
Additional Service Increment (15% of total) (9)	N/A	N/A	161,660	170,169	127,627 (8)
Total	N/A	N/A	1,077,735 (10)	1,134,458	493,194
Total Rounded to Nearest 100			1,077,700	1,134,500 (11)	493,200

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 11 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
LCD
Supportable Square Feet of Commercial Space from Households in the LCD
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.	
			Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	\$19,567,301	\$800 (6)	24,459	0
Home Furnishings and Appliances	\$7,096,097	\$336	21,146	11,129
Building Materials and Garden Equip.	\$8,362,971	\$312	26,804	2,822
Food and Beverage Stores	\$23,422,697	\$669	34,999	29,473
Gasoline Stations	\$14,891,691	NA (7)	N/A (7)	0
Clothing and Clothing Accessories	\$9,838,725	\$401	24,560	6,463
General Merchandise Stores	\$18,530,468	\$309	59,936	15,773
Food Services and Drinking Places	\$18,133,097	\$550	32,994	26,048
Other Retail Group	\$17,029,352	\$449	37,920	13,172
Subtotal	\$136,872,400	--	262,818	104,880
Additional Service Increment (15% of total) (9)	N/A	N/A	46,380	36,616 (8)
Total	N/A	N/A	309,198 (10)	141,495
Total Rounded to Nearest 100			309,200	141,500

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 11 for the amount of estimated retail sales demand from LCD Households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 14
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

	Monthly Rents						
Year	Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	\$940	\$1,182	\$1,239	\$1,555	\$1,563	\$1,235	2.4%
1997	\$1,054	\$1,322	\$1,416	\$1,799	\$1,808	\$1,402	3.1%
1998	\$1,161	\$1,456	\$1,560	\$1,891	\$2,015	\$1,531	2.3%
1999	\$1,251	\$1,585	\$1,656	\$2,019	\$2,294	\$1,663	2.4%
2000	\$1,544	\$2,011	\$2,327	\$2,709	\$3,147	\$2,180	1.4%
2001	\$1,512	\$1,960	\$2,332	\$2,600	\$3,111	\$2,130	5.1%
2002	\$1,314	\$1,741	\$1,979	\$2,299	\$2,826	\$1,867	5.9%
2003	\$1,262	\$1,622	\$1,875	\$2,225	\$2,878	\$1,768	5.2%
2004	\$1,267	\$1,646	\$1,821	\$2,277	\$2,679	\$1,778	6.5%
2005	\$1,334	\$1,700	\$1,885	\$2,382	\$2,643	\$1,835	3.9%
2006	\$1,439	\$1,799	\$1,930	\$2,635	\$2,390	\$1,958	4.0%
2007	\$1,586	\$1,988	\$2,192	\$2,954	\$2,610	\$2,175	5.1%
2008	\$1,723	\$2,152	\$2,359	\$3,242	\$2,702	\$2,368	4.4%
2009	\$1,584	\$2,010	\$2,258	\$3,001	\$2,812	\$2,262	4.4%
2010	\$1,595	\$2,052	\$2,149	\$3,011	\$2,902	\$2,243	6.3%
2011	\$1,894	\$2,330	\$2,403	\$3,379	\$2,983	\$2,472	3.9%
2012	\$2,136	\$2,642	\$2,735	\$3,713	\$3,024	\$2,727	4.7%
2013	\$2,327	\$2,832	\$3,135	\$4,064	\$3,652	\$2,976	4.5%
2014	\$2,575	\$3,119	\$3,379	\$4,270	\$4,082	\$3,275	4.4%
2015	\$2,839	\$3,366	\$3,607	\$4,666	\$4,322	\$3,557	4.8%
2016	\$2,831	\$3,372	\$3,621	\$4,713	\$4,582	\$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association*; Winter 2004; 70, 1; ProQuest Direct Complete, page 39.
<http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf>
2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008).
<http://www.nber.org/papers/w14036>
3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," *Regional Science and Urban Economics*, Volume 41, Issue 2 (March 2011).
<http://www.sciencedirect.com/science/article/pii/S0166046211000044> (abstract)
4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013).
http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf
5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014).
<http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup>
6. Joe Cortright, "How Governing got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015).
<http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/> [comments on *Governing Magazine*, "The 'G' Word: A Special Series on Gentrification" (February 2015)
<http://www.governing.com/topics/urban/gov-gentrification-series.html>]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.
<http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/>
8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015).
http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf
9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf
10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016).
https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en
11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016).
<https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html>

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the LCD, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

“To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city.”⁵¹

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- “Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others.”⁵²
- “We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one.”⁵³

⁵¹ Lance Freeman and Frank Braconi, “Gentrification and Displacement: New York City in the 1990s”, American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.

⁵² Ibid, page 45.

⁵³ Ibid, page 48.

- “Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement... The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here,, suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents.”⁵⁴

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

“Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises.”⁵⁵

2. Terra McKinnish, University of Colorado at Boulder; Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

⁵⁴ Ibid.

⁵⁵ Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.⁵⁶ But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."⁵⁷

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."⁵⁸ Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."⁵⁹ Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."⁶⁰ Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."⁶¹

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal *Regional Science and Urban Economics*. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

⁵⁶ Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.

⁵⁷ Ibid, page 2.

⁵⁸ Ibid, page 4.

⁵⁹ Ibid.

⁶⁰ Ibid, page 5.

⁶¹ Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.⁶² An abstract of this paper, published on-line, cites the following summary finding:

“Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less.”

Further, as cited in the study findings, Ellen and O’Regan state:

“The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume.”⁶³

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

“Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey’s data on residential turnover, Ellen and O’Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman’s (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

⁶² <http://www.sciencedirect.com/science/article/pii/S0166046211000044>.

⁶³ See paper excerpt cited in: <https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup>

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas.”⁶⁴

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will “need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods.”⁶⁵

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center’s overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman’s 2005 study:

“In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%.”⁶⁶

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that “The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others.”⁶⁷

This roundup cites other study findings, such as the following:

- “Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.
- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

⁶⁴ Silva Mathema, “Gentrification: An updated Literature Review,” Poverty & Race Research Action Council, October 2013, page 3.

⁶⁵ Ibid, page 5.

⁶⁶ Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, “Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup,” August 2014.

⁶⁷ Ibid.

Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless.”⁶⁸

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

“The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods.”⁶⁹

6. Joseph Cortright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impresa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by *Governing Magazine* in February 2015.

In his commentary, Cortright states that:

“There’s precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as “gentrifying.” If there were displacement, you’d expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as “gentrifying” in 2013 than there were in 2000. *Governing’s* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after “gentrifying,” these neighborhoods still have higher poverty rates, on average, than the national average.

Careful academic studies of gentrifying neighborhoods, by Columbia’s Lance Freeman and the University of Colorado’s Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don’t improve. The University of Washington’s Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs.”⁷⁰

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Joe Cortright, “How *Governing* got it wrong: The problem with confusing gentrification and displacement,” *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

"Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.

And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods."⁷¹

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

"Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

⁷¹ Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying.”⁷²

In further discussing study findings, Florida cites that “Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations.” This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see <http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/>). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida’s, summarizes Karen Chapple of the Urban Displacement Project’s findings as follows, demonstrating the complex relationship between gentrification and displacement:

“Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement.”⁷³

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California’s Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that “As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color.”⁷⁴ Thus, the

⁷² Ibid.

⁷³ See <http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/>.

⁷⁴ University of California, Berkeley, “Urban Displacement Project,” December 2015, page 1.

Urban Displacement Project “analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk.”⁷⁵

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.⁷⁶ The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area’s affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing “naturally occurring” affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.⁷⁷

Notably, this paper identifies “exclusionary displacement” as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement’s relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, “most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well.”⁷⁸ However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Ibid, page 2.

⁷⁸ Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.
- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.
- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco’s Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: “Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective.”⁷⁹

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2015

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley’s Institute of Governmental Studies. The study’s findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- “At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.
- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.

⁷⁹ Ibid, page 4.

- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."⁸⁰

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

"As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."⁸¹

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

⁸⁰ Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

⁸¹ Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

“Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents.”

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

“This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.

We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O’Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).

When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations.”⁸²

⁸² Ibid, pages 42 and 43.

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.⁸³ He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.⁸⁴ However, he cites that there is near empirical consensus that “mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods.”⁸⁵ In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.⁸⁶

⁸³ Derek Hyra, “Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy,” November 2016, page 170.

⁸⁴ Ibid, page 171.

⁸⁵ Ibid.

⁸⁶ Ibid, page 173.

Attachment B

Supplemental Response for 2918-2924 Mission St. Project



**SAN FRANCISCO
PLANNING DEPARTMENT**

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**Appeal of Community Plan Evaluation
2918-2924 Mission Street Project
Supplemental Responses**

DATE: June 11, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032
Chris Kern, Principal Environmental Planner – (415) 575-9037
Julie Moore, Senior Environmental Planner – (415) 575-8733

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

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

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

HEARING DATE: June 19, 2018

ATTACHMENTS¹: D – ICF, *Historic Resource Evaluation, 2918-2922 Mission Street, San Francisco*, May 29, 2018
E – Planning Department, *Historic Resource Evaluation Response, 2918-2922 Mission Street, San Francisco*, May 31, 2018
F – Fehr&Peers, *2918 Mission Analysis Memorandum*, June 4, 2018
G – RWDI, *Shadow Analysis 2918 Mission Street*, February 2, 2018
H – ALH Urban & Regional Economics, *Socioeconomic Effects of 2918 Mission Street Market-Rate Development*, June 2018

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

INTRODUCTION

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

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

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

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

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

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

HISTORIC RESOURCE EVALUATION

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

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

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

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

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

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

TRANSPORTATION

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

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

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

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

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

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

SHADOW

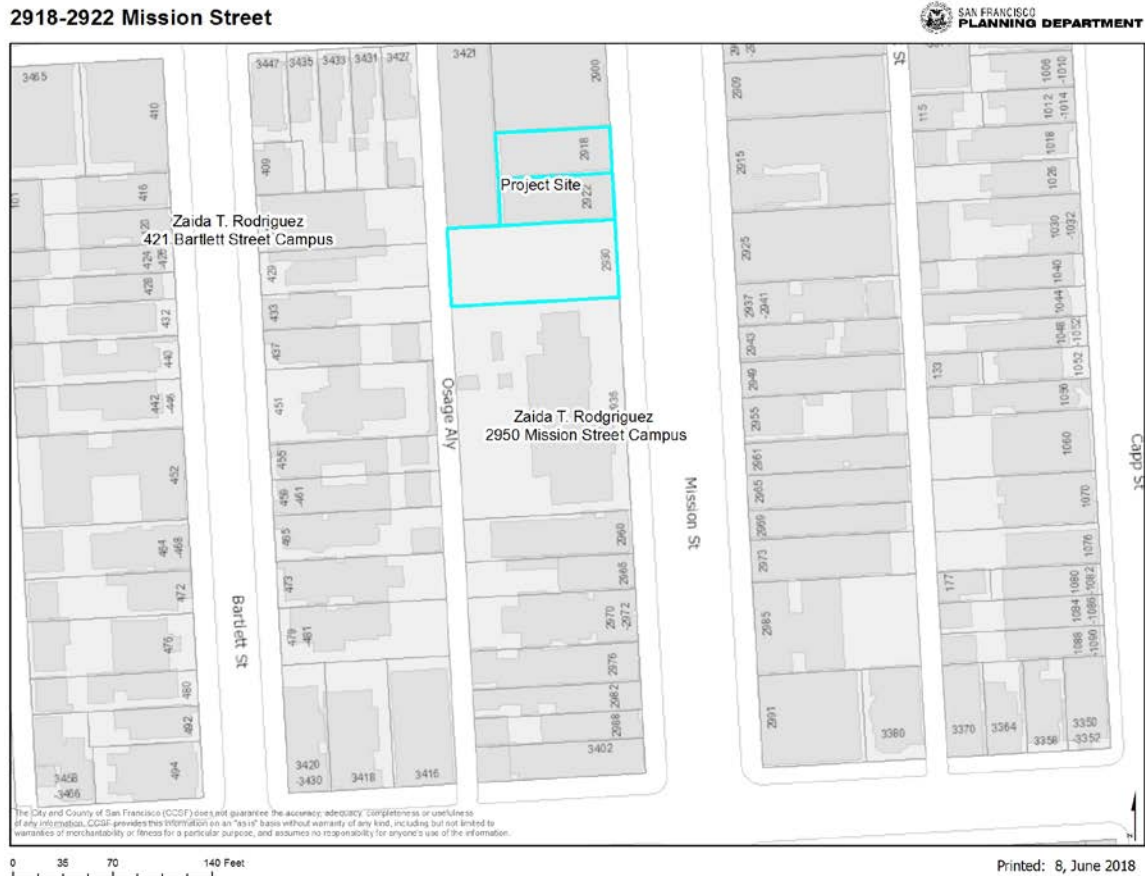
Although not required by CEQA, in San Francisco the environmental review of projects includes an analysis of whether new shadow from a proposed project would affect the use and enjoyment of parks or open spaces that are publically accessible.

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

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

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

⁴ <https://www.privateschoolreview.com/california/san-francisco>, June 2018.



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

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

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

SOCIOECONOMIC EFFECTS

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

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

In response to this appeal and under the direction of the Department, ALH Economics prepared an updated study encompassing the following: (1) project-specific analysis to evaluate whether the residential projects that are in the Department pipeline within ¼-mile of the 2918-2924 Mission Street Project site could result in commercial market shifts, such as the displacement of existing commercial

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

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

Pipeline Effects on Displacement of Commercial Establishments

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

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

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

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

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

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

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

⁷ Ibid, Table 6

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

Effects on residential rents and displacement

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

A recent study by researchers at UC Berkeley and UCLA commissioned by the California Air Resources Board⁹ found that, while gentrification and displacement was occurring in neighborhoods near transit stations, such displacement was largely taking place in areas that did not experience significant new residential development. The authors note that:

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

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

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

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

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

CONCLUSION

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

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

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

Attachment D

Historic Resource Evaluation

2918-2922 Mission Street

May 29, 2018

FINAL DRAFT

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

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Acronyms and Abbreviations

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

1.1 Executive Summary

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

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

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

1.1.1 Property Information

1.1.1.1 Zoning

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

1.1.1.2 Current Historic Status

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

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

National Register of Historic Places

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

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

California Register of Historical Resources

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

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

San Francisco Planning Department Historic Status Code

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

South Mission Historic Resource Survey

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

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

1.2 Methods

1.2.1 Architectural Survey

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

1.2.2 Research

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

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

Property-specific research was conducted using the following sources.

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

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

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

2.1 Property Description

2.1.1 Project Site

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

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

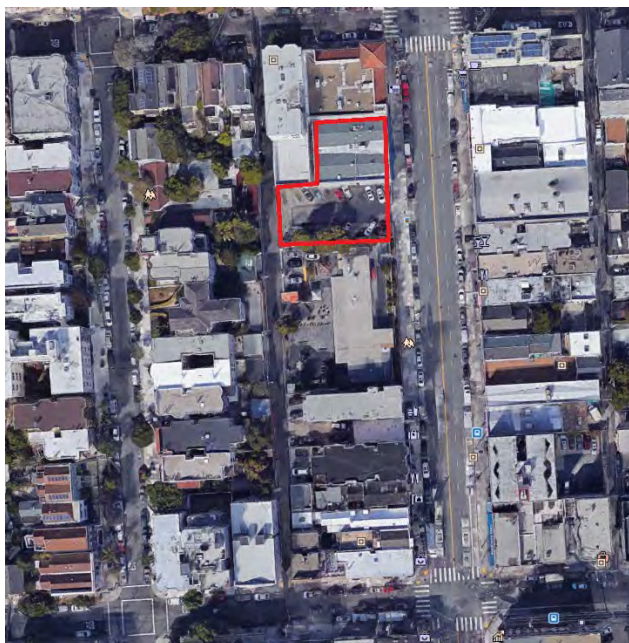


Figure 1. Project site, perspective view facing northwest at Mission Street between 26th and 25th Streets; north is up.

2.1.2 Architectural Description

2.1.2.1 2918-2922 Mission Street

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



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

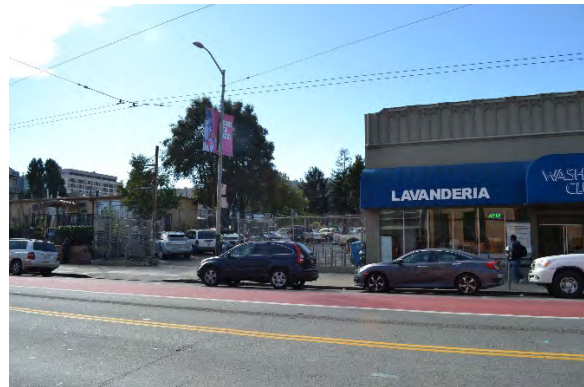


Figure 3. 2920 Mission Street, perspective view of the parking lot, facing west at Mission Street

East Façade

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



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



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

South Façade

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



Figure 6. Entrance at the South façade, facing north



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

West Façade

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



Figure 8. Detail of the west facade, facing east

Interior

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

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



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

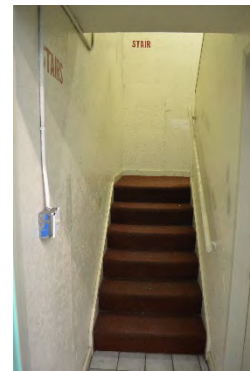


Figure 10. Staircase leads to mezzanine, facing north



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



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

2.1.2.2 Adjacent Parking Lot

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



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

2.2 Property History

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

2.2.1 Site History

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

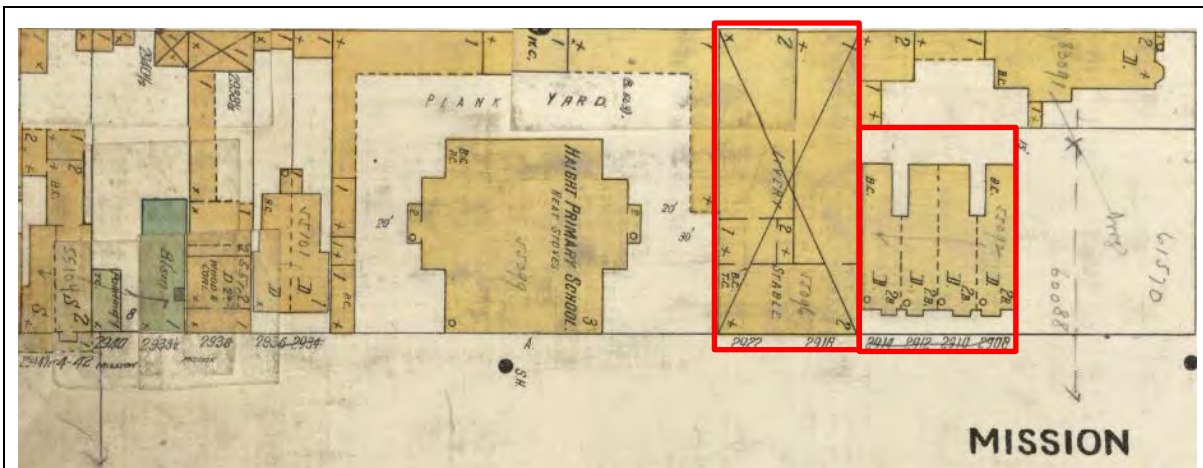
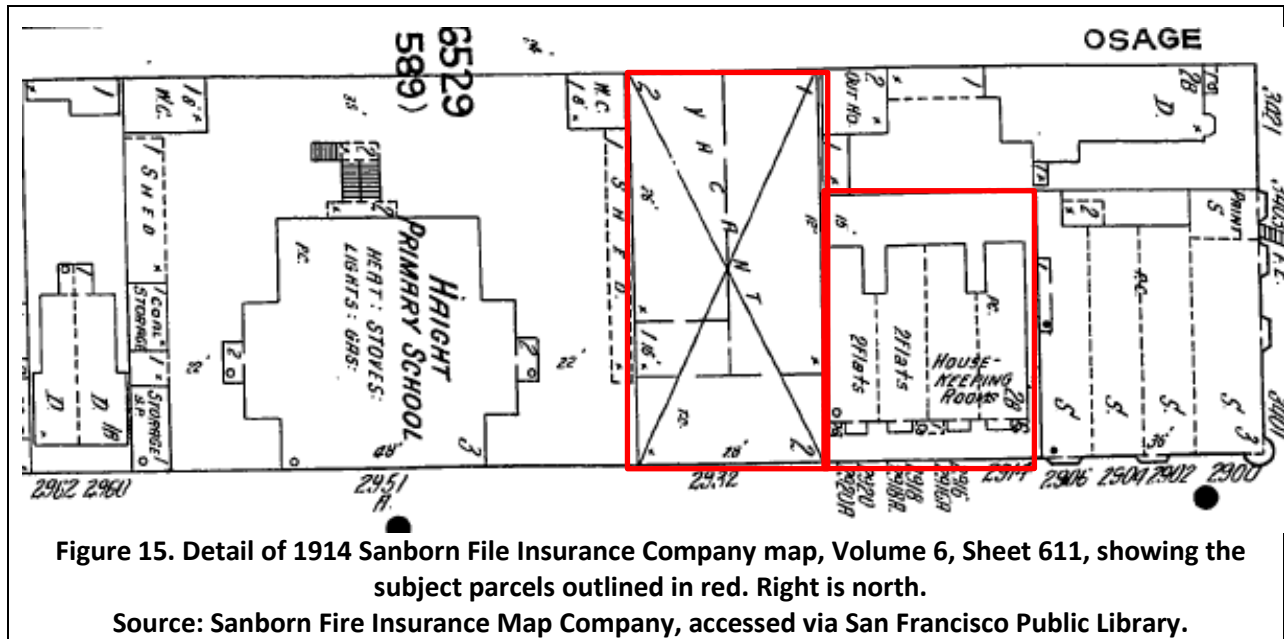


Figure 14. Detail of 1905 Sanborn Fire Insurance Company map, Volume 6, Sheet 626, showing the subject parcels outlined in red. Right is north.

Source: Sanborn Fire Insurance Map Company, accessed via David Rumsey Map Collection.

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



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

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



**Figure 16. Detail of 1938 aerial photo, showing the subject parcels outlined in red.
Right is north.**

Source: San Francisco Aerial Views, accessed via David Rumsey Map Collection.

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



Figure 17. View of Mission Street at 26th Street, facing north, November 17, 1949.

Source: San Francisco Historical Photograph Collection, San Francisco Public Library.

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

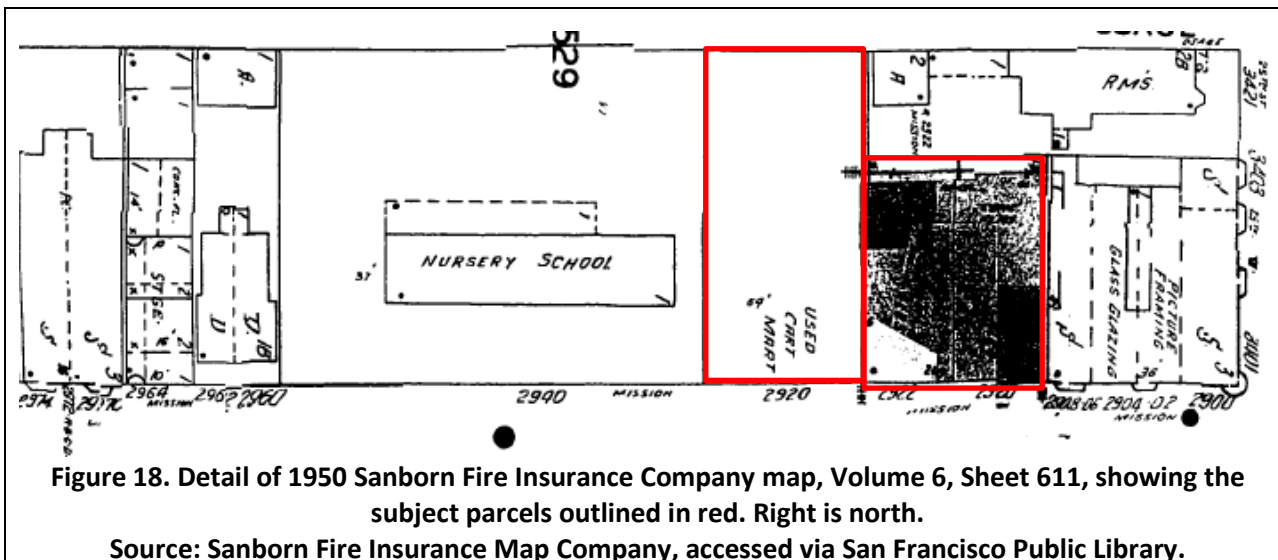


Figure 18. Detail of 1950 Sanborn Fire Insurance Company map, Volume 6, Sheet 611, showing the subject parcels outlined in red. Right is north.

Source: Sanborn Fire Insurance Map Company, accessed via San Francisco Public Library.

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



Figure 19. Photo of subject property as Atlas (Volkswagen) Motors, August 24, 1964.

Source: San Francisco Historical Photograph Collection, San Francisco Public Library.

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

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

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

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

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



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

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

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

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

2.2.2 Construction Chronology

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

Table 2. Construction Chronology

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

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

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

2.2.3 Building Alterations

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

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

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

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

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

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

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

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

3.1.1 Early San Francisco: Spanish and Mexican Periods

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

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

3.1.2 Early Mission District Development

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

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

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

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

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

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

3.2.1 Demographic Changes in the Mission

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

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

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

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

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

3.2.2 Community Needs and Organizational Response in the 1960s

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

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

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

- Mission Neighborhood Centers (MNC): Founded as a settlement house, MNC advocated for greater social services to address issues faced by the neighborhood's residents. MNC completed a study in 1960, "A Self-Portrait of the Greater Mission District," that was an early attempt to articulate the neighborhood's social challenges and propose solutions (Howell 2015:222-227).
- Community Service Organization (CSO): The Mexican American-affiliated CSO was active across California and focused on social and political issues facing Latino/a residents of urban areas; the organization's focus spread to San Francisco during the 1960s (Summers Sandoval 2013:127).
- Organization for Business, Education and Community Advancement (OBECA)/Arriba Juntos: Known as OBECA at its founding in 1965, this nonprofit organization developed programs to address Mission residents' needs in a range of issues, but focusing on employment skills. Renamed Arriba Juntos (Upward Together) in 1967, the Catholic-affiliated service group

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

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

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

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

3.2.3 Urban Renewal and Community Mobilization in the Mission

3.2.3.1 The Roots of Urban Renewal in San Francisco

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

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

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

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

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

3.2.3.2 Community Response in the Mission

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

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

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

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

3.2.3.3 The Model Cities Program and the Mission Coalition Organization

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

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

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

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



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

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

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

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

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

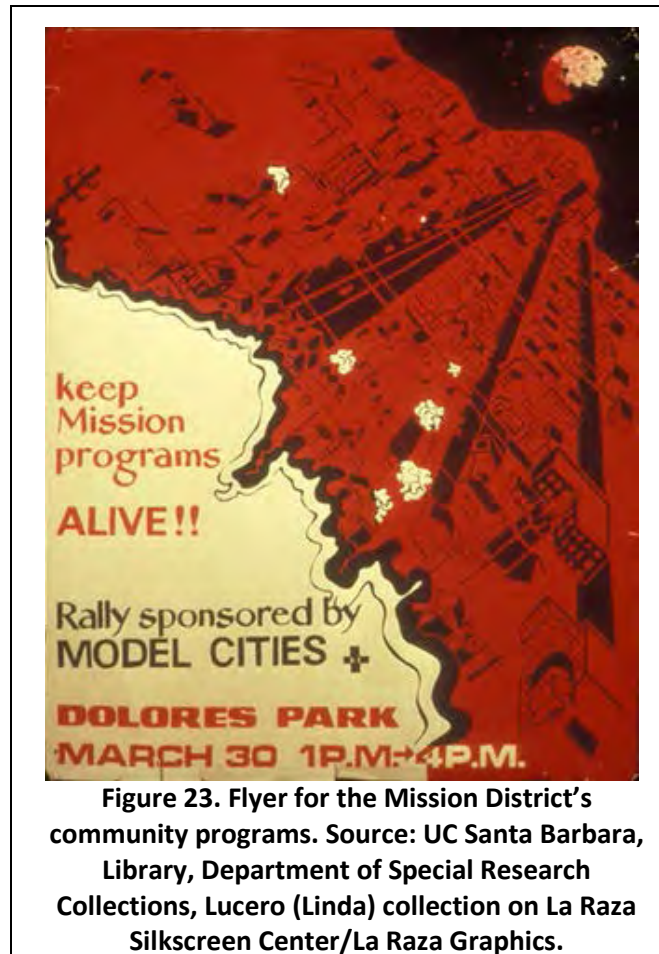


Figure 22. MCO's 5th annual convention at University of San Francisco, 1972.

Source: El Tecolote Archives, via FoundSF,

http://www.foundsf.org/index.php?title=MCO_and_Latino_Community_Formation.

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



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

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



Figure 24. Map of Model Cities-funded organizations in the Mission, included on the cover of a 1974 programs report published by the MMNC

Source: Mission Model Neighborhood Corporation, *Mission Model Cities 74-75*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.3.1 Organizations for Latino Rights and Inclusion

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

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

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

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

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

Legal Defense Fund (PRLDF) developed (DeSipio 2013). Additional Latino activist groups that formed through the 1960s and 1970s include the National Hispanic Chamber of Commerce and the United Farm Workers (UFW), established by Cesar Chavez, Dolores Huerta and others. UFW elevated California's Mexican farmworker plight to the national level, which helped increase awareness of injustices against Latino laborers.

In the 1960s, injustices against largely immigrant farmworkers from Mexico provided stimulus for the Chicano movement: an urban movement with a broad constituency that developed from the era of 1960s social protesting. An important part of the struggle for Latino civil rights, the Chicano movement inspired many community-oriented services to open, of which several received funding from federal War on Poverty programs. In California, community services to open under the momentum of the Chicano movement include an Oakland health clinic, Centro de Salud Mental; San Diego's Chicano Community Health Center; the Chicana Service Action Centers for job-training located throughout Los Angeles; the East Los Angeles Community Union; and Santa Clara County's Mexican American Community Services Agency (California Office of Historic Preservation 2015:104).

The Chicano movement also relied on youth activism. Groups included those such as high school and college quasi-military radical student protesters known as the Brown Berets, who demanded equal education and cultural acknowledgement. Additionally, the National Chicano Moratorium (NCM) was an anti-Vietnam War group that protested from 1969-1970 in Los Angeles. Latina activists also utilized feminism and the 1960s feminism movement to demand social equality. Francisca Flores led the creation of Los Angeles' Comision Feminil Mexicana Nacional, a group that prepared Latinas for leadership roles within and beyond the Chicano movement (California Office of Historic Preservation 2015:104-105).

The Chicano movement's efforts resulted in noted victories for Latino/a people in the United States. The Fifth and Fourteenth Amendments were nationally enforced; national Latino advocacy groups and organizations gained permanency; Latino/a individuals began to progress into the national and political mainstream; and newer Latino groups—those who demanded stronger civil rights—outweighed earlier methods of assimilation into mainstream American culture (California Office of Historic Preservation 2015:105).

The year 1975 was pivotal for California's Latino population. Through grassroots activism, the Voting Rights Act extended to Latino/a people, easing the voting process along with providing bilingual materials. In 1982, the Voting Rights Act was amended to allow majority-minority voting districts that benefited minority voters. This amendment helped the election of several Latinos into political roles (California Office of Historic Preservation 2015:117-118).

3.3.2 Postwar Latino Labor and Union Activism

Following the Depression era and World War II, the United States underwent tremendous economic growth. This trend meant greater jobs for some and many Latino workers—many of them of Mexican heritage—quit their agricultural jobs and searched for work in cities. By 1960, 85 percent of the Spanish surname population in California resided in the state's cities (California Office of Historic Preservation 2015:72). Latinas, too, generally shifted from semi-skilled factory occupations into clerical positions. An increase in jobs in urban areas, along with the G.I. Bill that allowed Latinos to achieve higher education and therefore greater opportunities for white-collar jobs, provided them upward mobility for the first time. However, much of their gains were temporary, and Latino/a

workers continued to hold inferior jobs, continued to largely occupy the manual labor sector, and continued to earn lower wages than Anglos.

In the 1960s, Latino/a Californians led strike efforts with political support at the state level by Governor Pat Brown, who gained political control through his 1958 pro-labor campaign. Latinos also strengthened their union forces by entering into AFL-CIO unions. In Southern California, Mexican-Americans held union membership in high numbers. At a meat-processing factory, workers grew union membership with strong organizing tactics and through the leadership of J.J. Rodriguez, a CIO local president. The Mine, Mill and Smelter Workers Union of Los Angeles held numerous strikes from the 1940s-1960s, with 400 Mexican union members out of a 2,100-member union. Also in Los Angeles, Mexican steelworkers made up a third of a 16,000-member union. Mexican laborers of Southern California unionized and led strikes in other industries, such as auto, electrical, aircraft, rubber, and longshoremen (California Office of Historic Preservation 2015:76).

Farmworkers also organized. The Agricultural Workers Unionizing Committee (AWOC), established in 1959, held a strike in 1961 against lettuce growers of the Imperial Valley, and again the following year towards the California Packing Corporation (California Office of Historic Preservation 2015:76-77).

On a national level, the National Farm Workers Association (NFWA)—later renamed the United Farm Workers (UFW)—led efforts to organize farm workers. NFWA demanded minimum wage, social security, housing, healthcare, and education assistance for farm laborers. NFWA led several strikes that drew attention nationwide for the first time. In 1965, a UFW strike against grape growers that lasted until 1970 attracted national support and sympathy, coinciding during the civil rights movement (California Office of Historic Preservation 2015:77-78). In 1972, the UFW had increased California's farmworker wages to nearly double with some then receiving basic healthcare. The UFW peaked in the 1970s while organizing workers in Arizona, California, and Florida, and securing the passage of the Agricultural Labor Relations Act for California, giving farm labor unions new protections (California Office of Historic Preservation 2015:78).

In the 1970s, Latinos and Latinas continued advocating and fighting for worker rights. "Housing the largest Spanish-speaking population in the U.S., California emerged as the site of nationally significant labor activism" (California Office of Historic Preservation 2015:79). By the 1980s, the Reagan administration propagated national anti-unionism sentiment when the President fired air traffic controllers who went on strike in 1981 and replaced them with other employees. Reagan's firings led other employers across the nation to follow suit with their own employees who went on strike.

While the national labor movement began to wither at this time, Latino/a organizers brought fierce union tactics, which ignited the labor movement on a national scale. In San Francisco in the 1980s, the Hotel Employees and Restaurant Employees Union (HERE) Local 2 aided a hotel strike with the organization of Miguel Contreras. HERE also created Latinos Unidos (United Latinos) to additionally assist the strikers. The strike lasted 27 days, and ultimately gained higher wages and increased benefits. In Van Nuys, California, Mexican workers at a General Motors plant delayed closure of the plant through grassroots boycotting. In Watsonville in 1985, 1,500 Mexican and Mexican-American women employees went on strike against their frozen food employer for 19 months. Although they lost, their strike was noticed across the nation (California Office of Historic Preservation 2015:81).

4.1 Owner/Occupant Chronology

Table 3 provides a list of the known owners of 2918-2922 Mission Street. Table 4 provides a list of known occupants. Given that the building contained many commercial tenants at any one time, Table 4 presents the tenants listed in San Francisco city directories at four points in time between the building's construction in 1924, and 1982, the final year that city directories are available.

Table 3. Owner Chronology

Date	Name/Address	Source
APN 6529-002 2918-2920 Mission Street		
1917- 1953	Henrietta Sittenfeld	San Francisco Office of the Assessor-Recorder; June 2, 1953 Building Permit, source: SF Dept. of Building Inspection
1947	Union Trust So. Exrs	San Francisco Office of the Assessor-Recorder
1952-2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006-present	RRTI Inc.	San Francisco Office of the Assessor-Recorder
APN 6529-002A 2922 Mission Street		
1917	Commercial Centre Realty	San Francisco Office of the Assessor-Recorder
1938	ML Fruhling	San Francisco Office of the Assessor-Recorder
1938	Cal Pao Title & Tr Co	San Francisco Office of the Assessor-Recorder
1938-1946	Aaron A. and Louise R. Heringhi	San Francisco Office of the Assessor-Recorder
1946	Louise R. Heringhi	San Francisco Office of the Assessor-Recorder
1956	Bertha A. Gordon, Wells Fargo Bank, and Marvin Sugarman	San Francisco Office of the Assessor-Recorder
Unknown-2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006-present	RRTI Inc.	San Francisco Office of the Assessor-Recorder
APN 6529-003 Parking Lot		
1948	Jessie B. Lyon	San Francisco Office of the Assessor-Recorder

1960	Bertha A. Gordon, Wells Fargo Bank, and Marvin Sugarman	San Francisco Office of the Assessor-Recorder
1952–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–Present	RRTI Inc.	San Francisco Office of the Assessor-Recorder

Table 4. Occupant Chronology

Date	Name/Address	Source
1925	<ul style="list-style-type: none"> Coast Auto Company 	<i>Crocker-Langley San Francisco City Directory 1925</i> (San Francisco, CA: R.L. Polk & Co. 1925).
1926–1929	<ul style="list-style-type: none"> Badger & Hayes Inc. (2922 Mission St) 	<i>Crocker-Langley San Francisco City Directory 1928</i> (San Francisco, CA: R.L. Polk & Co. 1926-1929).
1933	<ul style="list-style-type: none"> Morton & Wildman (used cars) (2922 Mission St) Malkason Motors Co. (2920 Mission St) 	<i>Polk's Crocker-Langley San Francisco City Directory 1933</i> (San Francisco, CA: R.L. Polk & Co. 1933).
1953	<ul style="list-style-type: none"> Leshner-Muirhead Motors (2920 Mission St) 	<i>Polk's San Francisco City Directory 1953</i> (San Francisco, CA: R.L. Polk & Co. 1953).
1955–56	<ul style="list-style-type: none"> Better Values Store Inc. (2920 Mission St) 	<i>Polk's San Francisco City Directory 1955–56</i> (San Francisco, CA: R.L. Polk & Co. 1956).
1958	<ul style="list-style-type: none"> Volvo Motors Auto (2922 Mission St) Sam's Speed Service (auto repair) (2920 Mission St) 	<i>Polk's San Francisco City Directory 1958</i> (Los Angeles, CA: R.L. Polk & Co. 1958).
1959–1972	<ul style="list-style-type: none"> Atlas Motors or Atlas Volkswagen (2920-2922 Mission St) 	<i>Polk's San Francisco City Directory 1959–1972</i> (Los Angeles; Monterey Park, CA: R.L. Polk & Co. 1959-1972).
1973–1985	<ul style="list-style-type: none"> Mission Hiring Hall Inc. (2922 Mission St) 	<i>Polk's San Francisco City Directory 1973</i> (Monterey Park, CA: R.L. Polk & Co. 1973); <i>San Francisco City Directory 1974</i> (El Monte, CA: R.L. Polk & Co. 1974–1977); <i>San Francisco City Directory 1978</i> (Dallas, Texas: R.L. Polk & Co. 1978). San Francisco Telephone Directory 1979–1985.

1974– 1985	<ul style="list-style-type: none"> • Mission Housing Development Corporation (2922 Mission St) 	<i>San Francisco City Directory 1974</i> (El Monte, CA: R.L Polk & CO. 1974–1977); <i>San Francisco City Directory 1978</i> (Dallas, Texas: R.L Polk & CO. 1978). San Francisco Telephone Directory 1979–1985.
1974	<ul style="list-style-type: none"> • Mission Model Neighborhood Corp. (2922 Mission St) 	<i>San Francisco City Directory 1974</i> (El Monte, CA: R.L Polk & CO. 1974).
1974– 1975	<ul style="list-style-type: none"> • Mission Childcare Consortium Inc. (2922 Mission St) 	<i>San Francisco City Directory 1974</i> (El Monte, CA: R.L Polk & CO. 1974–1975).
1974– 1978	<ul style="list-style-type: none"> • Mission Community Legal Defense Fund (2922 Mission St) 	<i>San Francisco City Directory 1974</i> (El Monte, CA: R.L Polk & CO. 1974–1977); <i>San Francisco City Directory 1978</i> (Dallas, Texas: R.L Polk & CO. 1978).
1989	<ul style="list-style-type: none"> • Movie Magic 	SF Dept. of Building Inspection, Permit No. 612733
1991– Present	<ul style="list-style-type: none"> • Wash Club Laundry (2922 Mission St) 	SF Dept. of Building Inspection, Permit No. 668045

4.2 Organization Occupant Histories

The five community-based nonprofit organizations whose offices were housed in the subject building beginning c.1974 developed in close association with one another and have interlinked histories (Figure 25). These five organizations—Mission Model Neighborhood Corporation (MMNC), Mission Housing Development Corporation (MHDC), Mission Hiring Hall (MHH), Mission Childcare Consortium (MCCC), and Mission Community Legal Defense Fund (MCLDF)—have a shared origin created through, and funded by, the federal Model Cities Program. They also embodied a shared goal to improve the lived experiences of the residents of the Mission, many of whom faced serious social barriers regardless of their ethnicity.

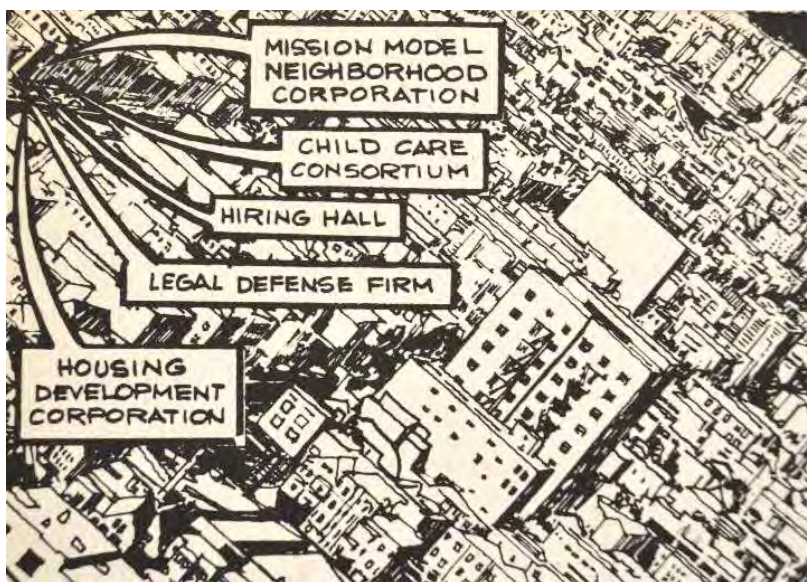


Figure 25. Detail of 1974 Model Cities programs report cover, showing a hand drawn map indicating the location of four Model Cities organizations within the subject building
Source: Mission Model Neighborhood Corporation, *Mission Model Cities 74-75*

The organizations were created following the submittal of the Mission Model Cities plan to the Department of Housing and Urban Development and the first delivery of Model Cities funding to San Francisco in 1971. The plan identified a broad range of community needs for the Mission in the realms of employment, education, housing, health, recreation, and other areas. Upon their formation, the majority of these organizations (with the exception of MCLDF) established their offices at 3145 23rd Street. As the organizations grew their staff and programs, it is believed that their first shared space proved too small for them, and they relocated to 2918-2922 Mission Street in order to expand (Del Carlo pers. comm.). Based on city directories and municipal Model Cities reports, the first of the organizations to relocate was MHH, in 1973; the remainder followed in 1974. The various groups vacated the building over time, with the MCCC offices remaining for only one year. MHDC and MHH remained the longest, until 1985, when it appears that these organizations outgrew the space they had occupied for over ten years (Del Carlo pers. comm.).

The following section presents brief histories of the five Model Cities-funded programs that occupied the building at 2918-2922 Mission Street during the early- to mid-1970s. These histories provide an overview of the programs' primary programs and major organizational accomplishments, as well as brief comparative context that describes similar organizations that may have also operated in San Francisco during the same period. The building's earlier automobile-related commercial tenants are not expanded upon in this section, as they appear to be unremarkable businesses within the context of a neighborhood commercial corridor in San Francisco during the early- to mid-twentieth century.

4.2.1 Mission Model Neighborhood Corporation

In 1970, MMNC was formed by MCO and Mayor Joseph Alioto's office as a private, not-for-profit corporation that was the primary citizen participation mechanism required by the Model Cities program. The corporation resembled existing agencies that operated throughout the entire city (such as the SFRA), but MMNC was responsible for administering Model Cities funding to programs

occurring within the boundaries of the Mission Model Cities target area. Prior to the waning of MCO's political influence in 1974, MMNC operated in tandem with the Mission Housing Development Corporation (described in the following section) to assess the Mission's policy and planning needs. Most importantly, MMNC became an instrument for the MCO's political objective to allow residents of the Mission to identify urban planning priorities and to determine its own political future (Howell 2015:279-280).

The community-focused planning efforts of the MMNC were rooted in its 21-member board of directors, two thirds of which are put forward by the MCO and formally appointed by the mayor. The directors were responsible for developing the Model Cities improvement plan that outlined MMNC's areas of community involvement in the Mission (Del Carlo pers. comm.). On May 3, 1971, a \$2.9 million Mission District improvement plan, drafted by MMNC, was approved by the San Francisco Board of Supervisors and forwarded to HUD. The plan proposed approximately \$800,000 for job development, \$800,000 for housing development, \$775,000 on education, and \$200,000 on citizen participation and outreach (Burns 1971:5).

Playing a central role in the work of MMNC was its large collection of task forces—in areas such as employment, police, recreation, welfare, and housing—that liaised with applicable Model Cities organizations. For instance, the housing task force was linked with programs including the Mission Housing Development Corporation; the police task force was a bridge to programs such as Mission Community Legal Defense Fund. The task forces were responsible for evaluating the efficacy of their respective organizations and had the authority to withhold funding if any organization's programs were deemed as not meeting community needs sufficiently (Mission Model Neighborhood Corporation 1973).

MMNC was initially allocated an annual budget of \$3.2 million and was viewed as the primary source of local planning expertise and community participation in the Mission. During the early 1970s MMNC gained considerable funding and access to City Hall, which it used to propose new programs and policies to improve the quality of life for existing Mission residents and mitigate potential displacement. One example of MMNC's influence was its successful campaign to downzone areas of Mission Street near the BART station locations, making those areas less attractive to outside real estate developers. Also in the early 1970s, MMNC drew attention to issues such as inadequate municipal service performance (i.e., garbage collection), and lobbied appropriate city agencies to address residents' concerns (Howell 2015:284-289).

City directories indicate that MMNC was housed in the subject building for one year only. As MMNC fulfilled the community participation mandate of the Model Cities Program, the moratorium on Model Cities in 1974 forecast an uncertain future for the corporation. Mayor Alioto proposed that both the MMNC and the equivalent organization in the city's other Model Cities neighborhood, Bayview-Hunters Point, be combined into a new body, the Model Cities Council. The council was to include board members from each of the neighborhoods but would be housed in the mayor's office (Burns 1974:3). Thus MMNC pivoted to a position more closely associated with City Hall; historian Ocean Howell has written that the corporation "effectively ceased to be a strictly community-controlled organization. From that point on, the organization's activities were severely curtailed by a conservative Department of Housing and Urban Development" (Howell 2015:294).

4.2.2 Mission Housing Development Corporation

MHDC was formed alongside the MMNC and functioned as a public housing development authority that initially operated using Model Cities funding. MHDC's primary goal was to improve housing options for low-income residents of the Mission, and it was closely aligned with the planning expertise of MMNC. Reflecting their interconnected relationship, both organizations shared space within the building at 3145 23rd Street beginning in 1971, and in 1974 relocated together into the subject building at 2918-2922 Mission Street.

When established in 1971, MHDC was an early non-profit affordable housing development organization in San Francisco. Although it does not appear that comparable neighborhood-based affordable housing corporations existed previous to MHDC, an important antecedent to the organization's work is the ILWU Longshore Redevelopment Corporation, which planned and developed the St. Francis Square complex in the Fillmore District during the 1960s. While not strictly a community-based non-profit like MHDC, the union-affiliated developer of St. Francis Square is notable for constructing affordable housing units outside the auspices of the municipal housing agency, the San Francisco Housing Authority. Union pension investments funded St. Francis Square, whose 300 units were sold to low- and moderate-income San Francisco residents. The project has been viewed as an important model for creating affordable housing units for individuals who otherwise faced barriers in the housing market in the city (Cole 2016).

Compared to St. Francis Square, the work of MHDC ultimately represented a longer-term investment in a single neighborhood. MHDC was formed to address the specific housing needs of the Mission. A 1974 fact sheet on the corporation described its rationale: "overcrowding, deterioration, high rent, high construction cost, dilapidation, and lack of a master plan are some of the housing problems existing in the Mission Neighborhood Area. Lack of cooperation from existing housing agencies to deal with these problems has created the need for the MHDC Project" (Mission Model Neighborhood Corporation 1974: "Fact Sheet: Mission Model Neighborhood Corporation" para. 3).

In conjunction with the MCO and MMNC, MHDC oversaw programs that distributed federal Model Cities funding into new housing development projects and other housing-related initiatives in the Mission. The program's earliest efforts were in community funding for the rehabilitation of existing buildings that had suffered from deferred maintenance (Del Carlo pers. comm.). MHDC employed Model Cities funding for a provision of \$150,000 to Crocker National Bank, which the bank used as security against potential defaults for rehabilitation loans that were available to Mission residents (San Francisco Chronicle 1972:2). The corporation furthermore acquired a limited number of properties, which it then arranged to be sold to Mission residents who were not able to buy property without MHDC's financial assistance. According to a 1974 program report, MHDC had sponsored the rehabilitation of more than 100 buildings in the Mission (Mission Model Neighborhood Corporation 1974: "Fact Sheet: Mission Model Neighborhood Corporation"). In addition to its rehabilitation and home buying assistance programs, MHDC sought a clearer picture of housing issues in the Mission and conducted a door-to-door survey to identify the neighborhood's makeup of owners and renters (Cervantes pers. comm.)

The most visible of MHDC's projects within its first two years in existence were its successful appeal for federal funding for two new below-market-rate housing projects. This money was awarded shortly before President Richard Nixon's administration slashed Model Cities program funding. Apartamentos de la Esperanza, at 19th and Guerrero streets, and the Betel Apartments complex, at 24th Street and Potrero Avenue, were funded in 1973 and completed several years later, providing

39 and 50 units of affordable housing respectively (San Francisco Chronicle 1973:2; Howell 2015:292–293).

MHDC additionally spearheaded new urban planning efforts in the Mission. A significant accomplishment for the organization was the completion of the 1974 *A Plan for the Inner Mission*, also known as the Mission Plan. During the development of the plan from 1972 to 1974, planners hired by MHDC worked with community members to refine priorities for neighborhood improvements in a range of planning-related areas, including housing, recreation and park space, economic development, public health, education, community services, and transportation. Although not an official neighborhood plan developed by the Department of City Planning, the Mission Plan was a major effort for a community-based organization to analyze and synthesize a range of urban issues affecting quality of life of neighborhood residents (Mission Housing Development Corporation 1974).

Following the dissolution of MCO, MDHC's two affordable housing developments in the Mission had already been awarded federal funding and were underway; the organization's completed initiatives included rehabilitating several buildings as subsidized condominiums, as well as providing financial assistance to approximately 450 residents. Despite MMNC and MDHC's ambitions to introduce thousands of new affordable residential units in the Mission, in 1974 political developments at the local and national levels heavily restricted their ability to enact those plans (Howell 2015:294–295).

Through the 1970s, MHDC saw its two funded development projects—Apartamentos de la Esperanza and Betel Apartments—through to completion, and continued to explore new affordable housing construction. In the early 1980s, MHDC was responsible for constructing a third housing project from scratch, as well as rehabilitated a single-room occupancy hotel (Moss pers. comm.).

MHDC remained at 2918–2922 Mission Street until the mid-1980s. As a tenant of 2918–2922 Mission Street, MHDC originally utilized the building as an administrative office. While today MHDC has internal facing programs that go beyond affordable housing provision—such as engaging community members through skills building classes—those programs did not start until after MHDC relocated from 2918–2922 Mission Street (Moss pers. comm.). The organization currently occupies offices in the Mission at 474 Valencia Street.

4.2.3 Mission Hiring Hall

MHH was established as a Model Cities employment service for Mission residents, and was among several “manpower” organizations that operated in the neighborhood at this time. Once formally funded by Model Cities grants, MHH carried forward the goals of the MCO's jobs committee, which had developed its role negotiating directly with San Francisco employers to secure employment contracts. A number of individuals who had been heavily involved in the MCO jobs committee transferred to MHH upon its creation (Miller 2009:222).

The name given to MHH harkened to the hiring hall concept that is closely associated with San Francisco labor history, and specifically with the 1934 West Coast Longshoreman's Strike. During the strike, one principal demand of the waterfront workers was to establish a union-administered institution, the hiring hall, to dispatch union members to jobs on the docks. Once implemented, the hiring hall system regulated job assignments and eliminated the favoritism that had previously been rampant along the waterfront (Mills n.d.). MHH thus had a meaningful connection to an established tradition in San Francisco, but the organization operated outside of a union context. Based on research conducted for this report, it could not be determined whether any comparable

neighborhood-based employment organizations existed prior to Model Cities that used a similar strategy to negotiate directly with employers to secure jobs for underserved residents.

The primary goal of MHH during the 1970s and 1980s was to place unemployed residents of the Mission in jobs in San Francisco. The organization sought to overcome the various barriers faced by neighborhood residents, particularly Spanish speakers, in the employment market: these barriers included lack of job training and formal education, lack of English language skills, and discriminatory hiring practices. Many of the positions that were open to job seekers who had limited experience were in sectors such as garment manufacturing, and offered low pay and difficult workplace conditions (Mission Model Neighborhood Corporation 1974:C4-C5).

Staff members of MHH met with unemployed residents of the Mission seeking job referrals, and provided employment counseling and skills related to resume writing and application completion (Figure 26). With a formal bureaucratic structure and full-time, paid staff, the MHH forged relationships with major employers in the city, including Pacific Gas & Electric, Chevron, Foremost-McKesson, Hostess, and Safeway, which committed to interview and hire Mission job seekers. (Del Carlo pers. comm.; Office of the Mayor 1975) The organization therefore advocated for employment opportunities, some of them white-collar, that may previously have been unattainable to Mission residents. By 1973—prior to the moratorium on federal Model Cities funding and the organization's relocation into the subject building—MHH had placed over 650 individuals in jobs, and had placed nearly 200 Mission residents in employment training opportunities (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Missing Hiring Hall").



Figure 26. Interior space occupied by Mission Hiring Hall in the subject building, c.1975
Source: Office of the Mayor, *San Francisco Model Cities Program*, 1975

Although the federal Model Cities Program was eliminated in 1973, MHH was able to continue work through funding provided by the Department of Labor (Miller pers. comm.). The organization's relocation to new offices in 1973 and its transition to federal block grant funding do not appear to have disrupted its program offerings, and MHH continued working to place unemployed Mission residents in jobs. By 1975, the organization had received over \$300,000 in funding from HUD (Office of the Mayor 1975). According to the 1979 municipal performance report for community development programs, MHH operated to "provide sufficient job information, supportive services

and referrals of Mission Model Neighborhood residents to place them in full-time employment. A secondary goal is Affirmative Action and Job Development activities leading to job creation and placement” (Mayor’s Office of Community Development 1979:48).

MHH worked closely with other manpower organizations in the Mission, including Arriba Juntos (which also received HUD funding through the Model Cities program and community block grants). Job applicants who arrived at Mission Hiring Hall but required additional training prior to employment were referred to Arriba Juntos, which provided the necessary support (such as a specific training program for jobs at Safeway). Arriba Juntos also provided post-hire counseling to assist in job retention. The collaboration between these two organizations reflects the tightly connected environment of community-based nonprofits in the neighborhood during the 1970s. (Del Carlo pers. comm.; Office of the Mayor 1975)

MHH remained in the subject building until 1985. The organization remains in existence as of the writing of this report, with offices in the Mission at 3080 16th Street, and in the South of Market district at 1048 Folsom Street.

4.2.4 Mission Childcare Consortium

MCCC was established to provide sliding-scale child day care to families residing within the Mission Model Cities target area, which was identified as in high need of affordable day care options for working-class families. The organization grew out of the MCO’s childcare committee (Del Carlo pers. comm.). A 1973 Model Cities Program report articulated the community’s need for affordable childcare, stating that “parents, single mothers in particular, are unable to find childcare at a cost which will permit them to go to work or continue working” (Mission Model Neighborhood Corporation 1973:”Fact Sheet: Mission Childcare Consortium” para. 2). The provision of community-based childcare, therefore, was viewed as a tool to support not only childhood development but also employment and family financial security. Additional funding for MCCC was initially supplied by the Department of Social Services (Office of the Mayor 1975). Research completed for this report did not determine whether any comparable community-based childcare organizations operated in San Francisco during the second half of the twentieth century.

The consortium’s first day care location, accommodating 40 children, opened in November 1971 at the former St. Peter’s school on Alabama Street; seven additional locations opened early the following year, housed in both residential and commercial properties in the Mission (Stack 1971:4; Cervantes pers. comm.). Many of the coalition’s staff members were hired directly from Mission communities and were fluent in Spanish, although not all children who participated in the group’s day programs were from Spanish-speaking homes. The organization was structured to meet varying childcare needs within the community: several locations operated throughout the day, others operated before and after school hours, and one additional location was a drop-in center. The coalition’s services aimed to allow parents—particularly mothers, who were traditionally assigned to child-caring roles—to take employment or receive job training during the daytime (Hamilton 1971:4; Stack 1971:4).

Within the consortium’s first years in operation, its programs were expanded to include a 24-hour Extended Family Center that provided social services to abused children and their families (California Living Magazine 1973:23). By 1973, the organization reported that it had grown rapidly to serve approximately 250 children in the Mission. Its day care services included a nutrition program providing free meals and snacks, as well as a health program with medical, vision, and

dental examinations. Social workers were also employed at the individual childcare locations (Mission Model Neighborhood Corporation 1973:“Fact Sheet: Mission Childcare Consortium”).

According to city directories, the administrative office of MCCC relocated from its initial location at 3145 23rd Street into the subject building at 2918-2922 Mission Street in 1974, and remained there through 1975. At this time, the organization had six childcare centers throughout the Mission, and continued the scopes of its nutrition, health, and social service programs (Mission Model Neighborhood Corporation 1974:“Fact Sheet: Mission Childcare Consortium”). After the moratorium on federal Model Cities funding, the Mission Childcare Consortium continued to receive money from the Department of Social Services but also secured major funding from the State Department of Education. The change in funding source did not disrupt the organization’s programs, and in 1975 eight childcare centers were in operation (Office of the Mayor 1975). However, the consortium’s dependence on state money meant that policy changes at the state level at times threatened to limit certain families’ participation in its subsidized childcare programs. In response, through the 1970s the consortium fought to maintain the community’s access to its programs and joined campaigns against proposed state policy changes (Zane 1974:4; McKillips 1976:4).

City directories indicate that the offices of the Mission Childcare Consortium relocated out of 2918-2922 Mission Street in 1976, after two years’ occupancy of the building. Immediately after its relocation out of the subject building, the organization retained spaces at 3000 Folsom Street and 1406 Valencia Street and was led by Ben Martinez, the former president of the MCO (Cervantes pers. comm.). The organization remains in operation as of the writing of this report.

4.2.5 Mission Community Legal Defense Fund

MCLDF was founded to provide bilingual (Spanish and English) legal services free of charge to residents of the Mission, particularly serving low-income Latino/a residents who faced legal barriers to full participation in civic life. The legal defense fund was established in 1973, two years after the formation of the other organizations that ultimately joined it within 2918-2922 Mission Street. MCLDF’s original office location was at 2707 Folsom Street (Mission Model Neighborhood Corporation 1973:“Fact Sheet: Mission Community Legal Defense Fund”), which it occupied briefly before moving to the Mission Street Model Cities building in 1974.

Although focused at a community scale, MCLDF followed in the tradition of influential public interest legal defense funds that had become active nationwide in the twentieth century. Prominent organizations included the NAACP Legal Defense and Education Fund, in addition to MALDEF and PRLDF, which addressed issues specific to Latino/a communities. These legal defense funds pursued legal action with the aim of changing socially unjust institutions and winning civil rights in areas such as employment, voting, and housing (DeSipio 2013). By providing legal services to individual community members, however, MCLDF was perhaps more similar to the Bayview-Hunters Point Community Defender, a federally funded legal program founded in 1971 in San Francisco’s other Model Cities target neighborhood (Office of the Mayor 1975).

The programs of MCLDF responded to the inability of the public defender’s office to provide effective legal counsel to Mission residents. According to an MMNC report drafted immediately before the legal defense fund began operating, the organization was created to lower “the large number of Mission Neighborhood Area residents arrested and found guilty of offenses simply because they cannot afford adequate legal services and must depend on the Public Defense Office”

(Mission Model Neighborhood Corporation 1973:“Fact Sheet: Mission Community Legal Defense” para. 2).

The legal defense fund’s staff was comprised of attorneys who volunteered their time, or worked well below the rates they would be paid by a private law firm (Del Carlo pers. comm.). Upon its establishment, the organization defined its parameters as providing criminal defense services, assisting with “own recognizance” release and bail services, as necessary. After one year in operation, the organization had expanded its services to encompass the following: “Legal counseling for those charged with criminal offenses; some legal aid for civil matters of community concern; court representation; attorney referrals; probation hearing aid; drug diversion assistance; legal research; training legal workers; law classes; coordination with other Mission community organizations; on-going study regarding arrests, police brutality, etc.” (Mission Model Neighborhood Corporation 1974:“Fact Sheet: Mission Community Legal Defense” para. 3). Within six months in 1974, the organization reported that it had served more than 250 clients and appeared in court more than 150 times. The organization reported that, “Compared with the data in the Annual Report of the Public Defender’s Office – 1972, the MCLD showed significantly fewer ‘guilty’ judgments, fewer clients sent to prison, more probations and more not guilty findings and dismissals” (Mission Model Neighborhood Corporation 1974:“Fact Sheet: Mission Community Legal Defense” para. 4). By 1975, Mission Legal Defense Fund had provided some form of legal assistance to over 600 residents of the Mission (Office of the Mayor 1975).

In addition to courtroom representation and legal research, MCLDF developed programs to assist Mission residents navigate the legal territory of immigration and welfare assistance. Through its immigration services, the organization provided counseling and representation at immigration and naturalization hearings. MCLDF’s welfare services were a later addition to its suite of programs, and encompassed legal advising, representation, and workshops to familiarize welfare aid recipients in the Mission with their rights and responsibilities (Mayor’s Office of Community Development 1979:47).

Beyond the organization’s courtroom-based legal services and educational programs for Mission residents, MCLDF was involved in public campaigns to reform racially biased public policies in San Francisco, which reflected the strategies used by national civil rights legal defense funds such as MALDEF and PRLDF. During the years that the organization was housed at 2918-2922 Mission Street, it was one of several community groups involved in a reform campaign to establish new guidelines for police treatment of public witnesses during arrests. The organization also campaigned against changes to the admissions practices of Hastings College of the Law, which were viewed as creating bias against racial and ethnic minority applicants (Robinson 1976:14; Ramirez 1978:10).

City directories indicate that MCLDF moved its offices to 2940 16th Street in 1979. The organization no longer operates.

5.1 California Register Eligibility

The following section evaluates the property to determine whether it meets the eligibility criteria for listing in the California Register, for the purposes of CEQA review. These evaluative criteria are closely based on those developed by the National Park Service for the National Register. In order to be eligible for listing in the California Register, a property must demonstrate significance under one or more of the following criteria:

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

In addition, a property must retain integrity when being evaluated for listing in the California Register. Integrity is the measure by which a property is evaluated based on the property's ability to convey its historical significance. To retain integrity, a property must have most of the seven aspects of historic integrity as defined by the National Register and adopted by the California Register: location, design, materials, workmanship, setting, association, and feeling.

5.1.1 Criterion 1 (Events)

2918-2922 Mission Street is significant under Criterion 1 at the local level, for its association with five community-based non-profit organizations that occupied the building and formed a locus of community services in the Mission between the mid-1970s and mid-1980s: Mission Model Neighborhood Corporation (MMNC), Mission Hiring Hall (MHH), Mission Housing Development Corporation (MHDC), Mission Childcare Consortium (MCC), and Mission Community Legal Defense Fund (MCLDF). These organizations represented the successful implementation of community-based (and largely Latino/a-based) control over the use of federal Model Cities funding for neighborhood resident empowerment in San Francisco during the post-World War II period. The organizations are closely associated with the evolving story of federal anti-poverty and urban renewal programs in the second half of the twentieth century. Through its use as a hub of neighborhood-based social services during the 1970s and 1980s, the building is associated with the Mission's successful Model Cities community participation strategy to define community needs and develop impactful organizational solutions.

Through the involvement of the MCO, a broad-based neighborhood coalition formed in 1968 based on the community organizing principles of Saul Alinsky, Mission residents gained a voice in the process of defining community needs. The MCO's participatory approach has been recognized as highly innovative and successful in terms of citizen participation, which distinguished the Mission from the majority of Model Cities programs across the United States. Specifically, the MCO negotiated with Mayor Alioto's office during the application process for the Mission's Model Cities designation, and ultimately secured majority representation on the board of the MMNC, the neighborhood-based nonprofit corporation responsible for planning, distributing funding to, and evaluating the Mission's Model Cities programs.

The Mission's experience in the Model Cities program thus represents a significant development in the history of the Mission during the twentieth century, and in the social history of Latino/a residents of San Francisco (who were served predominantly, but not exclusively, by the Mission's Model Cities initiatives). The strong involvement of the MCO in the MMNC (and by extension its affiliated community non-profits, which developed out of the MCO's standing committees) allowed a spectrum of community members to become involved in articulating the needs of residents, developing organizational solutions to overcome social barriers, and working towards the political and social inclusion of the Mission's underserved populations.

MMNC occupied the subject building for one year, 1974. It was joined by four of the neighborhood's Model Cities organizations (as represented in Figure 25). These organizations were:

- Mission Hiring Hall (1973–1985)
- Mission Housing Development Corporation (1974–1985)
- Mission Childcare Consortium (1974–1975)
- Mission Community Legal Defense Fund (1974–1978)

Although MMNC, MHH, MHDC, and MCCC previously shared a smaller office at 3145 23rd Street beginning in 1971, the subject building at 2918-2922 Mission Street has a long-term affiliation with the organizations. Specifically, MCLDF delivered social services and resources to Mission residents from the building for a period of at least five years and MHH and MHDC remained in the building for more than ten years. While the Model Cities program was phased out immediately prior to the organizations' relocation into the subject building, the organizations received federal HUD money through a different funding model (Community Development Block Grants) and continued to embody the vision of neighborhood-based social service delivery that had been developed by the MCO and implemented by MMNC.

The subject building meets the definition of "Headquarters and Offices of Prominent Organizations," a property type "associated with struggles for inclusion" as described in the publication *Latinos in Twentieth Century California: National Register of Historic Places Context Statement* (California Office of Historic Preservation 2015:139). While not significant specifically for individual achievements attributed to the tenant organizations, the subject building at 2918-2922 Mission Street was recognized as one of the neighborhood's most prominent hubs of Mission activism and social service organizations that worked to overcome the systemic social barriers faced by Mission residents, specifically Latino/a individuals. Working collaboratively with one another and housed together on the Inner Mission's primary commercial corridor, the four nonprofit organizations listed above (and initially joined by the MMNC) provided services to improve affordable housing options in the Mission, secure stable employment, provide childcare options for working and work-seeking

parents, and offer legal representation. Given the demographic composition of the Mission at this time, the organizations supported community-based efforts to improve the lives of its Latino/a residents and more fully integrate them into the social and political life of the city at large. Considered together in light of their cumulative influence on Mission residents, the four organizations (initially with the close oversight of the MMNC) formed an impactful neighborhood center that led to meaningful change in the lives of Mission residents following the influential organizing principles of the MCO.

The significant association of the subject building at 2918-2922 Mission Street with community-based social service delivery in the Mission was furthermore expressed through the MMNC's decision to commission the pioneering Latina muralist collective the Mujeres Muralistas to paint the mural *Latinoamerica* on the south façade of the building. *Latinoamerica* introduced the collective into the Mission muralist tradition, which previously had been dominated by men. The mural included complex themes related to the cultural identities and lived experiences of the Mission's Latino/a residents in the 1970s, and it marked the building's strong connection with the culturally vibrant neighborhood that its tenant organizations served. The mural continued to express the building's link to Mission community members until it was painted over during the late 1980s.

For the reasons described above, ICF finds that 2918-2922 Mission Street is significant under Criterion 1. The building's period of significance associated with this significance is 1974-1985, encompassing the years that the building housed the organizations originally established through the federal Model Cities Program. The period of significance ends in 1985, the year the final two of the organizations, MHDC and MHH, vacated the building.

5.1.2 Criterion 2 (Persons)

The subject property has been occupied by commercial enterprises and social service organizations for the entirety of its history and is not closely tied to any particular individual. To be found eligible under Criterion 2, the property has to be directly tied to a historically important person and the place where the individual conducted or produced the work for which the individual is known. The building housed a collection of Mission-based community organizations during the 1970s and 1980s, whose potential significance is analyzed under Criterion 1. Although staff members of these organizations were involved in notable initiatives to improve the opportunities and quality of life of Mission residents, the accomplishments of any persons would be better understood within the context of their organizations than as individuals. Consequently, ICF finds that 2918-2922 Mission Street is not significant under Criterion 2.

5.1.3 Criterion 3 (Design/Construction)

The building at 2918-2922 Mission Street is a one-story commercial building with relatively simple massing and design. Decorative elements are restricted to the front façade, which comprises a Gothic Revival-style frieze above a glazed storefront that has been altered numerous times over the course of nearly a century to meet tenant needs. The frieze provides visual interest to the building and conveys the ambitions of the original designer(s) to create a somewhat refined appearance for an otherwise vernacular commercial building. However, this design strategy is common among modest industrial and commercial buildings constructed during the 1910s and 1920s in San Francisco, and the repeated changes that have occurred to the materials and design of the storefronts prevent the building from exemplifying the qualities of an automobile-related commercial building dating to the mid-1920s. Furthermore, the building's architect or original

builder has not been identified through review of historical building permits, and 2918-2922 Mission Street does not employ Revival-style decorative elements or construction techniques in an inventive manner such that the design would indicate the hand of a master designer. 2918-2922 Mission Street does not embody the distinctive characteristics of a type, period, region, or method of construction, and does not possess high artistic values. For these reasons, ICF finds that 2918-2922 Mission Street is not significant under Criterion 3.

5.1.4 Criterion 4 (Information Potential)

The property is not evaluated for eligibility under Criterion 4 (Information Potential), which typically is employed for archaeological resources and is outside the scope of this report.

5.1.5 Integrity

The following discussion addresses the subject property's integrity under Criterion 1 as it relates to 2918-2922 Mission Street's significant associations with the Model Cities-affiliated community organizations that occupied the building between 1974 and 1985.

Location: The building at 2918-2922 Mission Street has not been moved since it was originally constructed; therefore, the property retains integrity of location.

Setting: The numerous properties in the immediate vicinity of 2918-2922 Mission Street continue to comprise a distinct, linear commercial district to which the subject building belongs, and to which it has belonged since its construction. Select buildings in the vicinity were constructed after Model Cities community organizations occupied the building in the 1970s and 1980s, including the adjacent building at 2900 Mission Street. However, the series of storefronts facing the Mission Street streetscape continue to form a primary business corridor serving the Mission's Latin American residents. Therefore, the subject property retains integrity of setting.

Design: While the basic elements of the subject building's original footprint and massing remain the same since its date of construction in c.1924, the building's exterior and interior have been altered substantially since Model Cities-affiliated community organizations vacated the building in 1985. At the exterior of the building, the Gothic frieze located at the roofline of the Mission Street façade is currently exposed, whereas a screen installed over the frieze c.1960 appears to have remained in place during at least a portion of the community organizations' tenancy in the building. (Portions of the screen system are visible in Figure 20, taken after the organizations had moved into the building.) The awning that spans the front façade above the storefront windows was installed after 1985 and is associated with the building's recent commercial use as a laundromat and market. Furthermore, visual inspection of the building indicates that the division of windows and entry door within the building's Mission Street storefront also appear to have been altered through the insertion of additional mullions, although the size of the window and door openings do not appear to have been expanded.

Interior tenant improvements that accommodated the building's conversion from auto sales to office use during the early 1970s included new plastering and painting, as well as the installation of new mechanical systems and concrete flooring. The construction of partition walls to divide the building into separate office spaces for the tenant organizations also occurred at approximately this time. The interior of the building, as illustrated in Figure 26, was characterized by simple finishes that were appropriate to its administrative use, as well as interior partial-height partitions that

separated staff offices. Based on available building permits, the conversion of the building to retail use in the late 1980s and ultimately to a laundromat in 1991 involved numerous changes to its interior layout, including new vinyl flooring and partition walls. Plans submitted in 1991 indicate that the partitioned office spaces that had previously housed the individual service organizations in the building had been removed by this time (See Appendix A). Rather, the building contained two primary, largely open, interior spaces: the smaller retail tenant space within the northeast corner of the building, and the laundromat space filling the remainder. The partial-height office partitions no longer exist. The laundromat space was furthermore altered through the installation of banks of industrial washing machines and clothes dryers, which involved the construction of new service corridors and walls at the south and west sides of the building interior. Visual inspection of the building interior reveals additional changes, including lighting fixtures, interior doors and windows, signage, and tile flooring that do not appear to date to the building's use as an office between 1974 and 1985.

Additionally, an important element of the building's design associated with the Model Cities tenants was the 1974 mural *Latinoamerica* at the building's south façade, which was painted over in the late 1980s.

As a result of the changes described above, the building does not retain elements of its design that previously characterized it as the administrative office space of MMNC, MHDC, MHH, MCCC, and MCLDF. Therefore the building does not retain integrity of design.

Materials and Workmanship: The historic material palette and construction methods of the subject building, dating to the occupancy of community service organizations between 1974 and 1985, are no longer evident based on the building's exterior and interior, which is mainly due to alterations in the late 1980s and early 1990s during its conversion to a laundromat. As described above under "Design," the simple finishes of bare concrete floor and multiple partition walls dividing the office spaces (including partial-height office walls) no longer exist. The current material palette of vinyl and ceramic tile flooring, modern interior doors, and banks of laundry equipment express different physical characteristics than the office finishes that defined the building during the 1970s and 1980s. The remaining interior finishes that appear to remain from the period of significance (1975-1985) appear to be gypsum board covering portions of the interior walls. Furthermore, the destruction of the *Latinoamerica* mural has removed the work of skilled artists from the exterior of the building. Therefore, the subject property does not retain integrity of materials and workmanship.

Feeling: The property no longer conveys its former character as an office building that once housed the offices of several community-based service organizations serving the Mission's population. Its change of use into a laundry and minimart and associated interior changes have altered the types of activities that occur there. The building does not express the feeling of an active organizational hub where community members of the Mission gather around neighborhood social issues and solutions. The destruction of the *Latinoamerica* mural has further reduced the building's feeling as an establishment connected to the needs and identity of the Mission. Therefore, the subject property does not retain integrity of feeling.

Association: As a composite of the other aspects of integrity, association would be present if the subject property retained a direct link to the organizations that occupied it during the 1970s and 1980s. 2918-2922 Mission Street retains few to no tangible or intangible aspects of its community-focused organizational use—as the interior partitioned office spaces have been removed and its use

has changed from community needs-serving to commercial. Of particular importance, the mural *Latinoamerica* previously formed a direct link between the property and its organization tenants' work largely serving the Latino/a residents of the Mission, but is no longer extant. Therefore, the subject property does not retain integrity of association.

In summary, although the subject property at 2918-2922 Mission Street retains integrity of location and setting, it lacks integrity of design, materials, workmanship, feeling, and association. Per guidance provided in the California Office of Historic Preservation publication *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*, properties with significance as headquarters or offices of significant Latino political or community organizations can be listed or found eligible under National Register Criterion A (the equivalent of California Register Criterion 1). However, in order for a property to be eligible for historic register listing under Criterion 1, its "historic location, setting, feeling, and association must be strongly present in the evaluation of integrity" (California Office of Historic Preservation 2013:140). As described above, 2918-2922 Mission Street lacks integrity of feeling and association, such that the building retains very few tangible or intangible qualities that would convey its past use as offices of Model Cities-affiliated community organizations in the 1970s and 1980s. For this reason, 2918-2922 Mission Street does not have sufficient integrity to convey its identified historic significance under Criterion 1 and is not eligible for listing in the California Register.

5.1.6 Historic District Evaluation

Properties located within the blocks surrounding the subject property were previously documented in the South Mission Historic Resource Survey. The methodology of this survey included the evaluation of California Register-eligible historic districts. Several such historic districts were identified in the neighborhood. The contributors of these districts were linked through their shared architectural character, urban development history, and/or significant builder. The South Mission Historic Resource Survey did not document any historic district that encompasses or is in the immediate vicinity of 2918-2922 Mission Street, which does not express a discernible consistency in architectural style or era of construction. For this reason, the subject building does not appear to be located within a historic district that is eligible for listing in the California Register under Criterion 3.

Additionally, this HRE considered whether a historic district analysis would be applicable to the subject building under California Register Criterion 1. It does not appear that a historic district exists, in consideration of the building's associations with postwar community organizing and social service delivery in the Mission. There does not appear to be a concentration of other properties in the immediate vicinity of the subject building that were historically linked to the subject building within the context of community organizing or political action during the 1970s and 1980s. As a result, 2918-2922 Mission Street does not contribute to any historic district that is eligible for listing in the California Register under Criterion 1.

Chapter 6

Conclusion

The subject building at 2918-2922 Mission Street is not individually eligible for listing in the California Register. Although ICF finds that the property has significance under California Register Criterion 1, with 1974-1985 as its period of significance, it lacks sufficient integrity to convey its identified significance. The property is also not eligible as part of any known historic districts. Therefore, the property does not meet CEQA's definition of a historical resource.

Chapter 7

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Chapter 8

Preparers' Qualifications

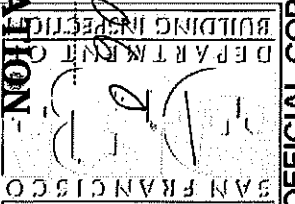
Andrea Dumovich (Preparer) is an architectural historian with 5 years of diverse policy and project support experience in historic preservation, California Environmental Quality Act, and affordable housing. She has experience in historic research, including reviewing building permits, Sanborn maps, and building directories, among other sources. Andrea has prepared Department of Parks and Recreation forms, Supplemental Information Forms, Historic Resource Evaluation sections, and architectural descriptions. Her previous work has included proposal writing, project research, data collection, and assisting with specific plans, environmental impact report chapters, and other planning documents. Andrea has provided writing and editorial skills to many non-profit organizations focused on environmental and urban planning issues. She has also been published in planning literature such as Earth Island Journal, SPUR's The Urbanist Magazine, and Urban Land Institute's San Francisco blog.

Jonathon Rusch (Preparer) holds a bachelor's degree in geography from the University of Minnesota and a master's degree in historic preservation planning from Cornell University. In more than 5 years of professional experience as an architectural historian, Rusch has worked throughout the United States for federal agencies and within the private sector; he has an extensive background preparing context studies, evaluating the historic register eligibility of properties in urban and rural settings, and assessing project impacts on historical resources. He has served as primary author of numerous historic resource evaluations in San Francisco and surrounding municipalities in the Bay Area. His experience also includes preparing architectural survey reports, Historic American Building Survey documentation reports, National Register nomination forms, federal rehabilitation tax credit applications, Section 106 technical reports, and neighborhood design guidelines. Rusch meets the Secretary of the Interior's Professional Qualification Standards for Architectural History.

Gretchen Hilyard Boyce (Senior Technical Reviewer) holds a bachelor's degree in architectural history from the University of Virginia and a master's in historic preservation planning from the University of Pennsylvania. Gretchen has worked as a historic preservation planner and cultural landscape specialist in California for 11 years and has extensive experience in cultural resource documentation, evaluation, design review, and compliance. Gretchen meets the Secretary of the Interior's professional qualification standards for architectural history, history, and preservation planning.

Appendix A

Building Permits



No. 15188

APPLICATION

OF
a. Roof
Owner

To make additions, alterations or repairs
to building

Location *2920 Mission St.*

aka 23rd St. Street

Estimated Cost, \$ *200.00*

Filed *UN-1-26*
3575

Referred to Inspector *CM*
For Report.

177 2-1-26

Approved:

Chief Building Inspector.

Ch/16

SAN FRANCISCO

Bureau of Building Inspection
Dept. of Public Works No. 1

DEPARTMENT OF
BUILDING INSPECTION

ALTERATION BLANKS

WRITE IN INK — FILE TWO COPIES

TO THE HONORABLE

THE BOARD OF PUBLIC WORKS

OF THE CITY AND COUNTY OF SAN FRANCISCO

Gentlemen:

The undersigned respectfully petition your Honorable Board for permission to do the following work at corner *Mission St*

side of *at 2920 Mission* street *at 25th St* feet
of _____ street

WRITE PLAINLY FULL DESCRIPTION OF WORK TO BE DONE

*Concrete floor 2" thick
and Stair 2920 Mission St*

Estimated cost of work, \$ *200.00*

Building to be used as *automobile garage*

I hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, and all costs and damages which may accrue from the use or occupancy of any sidewalk, street or sub-sidewalk place by virtue thereof and will in all things strictly comply with the conditions of this permit.

Name of Architect *none*

Address *none*

Name of Builder *C. Chiappo*

Address *1109 Montgomery St*

Report *favorable*

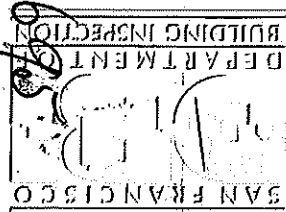
A. Paez Owner

910 Kearny St Address

Per _____

Paul J. Berg Inspector.

June 2nd 1926



BIDG. FORM
3
No. 96995
APPLICATION OF

W.D. Malhaon Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2920 Mission

Cost \$100 DEC 17 1934

Filed Dec 13 1934 3577

APPROVED: *W.D. Malhaon*
SUPERINTENDENT OF BUILDING INSPECTION
BUREAU OF BUILDING INSPECTION

Permit No. 12605
Issued FEB 8 1935 19

Report favorable
W.E. Shaw
12-18-34

BUREAU OF FIRE PREVENTION AND
PUBLIC SAFETY

Construct and Install on Building to Satisfac-
tion of Bureau of Fire Prevention the Follow-
ing Fire Protection Equipment and Appliances

- F. D. (Dry) Standpipes
- Wet Standpipes
- Hose Reels
- Tanks
- Downpipes
- Automatic Fire Pumps
- Automatic Sprinkler System
- Water Service Connection
- Groundfloor Pipe Casings
- Refrigeration
- Incinerators

Approved 8962

APPROVED:
Went B.J. Howell
Bureau of Fire Prevention and Public Safety

Fire Marshal

APPROVED:

Superintendent Bureau of Building Inspection

APPROVED: *12/29/34*

W.D. Malhaon
City Planning Commission

APPROVED:

Director of Public Health

APPROVED:

Department of Electricity

APPROVED:

Bureau of Engineering

APPROVED:

Art Commission

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

CENTRAL PERMIT BUREAU

DEPARTMENT BLDG FORM
BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT

3

ALTERATION

Dec 13

1934

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location 2920 Mission
- (2) For what purpose is present building now used? Cut Sales
- (3) For what purpose will building be used hereafter? _____
- (4) Total Cost \$ 100
- (5) Description of work to be done _____

Install one horizontal
double base neon sign 3' x 13' swinging

[Old mobile]

Weight 250 #

- (6) Contractor (DOES) carry Workmen's Compensation Insurance.
(DOES NOT)
- (7) Supervision of construction by _____

Address _____

I hereby certify and agree, if a permit is issued, that all the provisions of the BUILDING LAW, THE BUILDING ZONE ORDINANCES, SET BACK LINE REQUIREMENTS AND THE FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO and the STATE HOUSING ACT OF CALIFORNIA will be complied with, whether herein specified or not; and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street or sub-sidewalk placed by virtue thereof, and will in all things strictly comply with the conditions of this permit.

- (8) Architect _____

Certificate No. _____
State of California

License No. _____
City and County of San Francisco

Address _____

- (9) Engineer _____

Certificate No. _____
State of California

License No. _____
City and County of San Francisco

Address _____

- (10) Plans and specifications prepared by _____
Other than Architect or Engineer

Address _____

NEON SIGN SERVICE CO.

- (11) Contractor _____

License No. 33263
State of California

License No. _____
City and County of San Francisco

Address 1707 Faber

- (12) Owner W.D. Malham Motor Co

Address 2920 Mission

By _____

Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. _____
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

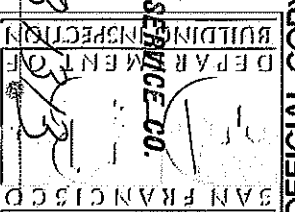
NEON SIGN SERVICE CO.

BLDG. FORM.

3

No.

APPLICATION OF



Malheur Motor Supply

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR
REPAIRS
TO BUILDING

Location 2920 Mission

Cost \$ 700 -

NOV 15 1937

Filed

NOV 15 1937

APPROVED:

SUPERINTENDENT OF THE
BUREAU OF BUILDING INSPECTION

11/20/37

Superintendent
Bureau of Building Inspection

Permit No.

51159

Issued

NOV 20 1937

19

Report favorably
Nov-16-37
It is observed window or
to project above fire wall.
Rott F. Coomer

APPROVED:

Superintendent
Bureau of Building Inspection

APPROVED:

11/17/37

City Planning Commission

APPROVED:

Director of Public Health

APPROVED:

Department of Electricity

APPROVED:

Bureau of Engineering

APPROVED:

Art Commission

BUREAU OF FIRE PREVENTION AND
PUBLIC SAFETY

Construct and Install on Building to Satisfaction of Bureau of Fire Prevention the Following Fire Protection Equipment and Appliances

F. D. (Dry) Standpipes

Wet Standpipes

Hose Reels

Tanks

Downpipes

Automatic Fire Pumps

Automatic Sprinkler System

Water Service Connection

Groundfloor Pipe Casings

Refrigeration

Incinerators

APPROVED:

Bureau of Fire Prevention and Public Safety

APPROVED:

Fire Marshal

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

CENTRAL PERMIT BUREAU

BLDG FORM
DEPARTMENT OF
BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT

3

ALTERATION

NOV 15 1937

193

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission(2) For what purpose is present building now used? Used Cars

(3) For what purpose will building be used hereafter?

(4) Total Cost \$ 100 -

(5) Description of work to be done

To install one horizontal double face

NEON SIGN 6' X 17' Weight 500 Lbs.Swinging; ~~Cabled;~~ Reading;Against Face of Bldg
Single Face

USED CARS

Walkson Motor Co

15'

(6) Contractor (DOES) carry Workmen's Compensation Insurance.
(DOES NOT)

(7) Supervision of construction by

Address

Sidewalk

I hereby certify and agree, if a permit is issued, that all the provisions of the BUILDING LAW, THE BUILDING ZONE ORDINANCES, SET BACK LINE REQUIREMENTS AND THE FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO and the STATE HOUSING ACT OF CALIFORNIA will be complied with, whether herein specified or not; and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street or sub-sidewalk placed by virtue thereof, and will in all things strictly comply with the conditions of this permit.

(8) Architect

Certificate No.
State of CaliforniaLicense No.
City and County of San Francisco

Address

(9) Engineer

Certificate No.
State of CaliforniaLicense No.
City and County of San Francisco

Address

(10) Plans and specifications prepared by
Other than Architect or Engineer

Address

(11) Contractor NEON SIGN SERVICE CO.License No. 33263
State of CaliforniaHE 1243License No.
City and County of San FranciscoAddress 1707 FOLSOM STREET

(12) Owner

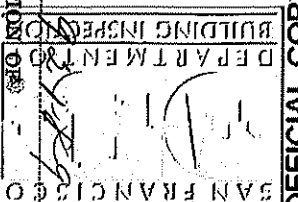
Address Walkson Motor Co
2920 Mission St

By

NEON SIGN SERVICE CO.

Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. 3580
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.



BLDG. FORM

3

NO. 10-11-46
APPLICATION OF

W. M. Hallinan Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2930 Mission St

Cost \$ 4,000

Filed OCT 1 1946 194

Approved: APPROVED

APPROVED
By Dept. Public Works
OCT 1 4 1946

W. M. Hallinan
SUPERINTENDENT OF THE
DEPARTMENT OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 25662

Issued 194

APPROVED:

Approved:

Superintendent Bureau of Building Inspection

Zoning: 250

Approved:

10-10-46
City Planning Commission

Approved:

Director of Public Health

Approved:

Department of Electricity

Approved:

Bureau of Engineering

Approved:

Art Commission

Division of Fire Prevention and Investigation

Workmen's Compensation Insurance
Policy or Certificate filed with Central
Permit Bureau ☐

No Workmen's Compensation Insurance
Policy or Certificate on file for
reason of exclusion checked: ☐

(a) No one to be employed ☐

(b) Casual labor only to be
employed ☐

(c) Services or labor to be performed
in return for aid or sustenance
only, received from any religious,
charitable or relief organization ☐

Robert Harold
Danechew
10-11-46

25662 10/11/46

SAN FRANCISCO

CENTRAL PERMIT BUREAU P. NO. 438

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

CENTRAL PERMIT BUREAU

BLDG. FORM

DEPARTMENT OF
BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT

RECEIVED
OCT 10 1946
BUREAU OF BUILDING INSPECTION
CITY AND COUNTY OF SAN FRANCISCO

ALTERATION

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location 2920 Mission St.
- (2) Present use of building Salis Room Used Car No. of families 1
- (3) Use of building hereafter Garage No. of families 1
- (4) Total Cost \$ 400.
- (5) Description of work to be done Replacing swing doors with Sliding Doors.

(6) APPLICANT MUST FILL OUT COMPENSATION INSURANCE DATA ON REVERSE SIDE.

- (1) Supervision of construction by Hugo Bloomquist
- Address 266 Sanchez St.

- (8) Architect _____

Certificate No. _____ License No. _____
State of California _____ City and County of San Francisco
Address _____

- (9) Engineer _____

Certificate No. _____ License No. _____
State of California _____ City and County of San Francisco
Address _____

- (10) Plans and specifications prepared by _____
Other than Architect or Engineer _____

Address _____

- (11) Contractor _____

License No. _____ License No. _____
State of California _____ City and County of San Francisco
Address _____

I hereby certify and agree, if a permit is issued herein that all the provisions of the BUILDING LAW AND BUILDING ZONE ORDINANCES, SET-BACK LINE REQUIREMENTS AND FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO, the STATE HOUSING ACT OF CALIFORNIA, and of said permit will be complied with, whether specified herein or shown on any plans submitted herewith, and hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all damages, liabilities, judgments, costs and expenses which may in anywise accrue against said City and County or any of its officials in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street, or sub-sidewalk space by virtue thereof, and will in all things strictly comply with the conditions of this permit. The foregoing covenants shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

- (12) Owner W. M. Mahan

Address 2925 Mission St.

By Hugo Bloomquist Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. _____
IF ANY ALTERATIONS OR CHANGES NECESSARY ON THE PLANS SUBMITTED.

APPROVED:

2886

3/27/47

Division of Fire Prevention and Investigation

Workers' Compensation Insurance
Policy or Certificate filed with Central
Permit Bureau ☒

No Workers' Compensation Insurance
Policy or Certificate on file for
reason of exclusion checked:

(a) No one to be employed ☐

(b) Casual labor only to be
employed ☐

(c) Services or labor to be performed
in return for aid or sustenance
only, received from any religious,
charitable or relief organization ☐

Approved:

Superintendent Bureau of Building Inspection

Zoning: *com*

Approved:

3/26/47
City Planning Commission

Approved:

Director of Public Health

Approved:

Department of Electricity

Approved:

Bureau of Engineering

Approved:

Art Commission

*Report forward
Bureau of Health
3.27.47*

OFFICE OF THE CITY CLERK

RECEIVED	APR 1 1947
SAN FRANCISCO	
DEPARTMENT OF BUILDING INSPECTION	
3 APPLICATION	
No.	<i>3609</i>

BLDG. FORM

West Coast Advertising Co. Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location Mission W/L 75' S. 25th
Wall

2920 Mission

Cost \$ 20.00

MAR 26 1947

Filed 1947

Approved:

APPROVED
City of San Francisco

MAR 28 1947

W. J. Sullivan
SUPERINTENDENT OF THE
DIVISION OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. *3609*

Issued 1947

SAN FRANCISCO

CENTRAL PERMIT BUREAU P. NO. 439

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

BLDG FORM

DEPARTMENT OF
BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT

ALTERATION

RECEIVED
MAR 26 1947CENTRAL PERMIT BUREAU
BUREAU OF BUILDING INSPECTION
CITY AND COUNTY OF SAN FRANCISCO

March 25, 1947 194

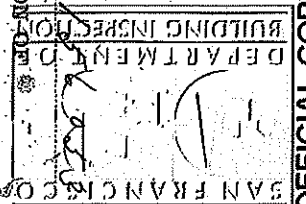
Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications, submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location Mission W/L 75' S. 25th Wall
- (2) Present use of building Vacant No. of families
- (3) Use of building hereafter Billboard No. of families
- (4) Total Cost \$ 20.00
- (5) Description of work to be done To erect standard billboard having a steel advertising surface of not over ten feet in height and twenty-five feet in length and surrounded by ornamental mouldings. Structure to be in accordance with our customary plans and to conform with all requirements of sign ordinance. 20 x 3/8" x 4" lag screws are placed at bearing points. If platform is used, 8 additional screws of the same size are placed for platform support.
- (6) APPLICANT MUST FILL OUT COMPENSATION INSURANCE DATA ON REVERSE SIDE.
- (7) Supervision of construction by West Coast Advertising Co.
Address 123 So. Van Ness
- (8) Architect None
Certificate No. License No.
State of California City and County of San Francisco
Address
- (9) Engineer None
Certificate No. License No.
State of California City and County of San Francisco
Address
- (10) Plans and specifications prepared by Walter Henderson
Other than Architect or Engineer
Address 123 So. Van Ness
- (11) Contractor Self
License No. License No.
State of California City and County of San Francisco
Address

I hereby certify and agree, if a permit is issued herein that all the provisions of the BUILDING LAW AND BUILDING ZONE ORDINANCES, SET-BACK LINE REQUIREMENTS AND FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO, the STATE HOUSING ACT OF CALIFORNIA, and of said permit will be complied with, whether specified herein or shown on any plans submitted herewith, and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all damages, liabilities, judgments, costs and expenses which may in anywise accrue against said City and County or any of its officials in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street, or sub-sidewalk space by virtue thereof, and will in all things strictly comply with the conditions of this permit. The foregoing covenants shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

- (12) Owner West Coast Advertising Co.
Address 123 So. Van Ness
By G. Nalson Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. UN 1959
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.



BLDG. FORM

No. 146134
APPLICATION OF

Harlette Sittenfeld, Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920 Mission Street

Total Cost \$ 500.00

Filed 19

Approved:

3585

REFER TO:

- Bureau of Engineering ☐
- Bldg. Struct. Engineer ☐
- Boiler Inspector ☐
- Art Commission ☐
- Dept. of Public Health ☒

Approved 5/28 1953

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Workman's Compensation Insurance
Policy or Certificate filed with Central
Permit Bureau ☐

No Workman's Compensation Insurance
Policy or Certificate on file for reason of
exclusion checked:

- (a) No one to be employed ☐
- (b) Casual labor only to employed ☐
- (c) Services or labor to be performed in
return for aid or sustenance only,
received from any religious, char-
itable or relief organization ☐

Owner's Authorized Agent

I agree to comply with all conditions or stipula-
tions of the various Bureaus or Departments
noted hereon.

Building Inspector, Bureau of Building Inspection

[Signature]

APPROVED
JUN 2 - 1953

Superintendent, Bureau of Building Inspection

Permit No. 146134

JUN 3 - 1953

Issued 19

Approved:

Zone Comm.

CPC Setbacks

Department of City Planning

Approved:

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau Building Inspection

Approved:

Bureau of Engineering

SAN FRANCISCO
CENTRAL PERMIT BUREAU 4433

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

RECORDED
DEPT. OF PUBLIC WORKS
CENTRAL PERMIT BUREAU
1953 MAY 28 AM 8:47DEPARTMENT OF PUBLIC WORKS
BLDG FORM
BUILDING INSPECTIONAPPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

BUILDING INSPECTION

May 25, 1953. 19

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location..... 2920 Mission Street.....
- (2) Total Cost \$ 500.00..... (3) No. of stories..... 1..... (4) Basement..... no.....
Yes or No
- (5) Present use of building..... ~~Garage~~ **AUTO SALES**..... (6) No. of families..... **NINE**.....
- (7) Proposed use of building..... Same..... (8) No. of families..... 9.....
- (9) Type of construction..... Concrete..... **3**..... (10)..... **16**.....
1, 2, 3, 4, or 5 Building Code Occupancy Classification
- (11) Any other building on lot..... no..... (Must be shown on plot plan if answer is Yes.)
Yes or No
- (12) Does this alteration create an additional floor of occupancy..... no.....
Yes or No
- (13) Does this alteration create an additional story to the building..... no.....
Yes or No
- (14) Electrical work to be performed..... no..... Plumbing work to be performed..... no.....
Yes or No Yes or No
- (15) Ground floor area of building..... Approx. 2500 sq. ft. (16) Height of building..... Approx. 22..... ft.
- (17) Detailed description of work to be done..... Remove present glass fronts-
and rebuild with hollow tile base, plastered-
in and outside.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by..... Address.....

(20) General contractor..... L. A. Hinson..... California License No. 14304.....

Address..... 756-4th Avenue.....

(21) Architect..... California Certificate No.....

Address.....

(22) Engineer..... California Certificate No.....

Address.....

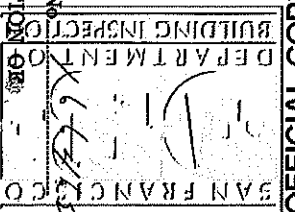
(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner..... Marietta Sittanfeld..... (Phone..... Su. 1-1500.....)
(For Contact by Bureau)

Address..... 14 Montgomery Street.....

By..... L. A. Hinson..... Address..... 756-4th Ave.....

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.
PERMIT OF OCCUPANCY MUST BE OBTAINED ON COMPLETION OF HOTEL OR
APARTMENT HOUSE PURSUANT TO 36308 SAN FRANCISCO BUILDING CODE.



BLDG. FORM

3 APPLICATION NO. 1449257

Barbara D. Dietrich, Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920 Mission St.

ST

Total Cost \$ 450.00

Filed 6/28/54 1954

Approved:

APPROVED
JUL 2 - 1954

Superintendent
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 1449257

Issued 7/6/54 195

REFER TO:

- Bureau of Engineering ☐
- BBI Struct. Engineer ☐
- Boiler Inspector ☐
- Art Commission ☐
- Dept. of Public Health ☐

Approved July 1, 1954

Approved:

Department of Public Health

Approved:

Department of City Planning

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Owner's Authorized Agent

Approved:

Zone

CPC Setback

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Owner's Authorized Agent

Structural Engineer, Bureau of Building Inspection

Bureau of Engineering

Bureau of Fire Prevention & Public Safety

SAN FRANCISCO

CENTRAL PERMIT BUREAU F485

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

DEPARTMENT BLDG FORM

BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT

ADDITIONS, ALTERATIONS OR REPAIRS

RECEIVED

DEPT. OF PUBLIC WORKS
CENTRAL PERMIT BUREAU

1954 JUN 30 AM 10:16

BUILDING INSPECTION

6/28 1954

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location 2920 Mission St
- (2) Total Cost \$ 450.00 (3) No. of stories 1 (4) Basement No
Yes or No
- (5) Present use of building Not in use (6) No. of families None
Yes or No
- (7) Proposed use of building Store (8) No. of families None
Yes or No
- (9) Type of construction Concrete (10) 1
1, 2, 3, 4, or 5 Building Code Occupancy Classification
- (11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
Yes or No
- (12) Does this alteration create an additional floor of occupancy No
Yes or No
- (13) Does this alteration create an additional story to the building No
Yes or No
- (14) Electrical work to be performed No Plumbing work to be performed No
Yes or No Yes or No
- (15) Ground floor area of building 1000 sq. ft. (16) Height of building 20 ft.
- (17) Detailed description of work to be done Change two entrance doors
Present openings 9'x10' with sliding doors
New openings to be 6'8" x 5' with double doors

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by H. Letin Address 1328 Valencia St

(20) General contractor L. M. Construction California License No. 157027

Address 1328 Valencia St

(21) Architect _____ California Certificate No. _____

Address _____

(22) Engineer _____ California Certificate No. _____

Address _____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Baltista D. Pietrelli (Phone _____) (For Contact by Bureau)

Address 2911 Mission St

By H. Letin Address 1328 Valencia St

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

WONDERLITE NEON PRODUCTS CO.
1055 FOLSON ST.
BLDG. FORM

No. 144-1409

4 APPLICATION OF

for West G.

FOR PERMIT TO

ERECT SIGN OR BILL BOARD

Location 2920 Mission St

Cost \$ 325.00

APR 20 1956

Filed 196

APPROVED
At Dept Public Works

APR 24 1956

John A. Bunk
SUPERINTENDENT
BUREAU OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 165347

Issued 4-27-56 196

WONDERLITE NEON PRODUCTS CO.
1055 FOLSON ST. UNDERHILL 1-4093

REFER TO:

- Bureau of Engineering ☒
- BRI Struct. Engineer ☒
- Boiler Inspector ☒
- Art Commission ☒
- Dept of Public Health ☒

Approved April 23 1956

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

Approved:

Zone *Public*

CPC Setback

APR 20 1956

Department of City Planning

Approved:

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Owner's Authorized Agent

SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION

Central Permit Bureau P. No. 22

Write in Ink — File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

RECEIVED

DEPARTMENT OF PUBLIC WORKS

BLDG. FORM

CENTRAL PERMIT BUREAU
1955 APR 23 AM 8:39APPLICATION FOR PERMIT BUILDING INSPECTION
SIGNS — BILL BOARDS

APR 19 1956

APR 4 3 36 PM 1956

CITY & CO. OF S.F.
DEPT. OF CITY PLANNING

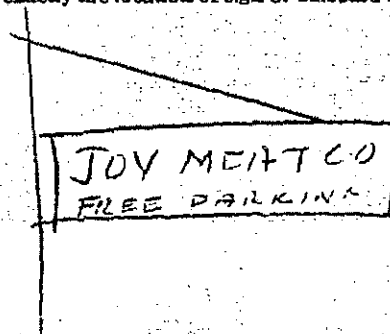
Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

- (1) Location 2920 Mission St.
- (2) Total Cost \$325.00 (3) Number of stories in building 2
- (4) Present use of building retail store (5) Type of building frame
1, 2, 3, 4, or 5
- (6) If Sign gives: Style double face horizontal neon
- Thickness 10" Size 9" x 34 Ft. Weight 150 Lbs
- (7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically.



- (8) Drawings in duplicate showing methods of attachment must be submitted with this application.
- (9) No portion of building or structure, or scaffolding used during construction, to be closer than 8'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.
- (10) Contractor WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNCLAMM 1-4060
- License No. 29264 License No. 111
State of California City and County of San Francisco
- Address _____
- (11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sub sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assigns.
- (12) Owner Joy Meat Co.

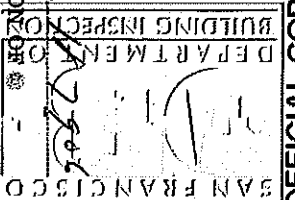
Address 2920 Mission St.

Phone No. _____

(For contact by Bureau)

WONDERLITE NEON PRODUCTS CO.

By JOHN FOLSOM ST. Address _____
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor



BLDG. FORM

3

APPLICATION OF

Maxvin Sugaymaw
FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2920 Mission St.

Total Cost \$ 7000.00

Filed JUL 24 1956

3591

Approved:

APPROVED
By John Peter Vela

AUG - 1 1956

John P. Vela
SUPERINTENDENT
BUREAU OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No.

168134

Issued

8/1/56 195

REFER TO:

Bureau of Engineering ☐
BBI Struct. Engineer ☐
Boiler Inspector ☐
Art Commission ☐
Dept. of Public Health ☐

Approved

7/28 1956

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

Approved:

Zone

CPC Setback

JUL 26 1956

Department of City Planning

Approved:

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Bureau of Engineering

SAN FRANCISCO

CENTRAL PERMIT BUREAU F435

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

RECEIVED

DEPT. OF PUBLIC WORKS

DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION FORM

CENTRAL PERMIT BUREAU

1956 JUL 27 PM 2:27

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

BUILDING INSPECTION

JULY 23

1956

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location 2920 Mission St.
- (2) Total Cost \$ 7000.00 (3) No. of stories one (4) Basement No
Yes or No
- (5) Present use of building Store (6) No. of families None
Yes or No
- (7) Proposed use of building Store (8) No. of families None
Yes or No
- (9) Type of construction Concrete Walls Wood Roof (10) Building Code Occupancy Classification
1, 2, 3, 4, or 5
- (11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
Yes or No
- (12) Does this alteration create an additional floor of occupancy No
Yes or No
- (13) Does this alteration create an additional story to the building No
Yes or No
- (14) Electrical work to be performed Yes Plumbing work to be performed No
Yes or No Yes or No
- (15) Ground floor area of building 2400 sq. ft. (16) Height of building 20 ft.
- (17) Describe Work to be done (in addition to reference to drawings & specifications)
Repair fire damage to roof, interior and store rooms.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by John Bertelsen Address 1932 Fell St.

(20) General contractor Bertelsen & Odgers California License No. 149822
Address 446 Ralston St. S.F.

(21) Architect _____ California Certificate No. _____
Address _____

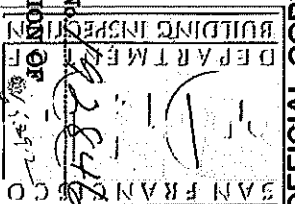
(22) Engineer _____ California Certificate No. _____
Address _____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Marvin Sugarman (Phone SE 1-8825)
(For Contact by Bureau)

Address 21 Cragmont Ave S.F.

By Donald J. Odgers Address 446 Ralston St. S.F.
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.



BLDG. FORM

3 APPLICATION OF

2210 - 29th AVE
FOR PERMIT TO MAKE

ADDITIONS, ALTERATIONS or REPAIRS

TO BUILDING

Location 2920-2922

MISSION ST.

Total Cost \$ 12,000.00

DEC - 6 - 1956

Filed 1956

Approved: 1956

APPROVED
DEC 12 1956

Superintendent

Superintendent Bureau of Building Inspection

Permit No. 172534

Issued DEC 12 1956 1956

REFER TO:

- Bureau of Engineering ☒
- Bldg. Struct. Engineer ☒
- Boiler Inspector ☒
- Art Commission ☒
- Dept. of Public Health ☒

Approved 12/12/56 1956

Approved:

NOTICE - If store to be used for any type food business drawings must be submitted to Bureau of Food and Milk Department of Public Health

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

Approved:

Zone

CPC Setback

for use permitted in a commercial district only such as retail stores

Department of City Planning

Approved:

Bureau of Fire Prevention & Public Safety

Approved:

AT Bureau 12/12/56

Structural Engineer, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Officer's Authorized Agent

SAN FRANCISCO

CENTRAL PERMIT BUREAU FORM

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

CENTRAL PERMIT BUREAU

DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTIONAPPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

3

DEC 6

4 07 PM 1956

Dec 4

1956

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location 2920 - 2922 Mission St.
- (2) Total Cost \$ 1200.00 (3) No. of stories one (4) Basement No
Yes or No
- (5) Present use of building Store (6) No. of families None
- (7) Proposed use of building Store (8) No. of families None
- (9) Type of construction Concrete walls Frame roof (10) Building Code Occupancy Classification
1, 2, 3, 4, or 5
- (11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
Yes or No
- (12) Does this alteration create an additional floor of occupancy No
Yes or No
- (13) Does this alteration create an additional story to the building No
Yes or No
- (14) Electrical work to be performed No Plumbing work to be performed No
Yes or No Yes or No
- (15) Ground floor area of building 5000 sq. ft. (16) Height of building 20 ft.
- (17) Describe Work to be done (in addition to reference to drawings & specifications)
Remove three concrete panels
dividing two stores and install steel
beams to support roof to form
3 Arches between stores

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by Don Odgers Address 446 Palstan St.

(20) General contractor Bertelsen & Odgers California License No. 149822

Address 446 Palstan St. S.F.

(21) Architect _____ California Certificate No. _____

Address _____

(22) Engineer W. C. Ewing California Certificate No. _____

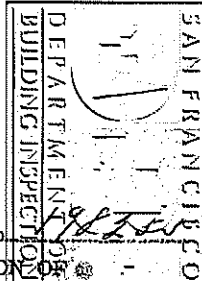
Address _____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Marvin Sugarman (Phone JU 7-1440)
(For Contact by Bureau)

Address 42 Den slo St. San Francisco

By Don Odgers Address 446 Palstan St.
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.



Approved: _____
 Zone Comm
 CPC Setback _____
Approval for Comm. use.

JB Wicks 5-22-57
 Department of City Planning

Approved: provided no gasoline
in tanks of cars on
display.

J. J. Morris 6-4-57
 Bureau of Fire Prevention & Public Safety

Approved: _____

Structural Engineer, Bureau of Building Inspection

Approved: _____
 Department of Public Health

Approved: _____
 Electrical Inspector

Approved: _____
 Art Commission

Approved: _____
 Boiler Inspector

Approved: _____

Bureau of Engineering

REFER TO:

Bureau of Engineering
 BBI Struct. Engineer
 Boiler Inspector
 Art Commission
 Dept of Public Health

Approved 5/29 1957

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Don Odgers
 Owner's Authorized Agent

BLDG. FORM

3 APPLICATION OF
Volvo Motors Owner

FOR PERMIT TO MAKE
 ADDITIONS, ALTERATIONS or REPAIRS
 TO BUILDING

Location 2920

Mission St.

Total Cost \$ 480.00

Filed MAY 22 1957

Approved: **APPROVED**
 Dept. Public Works
JUN 4 - 1957
Leota C. Bush
 SUPERINTENDENT
 BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 177728

JUN 4 - 1957

Issued 195

SAN FRANCISCO

CENTRAL PERMIT BUREAU FORM

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS

RECEIVED

CENTRAL PERMIT BUREAU
1957 MAY 28 PM 3:12DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTIONAPPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

3 MAY 27 8 24 AM 1957

May 22 1957

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location 2920 Mission St.
- (2) Total Cost \$ 480.00 (3) No. of stories one (4) Basement No
- (5) Present use of building Vacant (6) No. of families None
- (7) Proposed use of building New car sales (8) No. of families None
- (9) Type of construction concrete walls frame roof (10) Building Code Occupancy Classification 1, 2, 3, 4, or 5
- (11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
Yes or No
- (12) Does this alteration create an additional floor of occupancy No
Yes or No
- (13) Does this alteration create an additional story to the building No
Yes or No
- (14) Electrical work to be performed No Plumbing work to be performed No
Yes or No Yes or No
- (15) Ground floor area of building 3500 sq. ft. (16) Height of building 18 ft.
- (17) Describe Work to be done (in addition to reference to drawings & specifications)
Alter entrance doors to make 8' opening. Reinstall end entrance doors that have been removed. construct one plywood panel partition across back of store 8' high only.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by John Bertelsen Address 1922 Fell St.

(20) General contractor Bertelsen & Odgers California License No. 149822
Address 446 Palston St.

(21) Architect _____ California Certificate No. _____
Address _____

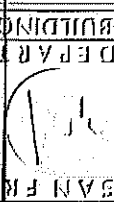
(22) Engineer _____ California Certificate No. _____
Address _____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Volvo Motors (Phone PL 5-2294)
(For Contact by Bureau)

Address 7011 Mission St. Daly City

By Don Odgers Address 446 Palston St.
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor



WONDELITE NEON
4301 THIRD ST.
BLDG. SAN FRANCISCO 24, CALIFORNIA

4 APPLICATION OF

No. 1945118

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2920 Divisadero St

Cost \$ 250 - Fee \$ 3.50

Filed MAY 29 1957

3597

APPROVED
JUN 5 1957

James E. Goodrich
SUPERVISOR

Superintendent Bureau of Building Inspection

Permit No. 177754

Issued JUN 5 1957

WONDELITE NEON BLDG. 4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

REFER TO:

- Bureau of Engineering ☒
- BRI Struct. Engineer ☒
- Boiler Inspector ☒
- Art Commission ☒
- Dept of Public Health ☒

Approved 6/3 1957

Approved:

Zone 1st
CPC Setback

5-3/57
W. J. ...
Department of City Planning

Approved:

W. J. ...
Bureau of Fire Prevention & Public Safety

Approved:

W. J. ...
Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Owner's Authorized Agent

SAN FRANCISCO

Central Permit Bureau Form No. 432

Write in Ink — File Two Copies

CITY AND COUNTY OF SAN FRANCISCO PUBLIC WORKS

DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION BLDG. FORM1957 MAY 31 PM 3.02
CENTRAL PERMIT BUREAUAPPLICATION FOR PERMIT BUILDING INSPECTION
SIGNS — BILL BOARDS

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒NON-ELECTRIC SIGN ☐BILL BOARD ☐

- (1) Location..... 2920 Mission St.
 (2) Total Cost \$ 250.00 (3) Number of stories in building..... 2
 (4) Present use of building..... retail store (5) Type of building..... frame
 1, 2, 3, 4, or 5
 (6) If Sign give: Style double face horizontal neon
 Thickness..... 1/2" Size 8" x 2" Ft. Weight..... 150 Lbs

(7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically.



- (8) Drawings in duplicate showing methods of attachment must be submitted with this application.
 (9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

- (10) Contractor..... 4301 THIRD ST. ATwater 8-4300
 SAN FRANCISCO 24, CALIFORNIA
 License No. 2926 State of California License No. J25 City and County of San Francisco

Address.....

- (11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

- (12) Owner..... Volvo Motors

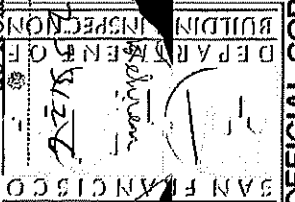
Address..... 2920 Mission St.

Phone No.
(For contact by Bureau)

WONDERLITE NEON PRODUCTS CO.

By..... 4301 THIRD ST. ATwater 8-4300

Owner's Authorized Agent License No. J25 City and County of San Francisco
SAN FRANCISCO 24, CALIFORNIA Architect, Engineer or General Contractor



BLDG. FORM
3
No. 14276
APPLICATION OF

Atlas Motors Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2700 Mission St.

Total Cost \$ 4000.00

Filed FEB 23 1960

Approved:

APPROVED
Dept. Public Works
MAY 26 1960
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent, Bureau of Building Inspection

Permit No. 211276

Issued 5/26/60

REFER TO:

- Bureau of Engineering ☐
- BBI Struct. Engineer ☒
- Boiler Inspector ☐
- Art Commission ☐
- Dept. of Public Health ☐

Approved: [Signature] 1960

Provided:
Toilet room - facilities acc.
to spec. 1606 W.B.C.

Approved:

Department of Public Health

Approved:

Department of City Planning

Approved:

1134 24 Feb 60

Zone Commercial

CPC Setbacks

6529/3

Approved:

Art Commission

Approved:

Department of Electricity

Boiler Inspector

Workman's Compensation Insurance
Policy or Certificate filed with Central
Permit Bureau ☐

No Workman's Compensation Insurance
Policy or Certificate on file for reason of
exclusion checked: ☐

(a) No one to be employed ☐

(b) Casual labor only to be employed ☐

(c) Services or labor to be performed in
return for aid or sustenance only,
received from any religious, char-
itable or relief organization ☐

Bureau of Fire Prevention & Public Safety

Approved: 4-12-60

Structural Engineer, Bureau Building Inspection

Approved:

Bureau of Engineering

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Atlas Motors
Owner or Owner's Authorized Agent

SAN FRANCISCO

CENTRAL PERMIT BUREAU F435

Write in Ink - File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION

CENTRAL PERMIT BUREAU

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FEB 23 1960

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

- (1) Location ATLAS MOTORS 2940 MISSION
 (2) Total Cost \$ 4000.00 (3) No. of stories 1 (4) Basement No
 (5) Present use of building AUTO SHOW ROOM (6) No. of families —
 (7) Proposed use of building AUTO SHOW ROOM (8) No. of families —
 (9) Type of construction 0 (10) 16.2
 1, 2, 3, 4, or 5 Building Code Occupancy Classification
 (11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
 Yes or No
 (12) Does this alteration create an additional floor of occupancy No
 Yes or No
 (13) Does this alteration create an additional story to the building No
 Yes or No
 (14) Electrical work to be performed No Plumbing work to be performed No
 Yes or No Yes or No
 (15) Ground floor area of building 7500 sq. ft. (16) Height of building 20 ft.
 (17) Detailed description of work to be done ADD MOVABLE PARTITION
INSTALL SCREEN @ FRONT OF BUILDING
TO HOLD SIGN

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by AL HANA Address 805 IRWIN ST SAN RAFAEL

(20) General contractor LANG CONSTRUCTION California License No. —
 Address 805 IRWIN ST SAN RAFAEL

(21) Architect — California Certificate No. —
 Address —

(22) Engineer — California Certificate No. —
 Address —

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner ATLAS MOTORS (Phone AT 50225)
 Address 2945 MISSION ST
 (For Contact by Bureau)

By Allison T. Hana Address 805 IRWIN ST SAN RAFAEL
 Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

PERMIT OF OCCUPANCY MUST BE OBTAINED ON COMPLETION OF HOTEL OR APARTMENT HOUSE PURSUANT TO SEC. 808 SAN FRANCISCO BUILDING CODE.



Approved: _____
Zone _____
CPG Setback _____

Department of City Planning

Approved: _____

Bureau of Fire Prevention & Public Safety

Approved: _____

Structural Engineer,
Bureau of Building Inspection

Approved: _____

Department of Public Health

Approved: _____

Department of Electricity

Approved: _____

Art Commission

Approved: _____

Boiler Inspector

Approved: _____

Bureau of Engineering

REFER TO:

Bureau of Engineering☐
BBI Struct. Engineer☒
Boiler Inspector☐
Art Commission☐
Dept. of Public Health☐

Approved _____ 1956

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Owner's Authorized Agent

CASCADE NEON

BLDG. FORM

4

No. 279564

APPLICATION OF

ATLAS MOTORS
V-W SIGN

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2922 MISSION ST

Cost \$ 200.00

Filed 8-10-60 195

Approved: _____

APPROVED
Dept. Public Works

AUG 17 1960

Superintendent, Bureau of Building Inspection

Permit No. 214178

Issued _____ 195



Central Permit Bureau P. No. 432

Write in Ink — File Two Copies
CITY AND COUNTY OF SAN FRANCISCO

RECEIVED
DEPT. OF PUBLIC WORKS
1960 AUG 15 AM 8:50
CENTRAL PERMIT BUREAU
BUILDING INSPECTION

BLDG. FORM

APPLICATION FOR PERMIT
SIGNS—BILL BOARDS

4

DEPT. OF CITY PLANNING

8-10

1960

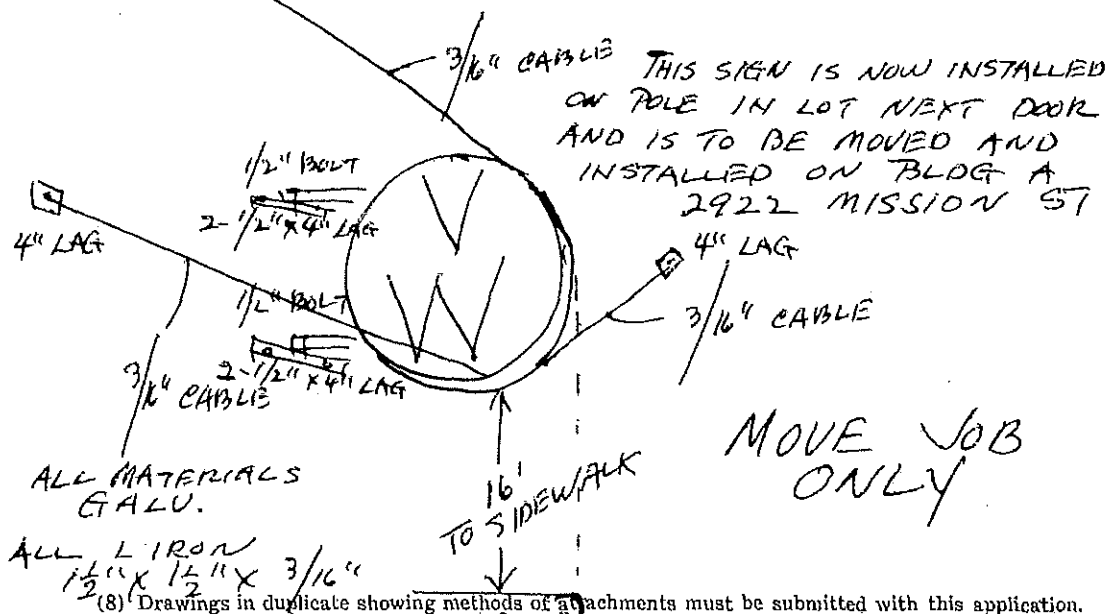
Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒NON-ELECTRIC SIGN ☐BILL BOARD ☐

- (1) Location 2922 MISSION ST
 (2) Total Cost \$ 200.00 (3) Number of stories in building 3
 (4) Present use of building AUTO SALES (5) Type of building 3
 (6) If Sign give: Style D/FACE HORIZ
 Thickness 10" Size 6' x 6' Ft. Weight 200# Lbs.
 (7) ☒ 1/2" THRU BOLT

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically



- (8) Drawings in duplicate showing methods of attachments must be submitted with this application.
 (9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.
 (10) Contractor **CASCADE NEON**

License No. 148163
State of California

License No. 390480
City and County of San Francisco

Address 67 VERONA PLACE

- (11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner ATLAS MOTORSAddress 2922 MISSION ST Phone No. _____ (For contact by Bureau)By W. H. H. H.

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

RECEIVED
CITY ENGINEER
JUL 17 1960

CASCADE NEON

BLDG. FORM

Neon Section
29-17-60

4

APPLICATION OF

Atlas Motors
Porsche SKR

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

REFER TO:

- Bureau of Engineering ☐
- BHI Struct. Engineer ☒
- Boiler Inspector ☐
- Art Commission ☐
- Dept. of Public Health ☐

Approved: July 15, 1960

Approved: _____
Zone _____
CPC Setback _____
Department of City Planning

Approved: _____
Department of Public Health
Approved: _____
Department of Electricity

Approved: _____
Art Commission

Approved: _____
Boiler Inspector

Approved: _____
Bureau of Fire Prevention & Public Safety

Approved: _____
Bureau of Engineering

Approved: _____
Structural Engineer
Bureau of Building Inspection

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted herein.

Owner's Authorized Agent

Location 2922 Mission

Cost \$250.00 (F&S 12000)

Filed 8-10-60 195

Approved:

APPROVED
Dept. Public Works

AUG 17 1960

Superintendent, Bureau of Building Inspection

Permit No. 214179

Issued 195

SAN FRANCISCO

Central Permit Bureau F. No. 432

Write in Ink — File Two Copies
CITY AND COUNTY OF SAN FRANCISCO DEPT. OF PUBLIC WORKSDEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION

BLDG. FORM

RECEIVED
1960 AUG 18 AM 11:30 BUREAU

BUILDING INSPECTION

APPLICATION FOR PERMIT
SIGNS—BILL BOARDS

4

8-10-60 195

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

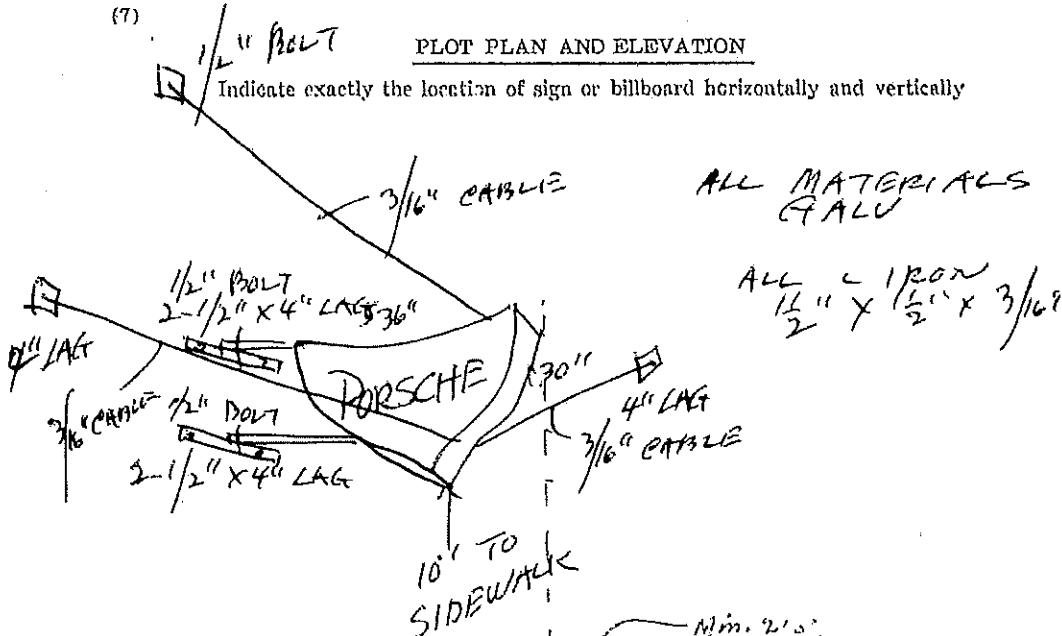
ELECTRIC SIGN ☒NON-ELECTRIC SIGN ☐BILL BOARD ☐

- (1) Location 2922 MISSION ST.
 (2) Total Cost \$ 250.00 (3) Number of stories in building 3
 (4) Present use of building AUTO SALES (5) Type of building 3
 (6) If Sign give: Style D/F HURZ ELECTRIC SIGN
 Thickness 10" Size 30" x 36" Ft. Weight 100# Lbs.

(7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically



- (8) Drawings in duplicate showing methods of attachments must be submitted with this application.
 (9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.
 (10) Contractor CASCADE NEON

License No. 148163 License No. 390480
 State of California City and County of San Francisco
 Address 67 VERONA RACE

- (11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

- (12) Owner ATLAS MOTORS
 Address 2922 MISSION ST. Phone No. _____
 (For contact by Bureau)

By [Signature] Address _____
 Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

FOR DEPARTMENTAL USE ONLY

SAN FRANCISCO

APPROVED FOR ISSUANCE:

APPROVED
DEPT. Public Works
BUILDING INSPECTION
DEC 1972

Alfred Goldbay
SUPERINTENDENT
BUREAU BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

APPLICATION FOR BUILDING PERMIT ADDITIONS, ALTERATIONS OR REPAIRS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS
OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH
THE PLANS AND SPECIFICATIONS SUBMITTED HERewith AND ACCORDING
TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH:

(1) STREET ADDRESS OF JOB:

2922 Mission St

(2) ESTIMATED COST OF JOB:

\$36,676.00

DATE FILED NOV 18 1972

FILING FEE RECEIPT NO.

71648

PERMIT NO.

3-1235

ISSUED

DEC 7 - 1972

BIDG.
FORM

3

APPLICATION NO.

415815

DESCRIPTION OF EXISTING BUILDING

(4) TYPE OF CONSTR.	(5A) NUMBER OF STORIES OF OCCUPANCY	(6A) NUMBER OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) BLDG. CODE OCCUP. CLASS	(9A) NO. OF DWG. UNITS
1 2 3 4 5	1	0	AUTO SALES	F-2	

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR.	(5) NUMBER OF STORIES OF OCCUPANCY	(6) NUMBER OF BASEMENTS AND CELLARS	(7) PROPOSED USE	(8) BLDG. CODE OCCUP. CLASS	(9) NO. OF DWG. UNITS
1 2 3 4 5	1	0	OFFICE	F-2	

(10A) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(11) IF YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT: FT.	(11A) DOES THIS ALTERATION CREATE A HORIZONTAL EXTENSION TO BUILDING?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(11) IF YES, STATE NEW GROUND FLOOR AREA: SQ. FT.
---	---	--	---	---	---

(14) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(15) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(16) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(17) WILL STREET SPACE BE USED DURING CONSTRUCTION?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
--	---	---	---	---	---	---	---

(19) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN)	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(20) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	(21) ELECTRICAL WORK TO BE PERFORMED?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	(22) PLUMBING WORK TO BE PERFORMED?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
---	---	---	---	---------------------------------------	---	-------------------------------------	---

(23) GENERAL CONTRACTOR	ADDRESS	CALIF. LICENSE NO.
RANGE BUILDING CONTRACTOR	318 Moscow St.	277940

(24) ARCHITECT OR ENGINEER (FOR DESIGN)	ADDRESS	CALIF. CERTIFICATE NO.
THAD E. KOSMIERSKI	2321 PINE ST	

(25) ARCHITECT OR ENGINEER (FOR CONSTRUCTION)	ADDRESS	CALIF. CERTIFICATE NO.
CRUCKER ANGLO	16TH & MISSION	

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN")	ADDRESS
CRUCKER ANGLO	MISSION & 16TH

(27) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	PHONE (FOR CONTACT BY BUREAU)
MISSION COALITION	SAME	584-4460

(28) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT).
--

Patch Roof

FRAMING

HEATING

ELECTRICAL

PLUMBING

LEVEL FLOOR

PAINTING

PLASTERING

WALLBOARD

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See Sec. 103, 104.B, 104.B.1, 104.C, 502, 502.1, San Francisco Building Code and Sec. 104, San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to Sec. 302.A.8, San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade, lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED. BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED. WHEN REQUIRED, APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (15) (16) (17) (20) (21) or (22).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

I CERTIFY THAT IN THE PERFORMANCE OF THE ABOVE WORK I SHALL NOT EMPLOY ANY PERSON IN VIOLATION OF THE LABOR CODE OF CALIFORNIA RELATING TO WORKMEN'S COMPENSATION INSURANCE.

I FURTHER AGREE TO SAVE SAN FRANCISCO AND ITS OFFICIALS AND EMPLOYEES HARMLESS FROM ALL COSTS AND DAMAGES WHICH MAY ACCRUE FROM USE OR OCCUPANCY OF THE SIDEWALK, STREET OR SUB-SIDEWALK SPACE OR FROM ANYTHING ELSE IN CONNECTION WITH THE WORK INCLUDED IN THE PERMIT. THE FOREGOING COVENANT SHALL BE BINDING UPON THE OWNER OF SAID PROPERTY, THE APPLICANT, THEIR HEIRS, SUCCESSORS AND ASSIGNEES.

Mr. Gabriel C. Rangel
SIGNATURE OF OWNER OR AUTHORIZED AGENT

CHECK APPROPRIATE BOX:

<input type="checkbox"/> OWNER	<input type="checkbox"/> ARCHITECT	<input type="checkbox"/> ENGINEER
<input type="checkbox"/> LESSEE	<input type="checkbox"/> AGENT WITH POWER OF ATTORNEY	
<input checked="" type="checkbox"/> CONTRACTOR	<input type="checkbox"/> ATTORNEY IN FACT	

3605

SAN FRANCISCO

CONDITIONS AND STIPULATIONS

REFER TO: B-1
 APPROVED: B-1
 DEPARTMENT OF
 BUILDING INSPECTION

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: C-2

PROJECT IN A CATEGORY C. P. COMM. FOUND
 HAS NO SIGNIFICANT EFFECT ON ENVIRONMENT

NOV 27 1972

DEPARTMENT OF CITY PLANNING

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: _____

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: _____

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE: 11/22/72
 REASON: More
STRUCTURAL
DETAILS &
CALS. REQ'D

NOTIFIED MR. KUSHMEDSKY

APPROVED: _____

BUREAU OF ENGINEERING

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: _____

DEPARTMENT OF PUBLIC HEALTH

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: _____

REDEVELOPMENT AGENCY

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: _____

DATE: _____
 REASON: _____

NOTIFIED MR. _____

APPROVED: _____

DATE: _____
 REASON: _____

NOTIFIED MR. _____

I AGREE TO COMPLY WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED
 ON THIS APPLICATION, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS, WHICH ARE HEREBY MADE
 A PART OF THIS APPLICATION.
 NUMBER OF ATTACHMENTS ☐ 3606

SIGNATURE OF OWNER, LESSEE OR AUTHORIZED
 AGENT FOR OWNER OR LESSEE.

HOLD SECTION - NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS
BUILDING PERMIT

FOR DEPARTMENTAL USE ONLY

APPROVED
 Date: July 8, 1974
22 1974
Deputy Building
 SUPERVISOR
 DEPARTMENT OF PUBLIC WORKS

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKSAPPLICATION FOR BUILDING PERMIT
REPAIRS, ALTERATIONS OR DEMOLITION

THE PLANS AND SPECIFICATIONS SUBMITTED HEREIN ARE ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

(1) STREET ADDRESS OF JOB:

2922 MISSION ST.

(2) ESTIMATED COST OF JOB:

\$ 1400.00

DATE FILED: 7-8-74 FILING FEE RECEIPT NO. 86367
 PERMIT NO. 390825 ISSUED: JUL 22 1974

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION		EXISTING BUILDING		PROPOSED BUILDING	
NO. OF FLOORS	NO. OF STORIES	NO. OF FLOORS	NO. OF STORIES	NO. OF FLOORS	NO. OF STORIES
1	1	1	1	1	1
YES	NO	YES	NO	YES	NO
DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION
CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE
IN THE USE OR OCCUPANCY	IN THE USE OR OCCUPANCY	IN THE USE OR OCCUPANCY	IN THE USE OR OCCUPANCY	IN THE USE OR OCCUPANCY	IN THE USE OR OCCUPANCY
YES	NO	YES	NO	YES	NO
DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION
CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE
IN THE STRUCTURE	IN THE STRUCTURE	IN THE STRUCTURE	IN THE STRUCTURE	IN THE STRUCTURE	IN THE STRUCTURE
YES	NO	YES	NO	YES	NO
DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION	DOES THIS ALTERATION
CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE	CONSTITUTE A CHANGE
IN THE EXTERIOR	IN THE EXTERIOR	IN THE EXTERIOR	IN THE EXTERIOR	IN THE EXTERIOR	IN THE EXTERIOR
YES	NO	YES	NO	YES	NO

GENERAL CONTRACTOR: ALEX CANCELL ADDRESS: 538 CAMPBELL AVE SE
 ARCHITECT OR ENGINEER FOR DESIGN: DEBRA H. MAHREMAN ADDRESS: 2922 MISSION ST.
 ARCHITECT OR ENGINEER FOR CONSTRUCTION: DEBRA H. MAHREMAN ADDRESS: 2922 MISSION ST.

THE WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT):

BUILT (4) 8' PARTITIONS - WITH DOORS - NO CHAIRS
RELOCATE EXISTING MOVABLE PARTITIONS
BUILT APPROX. 11 FEET OF SHELVING

PERMIT TO BUILD: The City and County of San Francisco Building Code, the building permit, and the plans and specifications submitted herewith are hereby approved for the purpose of building the building described herein.

NOTES: The applicant is responsible for obtaining all necessary permits and approvals from the appropriate agencies and departments. The applicant is also responsible for obtaining all necessary insurance and bonding.

ANY VIOLATION OF THE BUILDING CODE OR THE BUILDING PERMIT MAY BE APPEALED. BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED. WHEN REQUIRED, APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (1) (16) (17) (20) (21) OR (22).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwelling, all plumbing materials must have a clearance of not less than two inches from all electrical wires or equipment.

I, Alex Cancell, SIGNATURE OF OWNER OR AUTHORIZED AGENT

CHECK APPROPRIATE BOX:

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☒ CONTRACTOR ☐ ATTORNEY IN FACT

CONDITIONS AND STIPULATIONS

The approval of this application and issuance of permit applies to specified work only and does not constitute an approval of the building.

[Signature]
BUILDING INSPECTOR, DIV. OF BLDG. INSPECTION

DATE _____
REASON _____

DEPARTMENT OF CITY PLANNING

NOTIFIED MR. _____
DATE _____
REASON _____

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

NOTIFIED MR. _____
DATE _____
REASON _____

CIVIL ENGINEER, DIV. OF BLDG. INSPECTION

NOTIFIED MR. _____
DATE _____
REASON _____

BUREAU OF ENGINEERING

NOTIFIED MR. _____
DATE _____
REASON _____

DEPARTMENT OF PUBLIC HEALTH

NOTIFIED MR. _____
DATE _____
REASON _____

REDEVELOPMENT AGENCY

NOTIFIED MR. _____
DATE _____
REASON _____

NOTIFIED MR. _____
DATE _____
REASON _____

NOTIFIED MR. _____

PERMIT WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED HEREIN, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS WHICH ARE HEREBY MADE APPLICABLE.
COMMENTS: ☐
[Signature]
SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT (SEE OWNER OR LESSEE)

SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION

FOR DEPARTMENTAL USE ONLY

APPROVED
SEP 28 1981
SUPERVISOR
3-82

Superintendent, Bureau of Building Inspection

FILING FEE RECEIPT NO. 104089

PERMIT NO. 475184

ISSUED

19

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPLICATION FOR PERMIT TO ERECT SIGN

Application is hereby made for permission to build in accordance with plans and specifications submitted herewith and for the purpose set forth herein:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐
GROUND SIGN ☐

Date 9-8-1981

(1) Location 2918 Mission St.

(2) Total cost \$ 1,200.00

LOG
FORM

APPL. NO.

08107866

FILED OUT DOOR

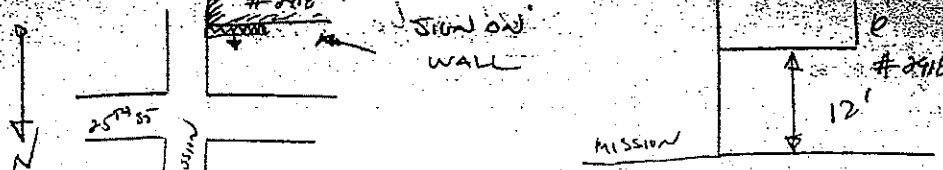
(3) Elevation or corner line of front of building. E.C. 1115 Number of stories in building 1

(5) Present use of building Construction

(7) Addressed number for standardized signs

(8) Type of sign per Article 46, S.F. Building Code: ☒ Ground sign ☐ Roof sign ☐ Projection sign ☐ Single facet ☐ Doubled facet Dimensions: Thickness 1/2" Size 6 x 12 Ft. Weight 500 Lbs. Total area of advertising space 5 x 11 = 55

(9) PLOT PLAN AND ELEVATION. INDICATE EXACTLY THE LOCATION OF SIGN HORIZONTALLY AND VERTICALLY. SHOW METHOD OF ATTACHMENT HEREON OR ON SEPARATE DRAWINGS IN DUPLICATE.



(10) Contractor ELLER OUTDOOR AD California License No. 3690
Address 1695 Embarcadero Hwy Berkeley Phone No. 527-3350

(11) Engineer or Architect FROST & MARVIN California License No. 672-6800
Address 271 PAUL DR San Francisco Phone No. 472-6800

(12) Owner - Lessee WOODEN & MARVIN SUTHERMAN
(Cross Out One)
Address 1220 Taylor Dr Phone No. 697-4600
MILLBRIDGE UNIT 54030 (For contact by Bureau)

IMPORTANT NOTICES

Where top guy wire is required, anchor with 1/2" dia. through-bolt (minimum), to the structural frame of the building below the parapet wall. No portion of building or structure, or scaffolding used during construction, to closer than 6'0" to any wire containing more than 750 volts. See Sec. 385 Calif. Penal Code.

Encroachments authorized on public Property are revocable when ordered by Board of Supervisors (S.F. Building Code). Any stipulation required herein or by Code may be appealed.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE APPROVAL FOR THE ELECTRICAL WIRING, A SEPARATE PERMIT FOR THE WIRING MUST BE OBTAINED. THIS IS NOT A PERMIT TO ERECT A SIGN. NO WORK SHALL BE STARTED UNTIL A PERMIT TO ERECT A SIGN IS ISSUED.

CHECK APPROPRIATE BOX:

☒ OWNER ☐ ARCHITECT ☐ ENGINEER
☒ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of this permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of passive negligence of the City and County of San Francisco.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

- () I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.
- () II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.
- () III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.
- () IV. The cost of the work to be performed is \$100 or less.
- () V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workman's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workman's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
- () VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work shall file, with the Central Permit Bureau evidence that workman's compensation insurance is secured.

Applicant's Signature

Date

Alan J. Magallon 9-8-81

SAN FRANCISCO

CONDITIONS AND STIPULATIONS

DEPARTMENT OF
BUILDING INSPECTION

REPRESENTATIVE APPROVED:

B. Salazar
BUILDING INSPECTOR, BUR. OF BLDG. INSP.

APPROVED: *As per indications*
on C-2 & 550-4
C.C. Section: *none*

0529/2

CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW

DEPARTMENT OF PLANNING SEP 15 1981

APPROVED:

Visual inspection
of fillet welds

SPECIAL INSPECTION
REQUIRED PER SFBC
SECTION 305.A, B, C.

J.P. Ovedio 9/17/81
CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

APPROVED:

BUREAU OF ENGINEERING

APPROVED:

REDEVELOPMENT AGENCY

APPROVED:

I AGREE TO COMPLY WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED ON THIS APPLICATION, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS, WHICH ARE HEREBY MADE A PART OF THIS APPLICATION.
NUMBER OF ATTACHMENTS ☐

Alan J. Marzolini
SIGNATURE OF OWNER, LESSEE OR AUTHORIZED
AGENT FOR OWNER OR LESSEE

APPROVED
APR 10 1989
FIRE
J. WHIPPLE

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☒ OTHER AGENCIES REVIEW REQUIRED
FORM 8 ☐ OVER-THE-COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

DATE FILED: 3-9-89
FILING FEE RECEIPT NO.: 199109
(1) STREET ADDRESS OF JOB: 2920 Mission St.
BLOCK & LOT: 4000
ESTIMATED COST OF WORK: 4000
REMOVED COST: 0

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING			
(A) TYPE OF CONSTRUCTION	(B) NO. OF STORIES OF OCCUPANCY	(C) NO. OF ELEVATORS AND CULVERS	(D) PRESENT USE
3	1	1	Retail Video
(E) OCCUP. CLASS	(F) NO. OF DWELLING UNITS		
B-2	0		
DESCRIPTION OF WORKING AFTER PROPOSED ALTERATION			
(A) TYPE OF CONSTRUCTION	(B) NO. OF STORIES OF OCCUPANCY	(C) NO. OF ELEVATORS AND CULVERS	(D) PRESENT USE
3	1	1	Retail Video
(E) OCCUP. CLASS	(F) NO. OF DWELLING UNITS		
B-2	0		
(10) IS AUTO RUNWAY EXISTING TO BUILDING OR ADJACENT?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(12) ELECTRICAL WORK TO BE PERFORMED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(13) PLUMBING WORK TO BE PERFORMED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(14) GENERAL CONTRACTOR: ZELBER BURNING CO 2901 Mission St #3 SRA 863-3570 444659 7/91			
(15) OWNER - LESSOR (CHECK ONE): MOORE MAGIC - Gary Antoini 343-5774			
(16) WRITE IN DESCRIPTION ALL WORK TO BE PERFORMED UNDER APPLICATION. (WORK NOT SUPPORTED)			
FIRE ALARM & INSTALL BURNING			
(17) DOES THIS ALTERATION CREATE ADDITIONAL CONSTRUCTION? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
(18) IF YES, STATE NEW HEIGHT AT CORNER LINE OF FRONT: FT.			
(19) DOES THIS ALTERATION CREATE DECS OR HOLES EXTENDING TO BASEMENT? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
(20) IF YES, STATE NEW DEPTH OF BASEMENT: FT.			
(21) ANY OTHER EXISTING HOLES ON LOT? (IF YES, SHOW ON PLAN PLANS) YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
(22) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
(23) ARCHITECT OR ENGINEER (DESIGN) <input type="checkbox"/> CONSTRUCTION <input checked="" type="checkbox"/> ADDRESS: CAUSE, CERTIFICATE NO.			
(24) CONSTRUCTION LINEER (WRITE NAME AND BRANCH DESIGNATION IF ANY, IF THERE IS NO KNOWN CONSTRUCTION LEADER, ENTER "UNKNOWN") ADDRESS:			

ADDITIONAL INFORMATION -- FORM 3 APPLICANTS ONLY

(27) DOES THIS ALTERATION CREATE ADDITIONAL CONSTRUCTION? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(28) IF YES, STATE NEW HEIGHT AT CORNER LINE OF FRONT: FT.	(29) DOES THIS ALTERATION CREATE DECS OR HOLES EXTENDING TO BASEMENT? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(30) IF YES, STATE NEW DEPTH OF BASEMENT: FT.
(31) WILL SIDEWALK OR SUBSIDEWALK SPACE IN REPAIR OR ALTERATION? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(32) WILL SIDEWALK EXTEND BEYOND PROPERTY LINE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(33) ANY OTHER EXISTING HOLES ON LOT? (IF YES, SHOW ON PLAN PLANS) YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(34) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(35) ARCHITECT OR ENGINEER (DESIGN) <input type="checkbox"/> CONSTRUCTION <input checked="" type="checkbox"/> ADDRESS: CAUSE, CERTIFICATE NO.			
(36) CONSTRUCTION LINEER (WRITE NAME AND BRANCH DESIGNATION IF ANY, IF THERE IS NO KNOWN CONSTRUCTION LEADER, ENTER "UNKNOWN") ADDRESS:			

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or scaffolding used during construction, to be closer than 6' to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STRUTTING REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WORKING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWERS IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

- ☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSOR ☐ AGENT WITH POWER OF ATTORNEY
☒ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, no applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

- () I. Certificate of Consent to Self-insure issued by the Director of Industrial Relations.
(X) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.
() III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.
() IV. The cost of the work to be performed is \$100 or less.
() V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workman's compensation laws of California, I further acknowledge that I understand, in the event that I should become subject to the workman's compensation provisions of the Labor Code of California and fail to comply therewith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
() VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

John H. L.
Applicant's Signature

Date

SAN
DEPT
BUILD

CONDITIONS AND STIPULATIONS

APPROVED: <i>[Signature]</i> BUILDING INSPECTOR, BUREAU OF BLDG. INSPECTION DATE: 3/14/89	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> MAR 31 1989 DEPARTMENT OF CITY PLANNING	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> BUREAU OF FIRE PREVENTION & PUBLIC SAFETY	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> CIVIL ENGINEER, BUREAU OF BLDG. INSPECTION	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> BUREAU OF ENGINEERING	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> DEPARTMENT OF PUBLIC HEALTH	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> REDEVELOPMENT AGENCY	DATE: _____ REASON: _____ NOTIFIED MR. _____
APPROVED: <i>[Signature]</i> HOUSING INSPECTION DIVISION	DATE: _____ REASON: _____ NOTIFIED MR. _____

HOLD SECTION - NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application, and to attach statements of conditions or stipulations, which are hereby made a part of this application.

[Signature]
OWNER'S AUTHORIZED AGENT

SAN FRANCISCO

DEPARTMENT OF
BUILDING INSPECTION

COMPLAINT

8603192

CP-20C

8900697

BID INSP

COMPLAINT REMOVED WITH
PERMIT APP # 9102781

APPROVED

MAR 25 1991

3/11

BID INSP

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRSFORM 3 ☐ OTHER AGENCIES REVIEW REQUIREDFORM 8 ☐ OVER THE COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

UN

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKSAPPLICATION IS HEREBY MADE TO THE DEPARTMENT OF
PUBLIC WORKS FOR A BUILDING PERMIT TO
BUILD IN ACCORDANCE WITH THE FORMS AND SPECIFICATIONS
SUBMITTED HEREWIT, AND ACCORDING TO THE DESCRIPTION
AND FOR THE PURPOSE HEREINAFTER SET FORTH.

OFFICIAL COPY

DATE FILED 2/06/91	PLANS RECEIVED 3-23-91	(1) STREET ADDRESS OF JOB 2922 MISSISSIPPI ST.	ROOM & LOT 6529 42
PERMIT NO. 668045	ISSUED 3-25-91	(2) ESTIMATED COST OF JOB \$ 25,000.00	(3) PERMITTED COST 30,000
		DATE 3/11/91	

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

(A) TYPE OF CONSTRUCTION III		(B) NO. OF STORIES OF OCCUPANCY 1		(C) NO. OF BASEMENTS AND CELLARS 0		(D) PRESENT USE RETAIL SALES		(E) OCCUP. CLASS B-2/B3		(F) NO. OF DWELLING UNITS -	
(A) TYPE OF CONSTRUCTION III		(B) NO. OF STORIES OF OCCUPANCY 1		(C) NO. OF BASEMENTS AND CELLARS 0		(D) PROPOSED USE LEGAL USE COIN LAUNDRY		(E) OCCUP. CLASS B-2/B3		(F) NO. OF DWELLING UNITS -	
(1) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED?		(11) WERE STREET SPACE OR SIDEWALKS IMPROVED?		(12) WERE ELECTRICAL WIRING TO BE PERFORMED?		(13) WERE PLUMBING WORK TO BE PERFORMED?		(14) WERE MECHANICAL WORK TO BE PERFORMED?		(15) WERE OTHER WORK TO BE PERFORMED?	
YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
(16) GENERAL CONTRACTOR TO BE SELECTED		ADDRESS 1845 44th AVE SAN FRANCISCO 94114		PHONE 251-7100		EXPIRATION DATE					
(17) ARCHITECT OR ENGINEER DESIGN EDWIN YUEN		ADDRESS 1845 44th AVE SAN FRANCISCO 94114		PHONE 251-7100		EXPIRATION DATE					
(18) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)		(19) ARCHITECT OR ENGINEER DESIGN		(20) CONSTRUCTION UNDER EXISTING NAME AND BRANCH DESIGNATION IF ANY, IF THERE IS NO EXISTING CONSTRUCTION UNDER EXISTING NAME		(21) ADDRESS		(22) ADDRESS		(23) ADDRESS	
Tenant Improvements New vinyl flooring Formica counter-top Aluminum partitions Painting		INSTALL LAUNDRY EQUIPMENT (WASHER, DRYER, EXTRACTOR)									

ADDITIONAL INFORMATION - FORM 3 APPLICANTS ONLY

(1) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(2) IS THIS STATE NEW HEIGHT AT CENTER LINE OF FRONT?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(3) DOES THIS ALTERATION CREATE DECK OR PORCH EXTENSION TO BUILDING?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(4) IS THIS STATE NEW GROUND FLOOR AREA?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(5) WILL SIDEWALK OR SIDEWALK SPACE BE IMPROVED OR ALTERED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(6) WILL BUILDING SETBACK BEYOND PROPERTY LINE?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(7) ANY OTHER EXISTING BUILDING ON LOT OF YES, SHOW ON FLOOR PLANS.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(8) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(9) ARCHITECT OR ENGINEER DESIGN		(10) CONSTRUCTION		(11) ADDRESS		(12) CALIF. CERTIFICATE NO.	

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown on drawings showing correct grade lines, cut and fill together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY SITUATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22), OR (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwelling all building materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☒ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION. ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

B003 03

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands, and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (A) or (B) or (C) designated below or shall indicate item (A) or (B) or (C) below, whichever is applicable. If item (C), item (B) is checked if item (C) must be checked as well. Mark the appropriate method of compliance below:

() I. Certificate of Consent to Self Insure issued by the Director of Industrial Relations.
() II. Certificate of Workmen's Compensation Insurance issued by an admitted insurer.
() III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.

() IV. The cost of the work to be performed is \$100 or less.
() V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California. I further do hereby certify that I understand, on the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply therewith with the provisions of Section 3800 of the Labor Code, that the Permittee(s) applied for shall be deemed reckless.

() VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workmen's compensation laws of California and who has on file, or prior to the commencement of any work, with the Central Permit Bureau evidence that the workmen's compensation insurance is carried.

Applicant's Signature: *[Signature]* 2/4/91

SAN FRANCISCO

DEPARTMENT OF
BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

APPROVED:
CONTACT DISTRICT INSPECTOR ISSUED ON FACE OF APPLICATION AT FIRST OF WORK (TELEPHONE NO. 558-4554). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK UNLESS IT IS DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODES.

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK WHO DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED ON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS BEEN VERIFIED.
Det. Smith 3/17/91
BUILDING INSPECTOR, BUR. OF BLDG. INSP.

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

Approval for work stated only

☐ CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW

DEPARTMENT OF CITY PLANNING

FEB 1, 2, 1991

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

as noted on plans

R. Castro 03/13/91
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

BUREAU OF ENGINEERING

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

as noted on plans
(map sink)

A. Camarero 03/15/91
DEPARTMENT OF PUBLIC HEALTH

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

REDEVELOPMENT AGENCY

DATE: _____
REASON: _____

NOTIFIED MR. _____

APPROVED:

HOUSING INSPECTION DIVISION

DATE: _____
REASON: _____

NOTIFIED MR. _____

I agree to comply with all conditions or stipulations of the various departments or departments needed on this application, and I warrant statements or conditions or stipulations, which are hereby made.

Number of sheets: ☐

Smith
CITY OF SAN FRANCISCO

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

SAN FRANCISCO

DEPARTMENT OF
BUILDING INSPECTION

FIRE

APPROVED
Dept. of Public Works

MAY 20 1951

3/8

9105905

APPLICATION FOR BUILDING PERMIT ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☒ OTHER AGENCIES REVIEW REQUIRED
FORM B ☐ OVER-THE-COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

SUPERINTENDENT
CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF
PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO
TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS
SUBMITTED HERETO AND ACCORDING TO THE DESCRIPTION
AND FOR THE PURPOSE HEREINAFTER SET FORTH.

DATE FILED 4/9/51	FAHO FEE RECEIPT NO. 225937	(1) STREET ADDRESS OF JOB 2922 MISSION ST.	BLOCK & LOT 6527
PERMIT NO. 673200	ISSUED 5/26/51	(2A) ESTIMATED COST OF JOB 5000	(2B) REVISED COST 5000
		DATE 4/17/51	

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

(4A) TYPE OF CONSTR. REPAIR	(4B) NO. OF STORIES OF OCCUPANCY 1	(4C) NO. OF BASEMENTS AND CELLARS 0	(7A) PRESENT USE LAUNDRY & VIDEO STORE	(8A) OCCUP. CLASS B-2	(9A) NO. OF DWELLING UNITS 1
DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION					
(4) TYPE OF CONSTR. REPAIR	(5) NO. OF STORIES OF OCCUPANCY 1	(5B) NO. OF BASEMENTS AND CELLARS 0	(7) PROPOSED USE (LEGAL USE) LAUNDRY & MINI MART	(8) OCCUP. CLASS B-2	(9) NO. OF DWELLING UNITS 1
(10) IS AUTO DRIVEWAY TO BE CONSTRUCTED OR ALTERED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(11) WILL STREET SPACE BE USED FOR NEW CONSTRUCTION?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(12) ELECTRICAL WORK TO BE PERFORMED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(13) GENERAL CONTRACTOR	ADDRESS SELF		PHONE 261-7708	EXPIRATION DATE 6-4-56	
(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS EDWIN YUEN		PHONE (FOR CONTACT BY BUREAU) 442-48		
(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)					

CHANGE APPROVED PLAN (PERMIT 9101936) FROM
LAUNDRY & VIDEO STORE TO LAUNDRY & MINI MART
NO CHANGE TO APPROVED FLOOR PLAN EXCEPT -
USE

ADDITIONAL INFORMATION - FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	FT.	(19) DOES THIS ALTERATION CREATE DECK OR PORCH EXTENSION TO BUILDING?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(20) IF (19) IS YES, STATE FLOOR AREA	SQ. FT.
(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(23) ANY OTHER EXISTING BLDG OR LOT (IF YES, SHOW ON PLOT PLAN)	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
(25) ARCHITECT OR ENGINEER (DESIGN) <input type="checkbox"/> CONSTRUCTION <input type="checkbox"/>				ADDRESS			
(26) CONSTRUCTION LEADER (ENTER NAME AND BRANCH OR SIGNATURE IF ANY, IF THERE IS NO KNOWN CONSTRUCTION LEADER, ENTER "UNKNOWN")							

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 5'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY VIOLATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED. BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. SEPARATE PERMITS ARE REQUIRED FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX
☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

9003-02

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

- () I. Certificate of Consent to Self-insure issued by the Director of Industrial Relations.
- () II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.
- () III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.
- () IV. The cost of the work to be performed is \$100 or less.
- () V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workman's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workman's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
- () VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature

Date

CONDITIONS AND STIPULATIONS

APPROVED: CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 858-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODES.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK. IT DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY APPLICANT WHICH HAS NOT BEEN VERIFIED.

DATE: _____

REASON: _____

Any electrical or plumbing work will require appropriate separate permits.

APPROVED: *For New Bath Room Addition & Remodel at 1401 N. PLAIN ST. BLDG. INSPECTION* 4/17/91

APPROVED: *FOR WORK STATED AS INDICATED PER PLANS AND TO ABATE VIOLATION (COMPLAINT NO. 8900697) AS INDICATED UNDER BUILDING PERMIT APPLICATION NO. 9102761*

NOTIFIED MR. _____

DATE: _____

REASON: _____

CATEGORICAL ENVIRONMENTAL REVIEW

APPROVED: *ROUTE TO K CHIN*

As noted on plans

R. C. ... 9/22/91
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

NOTIFIED MR. _____

DATE: _____

REASON: _____

NOTIFIED MR. _____

APPROVED: _____

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE: _____

REASON: _____

NOTIFIED MR. _____

APPROVED: _____

BUREAU OF ENGINEERING

DATE: _____

REASON: _____

NOTIFIED MR. _____

APPROVED: *Re: Notes at Approved Plans, Consistent with Approved Plans, as noted in Approved Plans*

Alan ... 5/17/91
DEPARTMENT OF PUBLIC HEALTH

DATE: _____

REASON: _____

NOTIFIED MR. _____

APPROVED: _____

REDEVELOPMENT AGENCY

DATE: _____

REASON: _____

NOTIFIED MR. _____

APPROVED: _____

HOUSING DEPARTMENT DIVISION

DATE: _____

REASON: _____

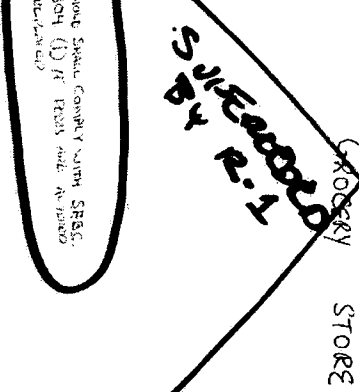
NOTIFIED MR. _____

I agree to comply with all conditions or stipulations of the various departments noted on this application, and a signed statement of conditions or stipulations, which are hereby made a part of this application.

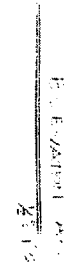
Number of attachments ☐

OWNER'S AUTHORIZED AGENT

HOLD SECTION - NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

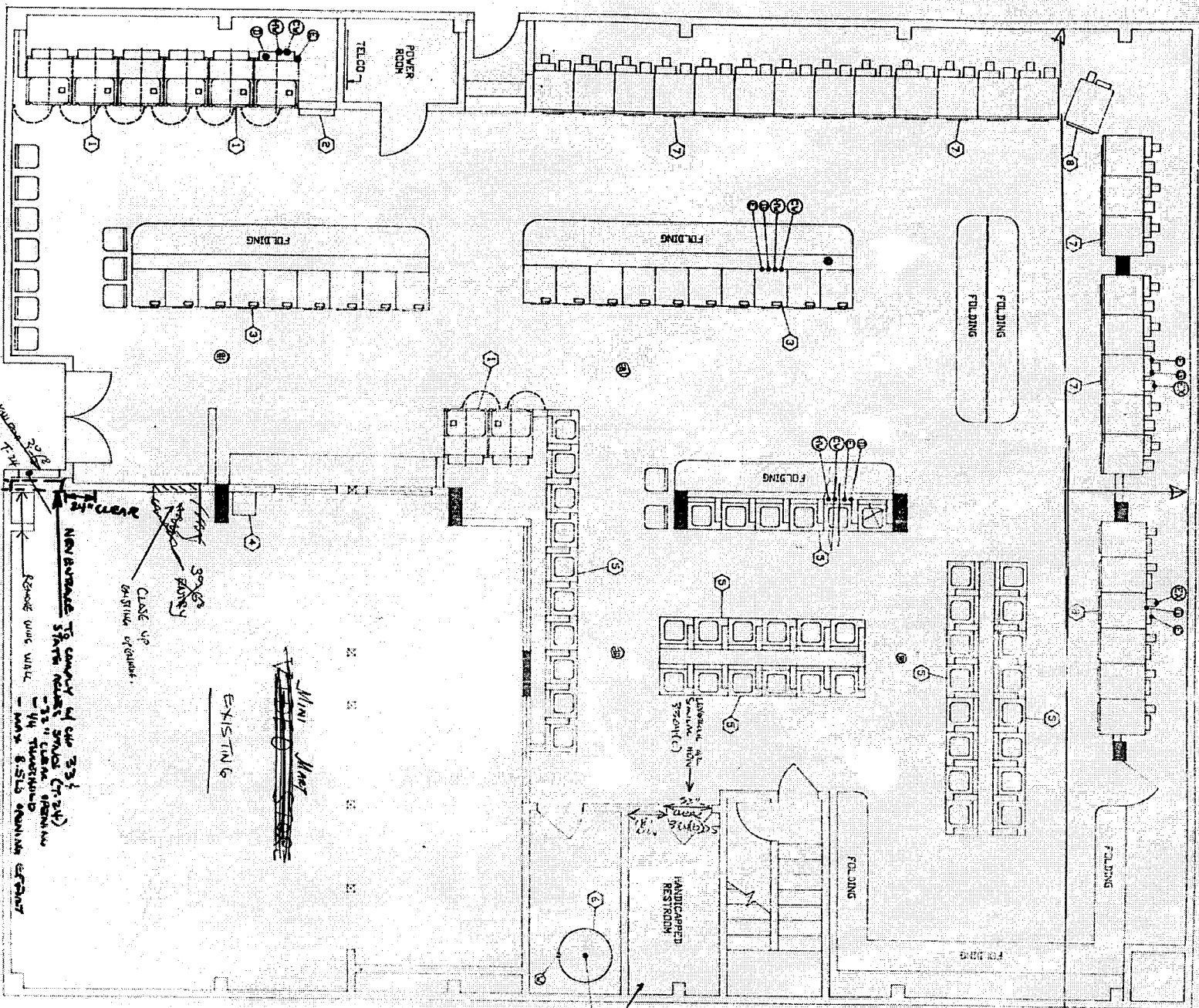


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274
BUREAU OF BUILDING INSPECTION

9101936



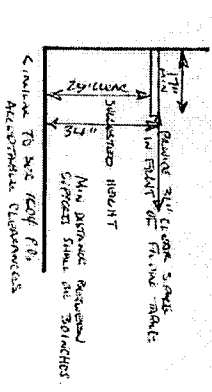
EQUIPMENT	
NO.	DESCRIPTION
1	MILNER VASHER EXTRACTOR
2	SOAP VENDING MACHINE
3	PRINUS VASHER
4	CHARGE MACHINE
5	WHIRLPOOL VASHER
6	HANSEN STORAGE TANK
7	HANSEN STACKED DRYER
8	HANSEN 300L DRYER
9	RAYPAK HOT WATER HEATER

HANDICAPPED RESTROOM
TO BE W/ APPROXIMATE 2' TIME 24
AND LOCAL CODE REQUIREMENTS

Handicapped restrooms must be accessible to all persons with physical disabilities. The restrooms must be accessible to all persons with physical disabilities. The restrooms must be accessible to all persons with physical disabilities.

NEW 4500 BTU TOWN

ROUND TABLES COMPLY W/ (CALIF 550) 522 (C) 4
OF ONE SEATER ACCESSIBILITY STANDARDS
T-24



RECEIVED
APR 09 1991
BUREAU OF BUILDING INSPECTION

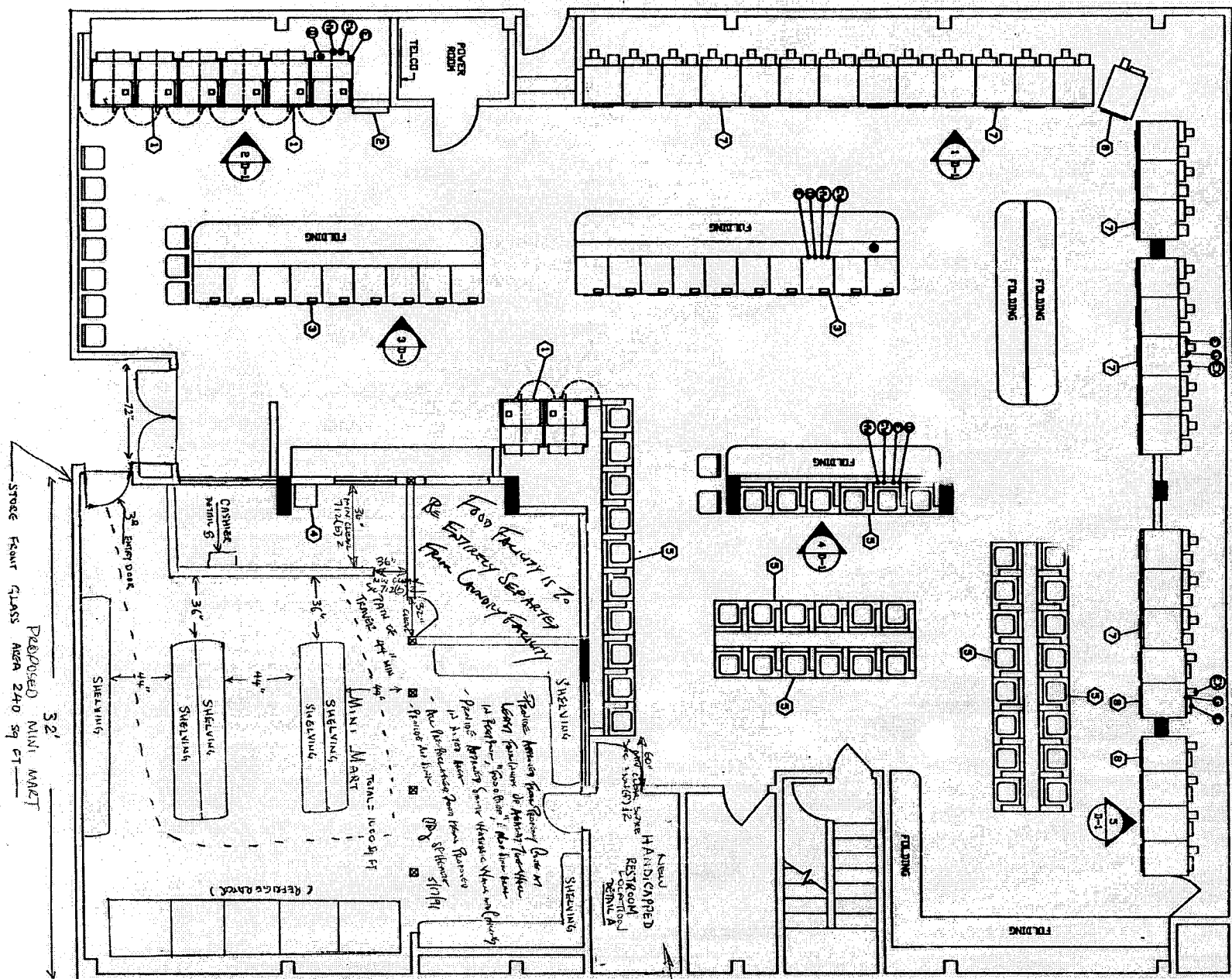
4/9/91

CONTRACTOR'S NOTICE: ANY WORK DONE ON THIS PROJECT MUST BE APPROVED BY THE BUILDING DEPARTMENT. ANY WORK DONE ON THIS PROJECT MUST BE APPROVED BY THE BUILDING DEPARTMENT. ANY WORK DONE ON THIS PROJECT MUST BE APPROVED BY THE BUILDING DEPARTMENT.

APPROVED
MAY 28 1991

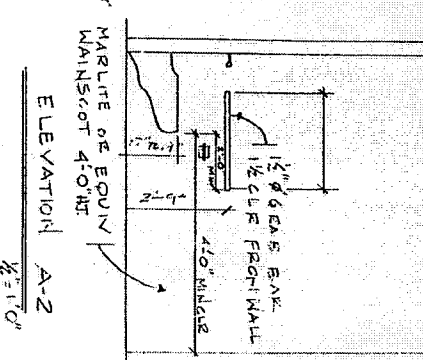
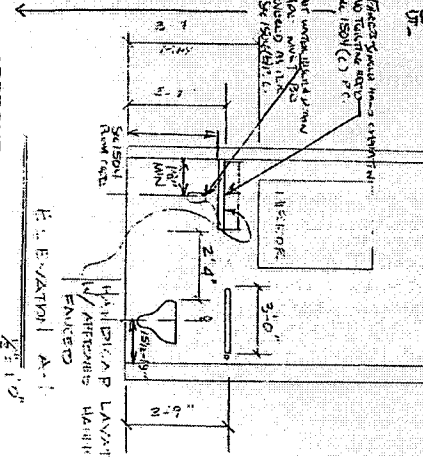
MISSION WRECK CLUB
2922 MISSION ST.
910590371010261K
9105903
DRAWING NUMBER: 40-1
SHEET 1 OF 1
APPROVED BY: [Signature]
DATE: [Date]

9105903/2



EQUIPMENT	
NO.	DESCRIPTION
1	8 MILLER VASER EXTRACTOR
2	1 SINK VENDING MACHINE
3	15 POKER VASER
4	1 CHARGE MACHINE
5	44 WASHING MACHINE
6	1 WASHING STORAGE TANK
7	24 WASHING STORAGE DRYER
8	1 WASHING SINK DRYER
9	1 RAYPAK HOT WATER HEATER

APPROVED
DETAIL A



9105903 - R.1

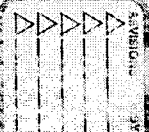
APPROVED
MAY 28 1991

DRAWING NUMBER
WSD10491
SCALE: 1/4" = 1'-0"

PROJECT MANAGER
DATE
APPROVED S.S.

WASHCLUB SAN FRANCISCO
2922 MISSION

Western State Design
25816 NICKEL PLACE, HAYWARD, CA 94545 • TEL: 510/9401127



REEROOFING

NT OF SECTION

PERMITS FOR REEROOFING INSPECTION MAY BE MADE

SEPARATE PERMITS REQUIRED FOR EACH OF THE FOLLOWING:

GAS (L.S.G.) APPLY AT 250 GOLDEN GATE AVE. RM 307. PHONE 561 3500, EXT 315. APPLICANT PERSON FILE FOR STREET USE PERMITS.

APPROVED

Dept of Building Insp.

DEC 26 2000

DIRECTOR
DEPT OF BUILDING INSPECTION

APPROVED FOR ISSUANCE

DEC 26 2000

BUILDING FORM 3/8

APPLICATION NUMBER

APPROVAL NUMBER:

OSHA APPROVAL RECORD

**APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS**

FORM 3 ☐ OTHER AGENCIES REVIEW REQUIRED

FORM 8 ☒ OVER-THE-COUNTER ISSUANCE *DP*

0 NUMBER OF PLAN SETS *w/c 9/20/01*

**CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION**

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF BUILDING INSPECTION OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HERewith AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

DATE FILED: *12/26/00* FILED FOR RECEIPT NO: *929219* (1) STREET ADDRESS OF JOB: *2922 MISSION ST* BLOCK & LOT: *6529-28*

PERMIT NO. *929219* ISSUED: *12/26/00* (2A) ESTIMATED COST OF JOB: *17,500.-* (2B) REVISED COST: BY: DATE:

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

LEGAL DESCRIPTION OF EXISTING BUILDING

(1A) TYPE OF CONSTR: *X* (1A) NO. OF STORIES OF OCCUPANCY: *2* (1A) NO. OF BASEMENTS AND CELLARS: *N/A* (1A) PRESENT USE: *COMMERCIAL* (1A) OCCUP. CLASS: *B* (1A) NO. OF DWELLING UNITS: *0*

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(1B) TYPE OF CONSTR: *X* (1B) NO. OF STORIES OF OCCUPANCY: *2* (1B) NO. OF BASEMENTS AND CELLARS: *N/A* (1B) PROPOSED USE (LEGAL USE): *COMMERCIAL* (1B) OCCUP. CLASS: *B* (1B) NO. OF DWELLING UNITS: *0*

(1C) IS AUTO RUMWAY TO BE CONSTRUCTED OR ALTERED? YES ☐ NO ☒ (1C) WALL/STREET SPACE BE USED DURING CONSTRUCTION? YES ☐ NO ☒ (1C) ELECTRICAL WORK TO BE PERFORMED? YES ☐ NO ☒ (1C) PLUMBING WORK TO BE PERFORMED? YES ☐ NO ☒

(1D) GENERAL CONTRACTOR: *ABC ROOFING* ADDRESS: *1610 ARMSTRONG ST. 94124* ZIP: *94124* PHONE: *822-5003* CALIF. LIC. NO.: *483862* EXPIRATION DATE: *12/31/00*

(1E) OWNER - LESSEE (CROSS OUT ONE): *SUGARMAN* ADDRESS: *2922 MISSION ST. 3RD FL. CA. 94110* ZIP: *94110* PHONE: *433-5761*

(1F) WRITE UP DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT):

TEAR OFF EXISTING OLD ROOF
APPLY 30 YR COMP. SHINGLE
WITH #15 BASE FELT

ADDITIONAL INFORMATION

(1G) DOES THIS ALTERATION CREATE ADDITIONAL HEIGHT OR STORY TO BUILDING? YES ☐ NO ☒ (1G) IF (1G) IS YES, STATE NEW HEIGHT AT CENTERLINE OF FRONT: FT. (1G) DOES THIS ALTERATION CREATE OR EXISTING EXTERIOR EXTENSION TO BUILDING? YES ☐ NO ☒ (1G) IF (1G) IS YES, STATE NEW GROUND FLOOR AREA: SQ. FT.

(1H) WALL SIDEWALK CURB SUB SIDEWALK SPACE BE REPAIRED OR ALTERED? YES ☐ NO ☒ (1H) WALL SIDEWALK CURB EXISTED BEYOND PROPERTY LINE? YES ☐ NO ☒ (1H) ANY OTHER EXISTING BLDG ON LOT? YES ☐ NO ☒ (1H) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES ☐ NO ☒

(1I) ARCHITECT OR ENGINEER (DESIGN) CONSTRUCTION: ADDRESS: CALIF. CERTIFICATE NO.:

(1J) CONSTRUCTION LEADER (ENTER NAME AND BRANCH DESIGNATION IF ANY, IF THERE IS NO KNOWN CONSTRUCTION LEADER, ENTER "UNKNOWN") ADDRESS:

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6' to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this department for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) OR (24).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT
☐ LESSEE ☐ AGENT
☒ CONTRACTOR ☐ ENGINEER

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

9303 03 (REV. 1-96)

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands or actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have coverage under (I), or (II) designated below or shall indicate item (III), or (IV), or (V), whichever is applicable. If however item (V) is checked item (IV) must be checked as well. Mark the appropriate method of compliance below.

I hereby affirm under penalty of perjury one of the following declarations:

() I. I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

(X) II. I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier: *VILLANOVA*
Policy Number: *W3095525*

() III. The cost of the work to be done is \$100 or less.

() IV. I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California. I further acknowledge that I understand that in the event that I should become subject to the workers' compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the permit herein applied for shall be deemed revoked.

() V. I certify as the owner (or the agent for the owner) that in the performance of the work for which this permit is issued, I will employ a contractor who complies with the workers' compensation laws of California and who, prior to the commencement of any work, will file a completed copy of this form with the Central Permit Bureau.

Signature of Applicant or Agent: *[Signature]* Date: *12/26/00*

CONDITIONS AND STIPULATIONS

 REFER TO:
 DEPARTMENT OF
 BUILDING INSPECTION

APPROVED:

CONTACT DISTRICT INSPECTOR (NAMED ON FACE OF APPLICATION) AT START OF WORK (TELEPHONE NO. 500-6076). THIS APPLICATION IS APPROVED WITHOUT CITY INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE VARIOUS WORKS AUTHORIZED. MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

 DP
[Signature]
 12/26/00

BUILDING INSPECTOR, DEPT. OF BLDG. INSP.

Any electrical or plumbing work will require appropriate separate permits.



N/A

DEPARTMENT OF CITY PLANNING

APPROVED:



BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

APPROVED:



CIVIL ENGINEER, DEPT. OF BLDG. INSPECTION

APPROVED:



BUREAU OF ENGINEERING

APPROVED:



DEPARTMENT OF PUBLIC HEALTH



REDEVELOPMENT AGENCY

APPROVED:



POLICE INSPECTION DIVISION

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

DATE:

REASON:

NOTIFIED MR.

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I agree to comply with all conditions or stipulations of the various bureaus or departments listed on this application and, in addition, to accept all conditions or stipulations, which are hereby made a part of this application.

Number of alterations ☐

OWNER'S AUTHORIZED AGENT

County Assessor's Real Property Record

LAND ATTRIBUTES	
Square feet	LOT 2. 2600

Zoning		
Square feet usable	100%	
Corner	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Curb, Sdkk	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Level	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Grode	Yes <input type="checkbox"/>	No <input type="checkbox"/>
View	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Utilities	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Alley	Yes <input type="checkbox"/>	No <input type="checkbox"/>
IMPROVEMENT ATTRIBUTES		
Year built	1974	
Effective Year		
Total Rooms		
Bedrooms		
Family Room	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Total Finished Area		
Finished Basement Area		
Finished Attic Area		
Full Baths		
Half Baths		
Garage spaces		
Built-in Kitchen	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Central Heating	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Condition	E <input type="checkbox"/> G <input type="checkbox"/> F <input type="checkbox"/> P <input type="checkbox"/>	

Single family use	<input type="checkbox"/>
Multi-family use	<input type="checkbox"/>
Commercial use	<input type="checkbox"/>
Industrial use	<input type="checkbox"/>
Zoning conform.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Destructibility	Yes <input type="checkbox"/> No <input type="checkbox"/>
Built-up	Yes <input type="checkbox"/> No <input type="checkbox"/>
Date of Improvements	
Trend	G. <input type="checkbox"/> F. <input type="checkbox"/> R. <input type="checkbox"/>

APPROPRIATE	CONCLUSIONS	70605-A
Land Value		23700
Improvement Value		12600
Total Value		36300

3625



5538

Bl. 6529 / 0+ 2A

2922 Mission St

ATLAS MOTORS

GAR. + AUTO SLIPS.

BLOCK NO. 6529LOT NO. 2 & 2ASTREET & NO. 2920-22

MISSION ST.

CITY & COUNTY OF SAN FRANCISCO

DATE 12/15 1935BUILDING CARD
ASSESSORS OFFICE

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTAL
ROOMS	3																					3

USE	FOUNDATION	ROOF	No.	FLOORS	ELEVATORS
RESIDENTIAL	X CONCRETE	TYPE		HARDWOOD	ELECTRIC
DWELLING	BRICK	MANSARD		PINE	HYDRAULIC
FLAT	PILES	GABLE		TILE	FREIGHT
APARTMENT	MISC.	FLAT		MARBLE	PASSENGER
NON RESIDENTIAL		DORMER	3	CEMENT	AUTOMATIC
HOTEL		PLAIN		COMPOSITION	MISC.
OFFICE BLDG.	BASEMENT	MISC.		PLUMBING	FEATURES
STORE	CEMENT FLOOR			Spec. FAIR X-CLIP	FIRE ESCAPES
LOFT	UNFINISHED	MATERIAL	4	No. FIXTURES	VENTILAT. SYSTEM
X GARAGE	FINISHED	TAR & GRAVEL		HOT WATER	VAC. CL. SYSTEM
WAREHOUSE	NO. CAR GARAGE	SLATE		BATHROOMS	SPRINKLER SYS.
INDUSTRIAL	MISC.	ASBESTOS		No. ROOMS	INCINERATOR
THEATRE		SINGLE		TUB BLT. IN	REFRIGERATOR
CLUB	EXTERIOR	TILE		TILE WALLS	WALL BEDS
BANK	WALLS	MISC.	2	SEP. TOILET	BOOKCASES
CHURCH	BRICK			MISC.	PORCHES
SCHOOL	CONCRETE				BARS
SERVICE STA.	RUSTIC	INTERIOR TRIM		HEATING	SOCIAL HALL
MISC.	SHINGLE	BEST FAIR		FURNACE	No. CLOSETS
X AUTO SALES	STUCCO	PINE		GAS	LAUNDRY ROOM
CONSTRUCTION	STONE	HARDWOOD		OIL	ATTIC
A B I C	CORRUG. IRON	PLASTER		STEAM	SUB BASEMENT
WOOD FRAME	MISC.	PLASTER BOARD		No. FIREPLACES	SPECIAL
STEEL		CANVAS		CIRC. HEATER	
MILL	TRIM	PANELED		MISC.	
BRICK	PLAIN	BEAMED CEILING		No. OUT BUILDINGS	CONVERTED FROM
REIN. CONC.	SPECIAL	UNFINISHED		GARAGE	Surf. marked to Retain
MISC.	MISC.	MISC.		SHED	Chase 1957 -
				OTHER	See above section 60 -

1	65	X	78	X	=	5070	sq. ft. @ \$ 3.00	\$	1
		X		X	=		sq. ft. @ \$	\$	
		X		X	=		sq. ft. @ \$	\$	
		X		X	=		sq. ft. @ \$	\$	
		X		X	=		sq. ft. @ \$	\$	
		X		X	=		sq. ft. @ \$	\$	
TOTAL						5070		\$	

YEAR BUILT 1924

RUSSELL L. WOLDEN, JR. COPYRIGHT 1937

GENERAL CONDITION	EXCEL	GOOD	FAIR	POOR

YEAR	AMOUNT	CHANGED BY
1925	5000	
33	4500	R.V.
41	5600	A.T.

BUILDING VALUATION	YEAR	AMOUNT	CHANGED BY
	1925	5000	
	33	4500	R.V.
	41	5600	A.T.

ALTERATIONS	YEAR	AMOUNT	DESCRIPTION
	1953	500	REPAIR FRONT
	1954	450	TEPHITE, WINDOW
	1957	500	REMOVE A.C. UNIT +
	1960	4000	REPAIR A.C. UNIT +

APPROVED BY

16000

10-23-24	COAL CENTRE REALTY CO. #132404	1ST REG. ST.	\$8,000
6-3-53	N. STEVENSON ST. #156052	1ST REG. ST.	\$5,000
7-6-54	B. D. STEVENSON #166462	1ST REG. ST.	\$4,500
8-1-56	W. SUCARMAN #187926	1ST REG. ST.	\$1,200
12-12-56	Volvo Motors #192846	1ST REG. ST.	\$1,200
6-4-57	Volvo Motors #192846	1ST REG. ST.	\$1,200
8-26-60	ATLAS #228126	1ST REG. ST.	\$1,200

Lot #2

~~Lot #2A~~
~~71417 29900~~
~~(11) 14100~~
~~14,000~~

VALUATION RECORD

Yr.	LAND	IMPS.	TOTAL	CR.
1975	71400	13900	43,500	61
	7121600	13900	43,500	61

Lot 2
 M. V. 86300
 L. 23100 Imps. 18600
 Lot 2A
 M. V. 36700
 L. 23900 Imps. 12800

PROPERTI RECORD
5537

ON 2 LOTS.

VOL. 39 BLOCK 6529 LOT 2A
ADDRESS 2920-22 MISSION ST.
CODE CLASS G-COMM. GARAGE

LAND ATTRIBUTES	
Square feet	LOT 2A 2600

Zoning		C-2
Surface feet usable		100%
Corner	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Curb, Sdkw	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Level	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Grade	Yes <input type="checkbox"/>	No <input type="checkbox"/>
View	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Utilities	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Alley	Yes <input type="checkbox"/>	No <input type="checkbox"/>
IMPROVEMENT ATTRIBUTES		
Year built	1924	
Effective Year		
Total Rooms		
Bedrooms		
Family Room	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Total Finished Area		
Finished Basement Area		
Finished Attic Area		
Full Baths		
Half Baths		
Garage spaces		
Kitchen	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Heating	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	E <input type="checkbox"/> G <input type="checkbox"/> F <input type="checkbox"/> P <input type="checkbox"/>	

AV	daily use	<input type="checkbox"/>
	ility use	<input checked="" type="checkbox"/>
	ial use	<input checked="" type="checkbox"/>
	l use	<input type="checkbox"/>
	omform.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	ity	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
	Improvements	
	G. <input checked="" type="checkbox"/> F. <input type="checkbox"/> P. <input type="checkbox"/>	
PAPER CONCLUSIONS TO LOT 234		
Grand Value	23900	
Improvement Value	12800	
Total Value	36700	

LOT NO. 3

CITY & COUNTY OF SAN FRANCISCO

MISSION ST.

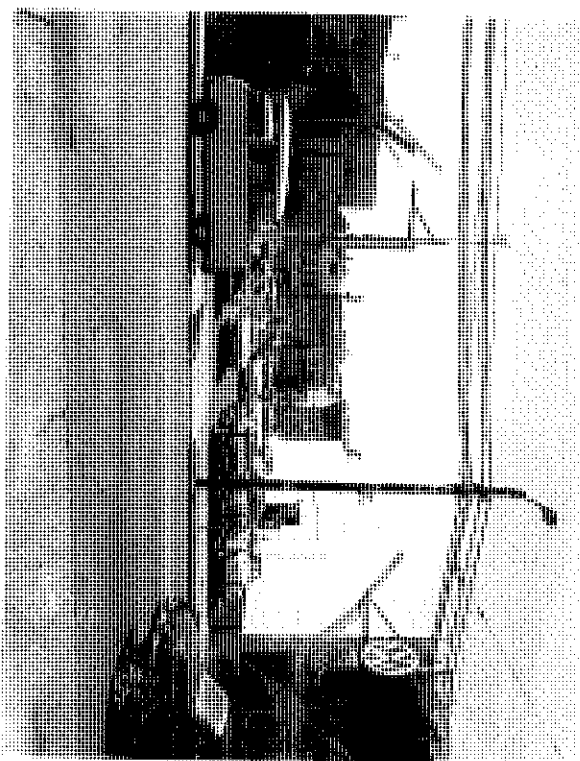
1954

GENERAL CONDITION			
EXCEL	X GOOD	FAIR	POOR

[illegible]

COPYRIGHT 1937

APPROVED BY



U.S. NAVY
JUL 1964

100-1001
100-1001

14B No. 5538
REAL PROPERTY RECORD

CITY & COUNTY OF SAN FRANCISCO
ASSESSORS OFFICE VALUATION DIVISION

STORIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	TOTAL
ROOMS																										

RESIDENTIAL	CLASS					EXTERIOR CONSTRUCTION					INTERIOR FINISH					HEATING SYSTEM											
Dwelling	D	R	B	R	1A	1B	2	3	4	5	Rustic	Plaster	Electric	Gas	Oil												
Floors											Panels	Sheetrock	Forced Air														
Apartment											Stucco	Wallboard	Steam														
Hotel											Metal	Paneling	Radiant														
Motel											Brick	Unfinished	Baseboard														
Rooming House											Slab		Vent & Air Cond.														
											Conc. Block		Gravity														
NON-RESIDENTIAL																											
Public Building											Piers	Tile/Up	Number of Rooms														
School											Misc.	Vaner	Tubs	Built-in													
Office													Shower														
Commercial													Tile														
Industrial											Unfinished	Comp	Separate Toilet														
											Finished	Metal	KITCHEN														
											Number Car Spaces	T&G	Goble														
CLASSIFICATION																											
Service Station											Medical	Softwood	Dwht.	Disp.													
Left											Theatre	Hardwood	Oven	Range													
Warehouse											Club	Terrazzo															
Condominium											Bank	Marble	PLUMBING														
Greenhouse											Store	Concrete	W. C.	Lavs													
Co-Operative											Garage	Earth	Urn	S. S.													
Shed											Church	Tile															
												Metal															

COMPUTATION

VALUATION RECORD

APPRaiser & DATE	4-10-68	M. MURPHY	YR.	LAND	IMPTS.	TOTAL	CH. BY
UNIT	AREA	UNIT COST	COST	UNIT COST	CO.		
OFFICE	904	10	900-	75	4500	2100	51700
ASST. CLERK	62644	035	2192-	47	6000	2100	6400
CLERK	21145	175	369-				
STENOGRAPHER	1	1	180-				
STENOGRAPHER	1	1	50				
ELX.	1	1					
Total			3691				
Normal % Good			70%				
R.C.L.N.D.			2600				

VOL. 39 BLOCK 6539 LOT 5
ADDRESS 2924 Mission St
CODE CLASS X USED CAR LOT

LAND ATTRIBUTES

Square feet 6378
Acres .093
Zoning C-2
Square feet usable 10076
Corner Yes ☒ No ☐
Curb, Sdk Yes ☒ No ☐
Level Yes ☒ No ☐
Grade Yes ☒ No ☐
View Yes ☒ No ☐
Utilities Yes ☒ No ☐
Alley Yes ☒ No ☐

IMPROVEMENT ATTRIBUTES

Year built 1958 1940
Effective Year 1958
Total Rooms 1
Bedrooms 0
Family Room Yes ☒ No ☐
Total Finished Area 904
Finished Basement Area 0
Finished Attic Area 0
Full Baths 0
Half Baths 0
Garage spaces 0
Built-in-Kitchen Yes ☒ No ☐
Central Heating Yes ☒ No ☐
Condition E ☐ G ☒ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

Single family use ☐
Multi-family use ☐
Commercial use ☒
Industrial use ☐
Zoning conform. Yes ☒ No ☐
Desireability Yes ☒ No ☐
Built-up Yes ☒ No ☐
Date of Improvements G ☒ F ☐ P ☐
Trend

CONCLUSIONS

Land Value 49000
Improvement Value 2100
Total Value 51700

PHOTO

Just as meant

C-2 5/16 x 3 W. main. 100' S. Rate 6576-18 3385⁷⁰ $\frac{8}{1}$
C-2 7/32 x 4 NW 35nd 4th Block 6577-18 1625⁷⁰ 38,000 = 862⁸⁰
C-2 4/16 x 3 W. main Box 25+26 6579-5 3525⁷⁰ 15,530 = 953⁸⁰
C-2 5/16 x 3 W. main Box 25+26 6579-5 3525⁷⁰ 26025 } 832⁸⁰
Slope 8721 on 12/63 — VALUE ON DEC '14

11B NO 5530

ADMS-500A
VOL. 39 BLACK 6529 LOT 3
2924 MISSION ST. BET 25TH + 26TH ST.

IMPROVEMENTS:

6364 P. PAVED AREA @ 20¢ =	\$1253.00
2114.5' STANDARD FENCE @ 1.75	369.-
90' W. FRAME DOOR 7 1/2' CILL. }	
2 WALLS MINOR PAINT. @ 18.00 }	720.-
3 GALV. WINDOWS @ 30.00 }	90.-
3 GALV. STANDARD	
ELECT. STANDARD	
	<hr/>
	\$2630
+ RAIL LAND	
	<hr/>
	49600
	<hr/>
	\$50000

[illegible]

000	Sales History: ON ROLLS FOR \$51700 (45000 net 2100)
	COST APPR
	Imp. 26 00
	Totd (Roll) 496 00
	\$52,200 Net Value
	MTY: VANDLAND \$53,000
	Summary:
	INCOME - SEE CARD 2-002 6529-24
	8-28-99
	ESTIMATED VALUE: \$52,000 -

Appendix C

Sanborn Fire Insurance Maps

24TH

ST

1905

25TH

ST.

501

VALENCIA

ORANGE

BARTLETT

OSAGE

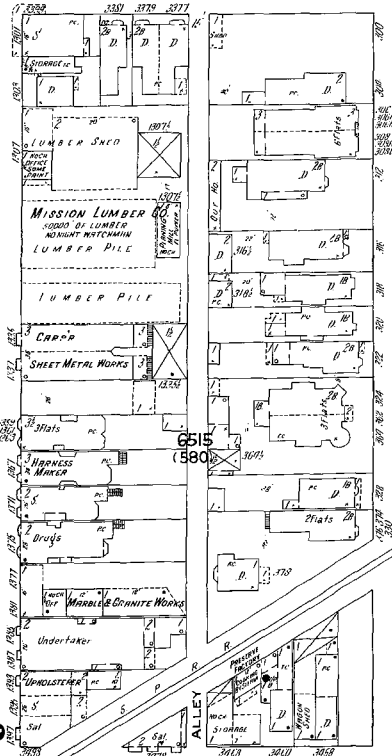
MISSION

611

595

24TH

ST.



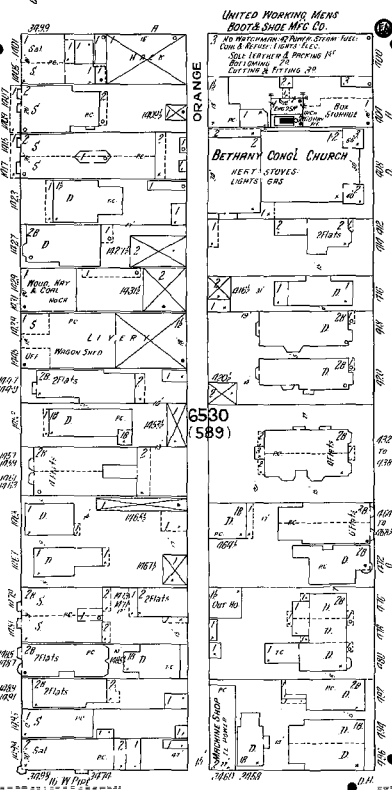
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25TH

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VALENCIA

BARTLETT

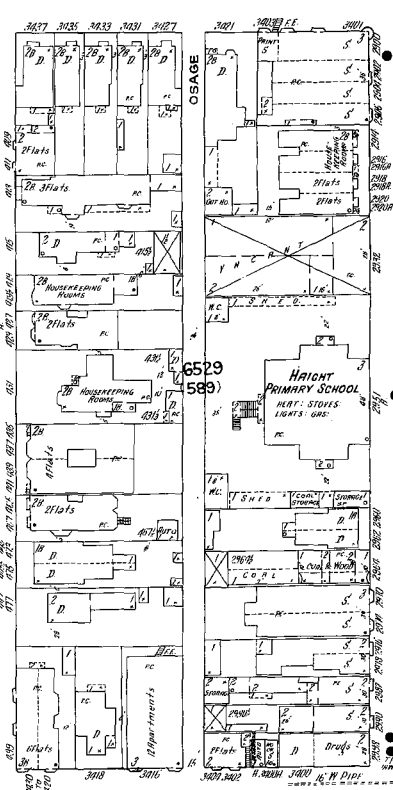


26TH

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613

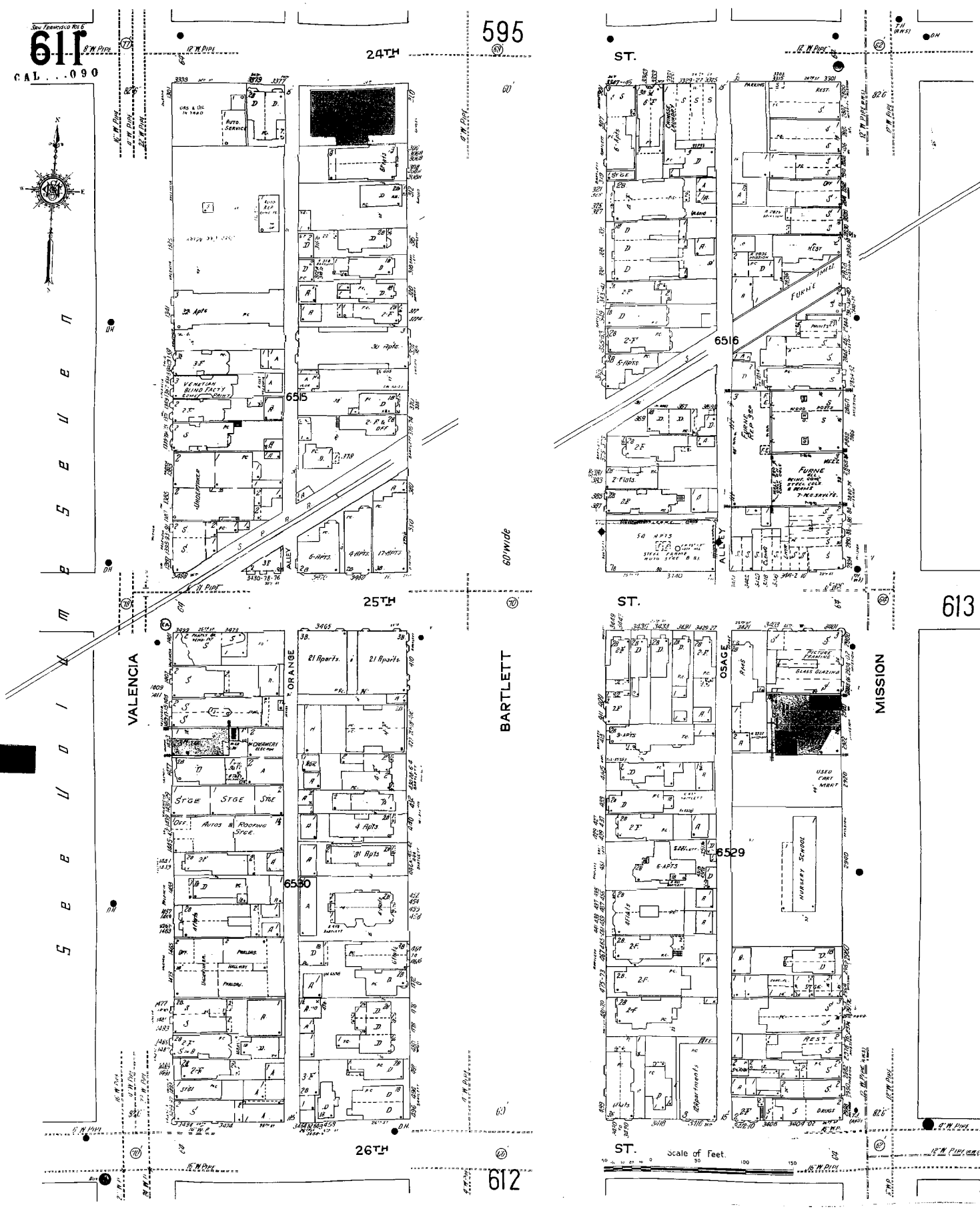
MISSION



Scale of Feet.

612

San Francisco No. 6
611
CAL. 090





5 4 3 2 1

5 2 2 7 0 1 7

VALENCIA

BARTLETT

MISSION

613

612

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ST

Scale of Feet.

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1. 2004年10月1日起，凡在我国境内销售货物的单位和个人，均应按销售额的一定比例缴纳增值税。

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Attachment E

San Francisco Planning Department Historic Resource Evaluation Response 2918-2922 Mission Street

May 31, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Historic Resource Evaluation Response

Date May 30, 2018
Case No.: 2014.0376APL
Project Address: **2918-2922 Mission Street**
Zoning: Mission Street Neighborhood Commercial Transit (NCT) District
65-B/55-X and 65-B/55-X Height and Bulk District
Block/Lot: 6529/002 and 002A
Staff Contact: Julie Moore (Environmental Planner)
(415) 575-8733
julie.moore@sfgov.org
Michelle Taylor (Preservation Planner)
(415) 575-9197
michelle.taylor@sfgov.org

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PART I: HISTORIC RESOURCE EVALUATION

Buildings and Property Description

2918-2922 Mission Street is located on the west side of Mission Street between 25th and 26th Streets in the Mission neighborhood. The property is located within the Mission Street Neighborhood Commercial Transit (NCT) District) Zoning District and a 65-B/55-X and 65-B/55-X Height and Bulk District.

2918-2922 Mission Street is a one story with mezzanine commercial building in a simplified Gothic Revival style constructed c.1924 by an unknown builder and architect. The subject building occupies two lots (6529/002 & 002A) and a parking lot associated with the building occupies a third lot (6529/003) to the south of the building. The building's primary (east) elevation is clad in smooth stucco and features a parapet with decorative gothic style frieze. The front elevation is dominated by aluminum frame full-height storefront windows, some with horizontal dividing muntins, above a concrete bulkhead. A cloth awning installed above the storefront windows runs the full length of the primary elevation. A recessed entry at the center of the building includes a storefront door to the extant laundromat and a storefront door to a vacant commercial retail space. The south elevation, adjacent to the parking lot, is visible from Mission Street and features a painted board-form concrete wall with a painted wall sign for the laundromat and a single personnel door.

The interior of the 2918-2922 Mission Street building is comprised of two large, open commercial spaces with a vacant retail space on the south half of the building and a laundromat on the north half. A set of stairs in the north half of the building provides access to a mezzanine level located at the rear of the building. Full-height partitions along the south and west perimeter walls of the laundromat provide narrow maintenance halls behind long banks of washing and drying machines. In the center of the space is an additional double bank of machines that runs nearly the full length of the room. Both ground floor commercial spaces are largely free from ornamentation or defining features. The finishes in the spaces include contemporary tile flooring (laundromat), vinyl flooring (vacant retail space), painted gypsum board and painted steel columns and beams.

Pre-Existing Historic Rating / Survey

The subject property, 2918-2922 Mission Street, was previously evaluated in the South Mission Historic Resource Survey adopted by the Historic Preservation Commission on November 17, 2011, and given a National Register Status Code of 6Z (Found ineligible for NR, CR or Local designation through survey evaluation). The building is considered a “Category C” property (No Historic Resource Present/Not Age Eligible) for the purposes of the Planning Department’s California Environmental Quality Act (CEQA) review procedures. The Department determined that re-evaluation of the property was warranted given new information about community-based organizations that occupied the subject building in the 1970’s and 1980’s.

Neighborhood Context and Description

2918-2922 Mission Street is located in the Mission District neighborhood, an area with borders generally considered to be Division Street to the north, Cesar Chavez to the south, Guerrero to the west and Potrero Avenue to the east. The neighborhood is mixed residential/commercial/industrial with major commercial corridors located along Mission and 24th Streets.

The destruction of the 1906 earthquake and fire destroyed many of the homes and businesses in the Mission District, particularly the inner Mission; however, in less than a decade much of the district was rebuilt and the neighborhood’s commercial and residential enclaves thrived. In the years following, the Mission District maintained its reputation as an affordable neighborhood, attracting a growing population of middle and working class families.

Following World War II, changes to national and local approaches to urban planning resulted in what many saw as destructive development policies such as “urban renewal”. In the Mission District, these policy changes coincided with a growing Spanish-speaking population in the Mission District that included residents of Mexican descent along with recent immigrants from Central America.¹ By the 1960’s, threats of urban renewal in the Mission District pushed residents of all classes, races and political leanings to organize as a unified voice to halt such development. This foray into local activism ultimately led to the establishment of several community-based organizations in the 1960’s and 1970’s, many of which served and represented the neighborhood’s thriving Latino population.

Today, the Mission District neighborhood contains a range of residential and commercial building types, including single-family residences, multi-family residential structures, mixed-use buildings with retail on the ground floor with residential flats above, small scale commercial buildings and institutional buildings. The buildings are designed in a variety of styles, including Victorian, Edwardian, Modernistic, Period Revival and contemporary styles which reflect the various stages of development within the neighborhood.

The subject property is located at the south end of the Mission District on Mission Street, a strong commercial corridor that serves the surrounding mixed residential and commercial neighborhood. The neighboring building stock include a mix of generally low-scale commercial, institutional and residential buildings. A contemporary bank building constructed in 1988 sits directly adjacent to the building to the north. To the south is a parking lot associated with the subject building and then a single story housing a childcare center (built c.1949) operated by the San Francisco Unified School District. Directly across the

¹ Ibid, 3-4.

street from 2918-2922 Mission Street is a two-story, stucco clad building that houses the Instituto Familiar de la Raza, Inc. (built 1907) and a single story grocery store (built 1924).

It should be noted that the immediate blocks surrounding the subject property were surveyed in the South Mission Historic Resource Survey (adopted 2011). The subject building is not located adjacent to any known historic resources (Category A properties) and the South Mission Historic Resource Survey did not identify any potential historic district or important context on this portion of Mission Street.

CEQA Historical Resource(s) Evaluation

Step A: Significance

Under CEQA section 21084.1, a property qualifies as a historic resource if it is "listed in, or determined to be eligible for listing in, the California Register of Historical Resources." The fact that a resource is not listed in, or determined to be eligible for listing in, the California Register of Historical Resources or not included in a local register of historical resources, shall not preclude a lead agency from determining whether the resource may qualify as a historical resource under CEQA.

Individual	Historic District/Context
Property is individually eligible for inclusion in a California Register under one or more of the following Criteria:	Property is eligible for inclusion in a California Register Historic District/Context under one or more of the following Criteria:
Criterion 1 - Event: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Criterion 1 - Event: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criterion 2 - Persons: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Criterion 2 - Persons: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criterion 3 - Architecture: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Criterion 3 - Architecture: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criterion 4 - Info. Potential: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Criterion 4 - Info. Potential: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Period of Significance: 1973-1985	Period of Significance: <input type="checkbox"/> Contributor <input type="checkbox"/> Non-Contributor

To assist in the evaluation of the properties associated with the proposed project, the Department requested that a qualified historic resource consultant prepare an historic resource evaluation report according to an approved scope of work

- ☐ ICF, 2918-2922 Mission Street, San Francisco, CA, Historic Resource Evaluation – Part 1 (May 2018) (ICF Part 1 report)

Below is a brief description of the historical significance per the criteria for inclusion on the California Registers for 2918-2922 Mission Street. This summary is based upon the ICF Part 1 report. Staff generally concurs with the findings of this report and refers the reader to it for a more thorough evaluation of significance.

The subject building located at 2918-2922 Mission Street has been identified as being individually eligible for listing in the California Register of Historical Resources under Criterion 1 (Events); however, the building lacks integrity to convey its significance under Criterion 1 and no longer qualifies as a historic resource for the purposes of CEQA. These findings are discussed below.

Furthermore, staff finds that the subject building is not located adjacent to any known historic resources (Category A properties) and does not appear to be located in or eligible to contribute to a potential historic district.

Criterion 1: Property is associated with events that have made a significant contribution to the broad patterns of local or regional history, or the cultural heritage of California or the United States.

Staff concurs with the ICF finding that the subject property appears eligible for listing on the California Register under Criterion 1. To be eligible under the event Criterion, the building cannot merely be associated with historic events or trends but must have a specific association to be considered significant. 2918-2922 Mission Street is a locally significant property as defined in the California Office of Historic Preservation's *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*, under the "Headquarters and Offices of Prominent Organizations" "associated with struggles for inclusion".² As a shared workspace of several organizations, the subject property is representative of community-based activism and service in the Mission District. The period of significance for the subject building encompasses the years that the subject organizations occupied the building, 1973-1985.

From 1973 to 1985, several community-based organizations (Mission Hiring Hall Inc., Mission Housing Development Corporation, Mission Models Neighborhood Corporation, Mission Childcare Consortium Inc., and Mission Community Legal Defense Fund) occupied the subject building and provided services, such as legal guidance, childcare, job placement, and housing/tenant assistance, to Mission District residents. Born out of the Mission Coalition Organization, a locally organized and federally funded Model Cities program with a history of neighborhood-based activism, the subject organizations represented and served the Mission District's Latino population, providing services in Spanish and English, while also assisting residents overcome racial barriers and discrimination. The subject property was also the former site of *Latinoamerica*, a celebrated mural by local Latina artists group, Mujeres Muralistas. The mural represented the vibrant Mission community and further underscored the tie of the organizations housed at 2918-2922 Mission Street to the community.

See ICF report for additional historic context.

Criterion 2: Property is associated with the lives of persons important in our local, regional or national past.

Staff concurs with the ICF report finding that the subject property does not appear eligible for listing on the California Register under Criterion 2. Although the work of the organizations based at 2918-2922 Mission Street is significant under Criterion 1, it is the work of many individuals collectively that is recognized, rather than any individual person(s) associated with one or all of the organizations. It does not appear that any one person's actions would rise to the level of importance that the subject property would be significant by association. Therefore, 2918-2922 Mission Street, is not eligible under Criterion 2.

See ICF report for additional historic context.

Criterion 3: Property embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of a master, or possesses high artistic values.

Staff concurs with the ICF report finding that the subject property does not appear eligible for listing on the California Register under Criterion 3. Additionally, the subject building was previously surveyed in

² California Office of Historic Preservation. *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*. Sacramento: California State Parks, 2015, page 139.

the South Mission Historic Resource Survey (adopted 2011) and was not determined to be a eligible under Criterion 3 at that time.

Architecturally, 2918-2922 Mission Street features a simple design that has undergone several interior and exterior alterations since construction. The building does not present distinctive characteristics of a particular style, period, or method of construction. The subject building is not associated with a particular builder or architect. Therefore, 2918-2922 Mission Street, is not eligible under Criterion 3.

See ICF report for additional historic context.

Criterion 4: Property yields, or may be likely to yield, information important in prehistory or history.³

Based upon a review of information in the Departments records, the subject property is not significant under Criterion 4 since this significance criterion typically applies to rare construction types when involving the built environment. The subject property is not an example of a rare construction type.

Step B: Integrity

To be a resource for the purposes of CEQA, a property must not only be shown to be significant under the California Register of Historical Resources criteria, but it also must have integrity. Integrity is defined as "the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's period of significance." Historic integrity enables a property to illustrate significant aspects of its past. All seven qualities do not need to be present as long the overall sense of past time and place is evident.

The subject property has retained or lacks integrity from the period of significance noted in Step A:

Location:	<input checked="" type="checkbox"/> Retains	<input type="checkbox"/> Lacks	Setting:	<input checked="" type="checkbox"/> Retains	<input type="checkbox"/> Lacks
Association:	<input type="checkbox"/> Retains	<input checked="" type="checkbox"/> Lacks	Feeling:	<input type="checkbox"/> Retains	<input checked="" type="checkbox"/> Lacks
Design:	<input type="checkbox"/> Retains	<input checked="" type="checkbox"/> Lacks	Materials:	<input type="checkbox"/> Retains	<input checked="" type="checkbox"/> Lacks
Workmanship:	<input type="checkbox"/> Retains	<input checked="" type="checkbox"/> Lacks			

The Department concurs with ICF's analysis that the building no longer retains sufficient integrity to convey its significance under Criterion 1 and no longer qualifies as a historic resource for the purposes of CEQA. The location and setting of the subject property have retained integrity; however, significant interior and exterior alterations to the subject property that occurred after the Period of Significance (1973-1985) have resulted in a lack of Association, Feeling, Design, Workmanship and Materials.

In 1973, the community organizations that occupied the subject building added new finishes and constructed several new interior partitions for office space. In 1991, most of these partitions and finishes were removed to create large, open interior spaces for a laundromat and retail use. Additional changes for the new uses included new mechanical systems and infrastructure to support banks of laundry machines, construction of new partitions for maintenance halls, and all new finishes. Exterior changes to the building after 1985 included the addition of mullions to the doors and windows, the installation of a cloth awning along the length of the front façade, and painting over of the *Latinoamerica* mural on the south elevation.

³ Assessment of archeological sensitivity is undertaken through the Department's Preliminary Archeological Review process.

The removal of the finishes and interior division of space that occurred after 1985 has resulted in a loss of the original meeting spaces and offices of the community-based organizations that occupied the building from 1973 to 1985. These alterations, along with changes to the exterior, have resulted in a lack of integrity in workmanship, materials, and design, and have rendered the property unable to convey integrity of association and feeling as an administrative hub for several community-based organizations.

See ICF report for additional context.

Step C: Character Defining Features

If the subject property has been determined to have significance and retains integrity, please list the character-defining features of the building(s) and/or property. A property must retain the essential physical features that enable it to convey its historic identity in order to avoid significant adverse impacts to the resource. These essential features are those that define both why a property is significant and when it was significant, and without which a property can no longer be identified as being associated with its significance.

Because 2918-2922 Mission Street, although significant under Criterion 1, was determined to lack integrity of association, feeling, design, workmanship and materials necessary to identify it as eligible for the California Register of Historical Resources, this analysis was not conducted.

CEQA Historic Resource Determination

- ☐ Historical Resource Present
- ☐ Individually-eligible Resource
 - ☐ Contributor to an eligible Historic District
 - ☐ Non-contributor to an eligible Historic District

☒ No Historical Resource Present

PART I: PRINCIPAL PRESERVATION PLANNER REVIEW

Signature: 
M. Pilar LaValley, Acting Principal Preservation Planner

Date: 5/31/18

cc: Virnaliza Byrd, Environmental Division/ Historic Resource Impact Review File
Environmental Planner, Julie Moore

Attachment F

Fehr & Peers

Transportation Analysis Memorandum

June 5, 2018



MEMORANDUM

Date: June 5, 2018
To: Manoj Madhavan, San Francisco Planning Department
From: Jesse Cohn & Eric Womeldorff, Fehr & Peers
Subject: **2918 Mission Transportation Analysis**

SF18-0978

Introduction

On November 30, 2017, the San Francisco Planning Commission approved the Community Plan Evaluation for the proposed development at 2918 Mission Street (Proposed Project). An appeal was filed by Calle 24 Latino Cultural District Council on January 1, 2018, based on concerns that the Eastern Neighborhoods Area Plan and subsequent 2008 EIR analysis are outdated, and that their determination of limited impacts to transit, traffic, and circulation is no longer accurate.

This memo summarizes new data collection in the Mission District, including vehicle volumes at key intersections in the neighborhood, and transit reliability as a result of new development. These observations reveal the following key findings:

- Intersection volumes at key locations in the Mission District do not exceed forecasts from the Eastern Neighborhoods Area Plan EIR, and in some cases are lower than the 2000 baseline.
- Transit speeds have improved along Mission Street in the past 10 years.

Project Description

The Proposed Project Site, 2918 Mission Street, is located on the west side of Mission Street between 25th and 26th Streets in the Mission Street Neighborhood Commercial Transit (NCT) Zoning District. The property is currently developed with a single-story, 5,200 square foot commercial building (a laundromat) and an associated surface parking lot. In total, the site is approximately 11,653 square feet. With the exception of two spaces that are rented to the adjacent bank, all spaces in the surface parking lot are for customers of the laundromat (and there is a sign posting this parking restriction). Laundromat staff watch for people using the parking lot and not visiting the laundromat, and warn them if observed.



The Proposed Project would include the demolition of the existing building and new construction of an eight-story, 67,314 square foot mixed-use building with 75 dwelling units and 6,724 square feet of ground floor retail. The Proposed Project would not include any off-street vehicle parking, but would include 76 Class I bicycle parking spaces and 14 Class 2 bicycle parking spaces. The dwelling unit mix includes 18 studios, 27 one-bedroom units, and 30 two-bedroom units. The Proposed Project would include 9,046 square feet of usable open space.

Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two- and three-story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east.

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid (both 14 Muni lines run in their own exclusive travel lane), 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile.

Intersection Volumes

The Eastern Neighborhoods EIR analyzed several intersections within the Mission District. Fehr & Peers worked with the Planning Department to select three of these intersections and conduct one-day PM peak hour turning movement counts in April 2018: Potrero Street/23rd Street, Mission Street/24th Street, and South Van Ness Avenue/26th Street. These counts were then compared to the Eastern Neighborhoods EIR expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 to 2018. In addition, traffic counts were compared to observed traffic volumes collected in 2015 included in the 1515 South Van Ness Avenue Transportation Impact Study (TIS).

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than “caps” on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).



Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2018 relative to the 2025 projections), and around 10 percent complete¹ for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission.

Table 1 shows a summary of observed and estimated traffic volumes from the Eastern Neighborhoods EIR for the intersections analyzed. On average, observed traffic volumes in 2018 were around 25 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete². At two of the three intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The observed traffic counts include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

Table 1. Comparison of Observed and Estimated Volumes (Eastern Neighborhoods EIR)

Intersection	2000 Baseline Volume	2025 Option C Projected Volume	2018 Projected Volume ¹	2018 Observed Volume	Difference (2018 Observed – 2018 Projected)	% Diff.
Potrero / 23 rd	2,663	2,837	2,680	2,546	-134	-5%
Mission / 24 th	1,615	1,935	1,647	1,142	-505	-44%

1. 2018 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

Source: Fehr & Peers, 2018; Eastern Neighborhoods TIS, 2008

Table 2 shows a summary of observed traffic volumes from the 1515 South Van Ness TIS compared with these 2018 traffic counts for the intersections analyzed. On average, observed traffic volumes in 2018 were around 8 percent lower than the observed volumes in the 1515 South Van Ness TIS. At Mission Street/24th Street, total traffic volume decreased from the 2015 observed volumes. At 26th Street and South Van Ness, there was an increase in traffic volume traveling northbound and

¹ Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

² Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.



southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations with the installation of bus-only lanes in 2015.

Table 2. Comparison of Observed Volumes (1515 South Van Ness TIS)

Intersection	2015 Observed Volume	2018 Observed Volume	Net Difference (2018 Observed – 2015 Observed)	% Difference
Mission / 24 th	1,476	1,142	-334	-29%
S. Van Ness / 26 th	1,534	1,759	225	13%

Source: Fehr & Peers, 2018; 1515 South Van Ness TIS, 2017

Transit Effects

Three bus routes run along Mission Street past the Proposed Project Site: 14 Mission, 14R Mission Rapid, and 49 Van Ness/Mission. Increased development and density throughout the Mission District has resulted in an increase in demand for transit in the neighborhood, and the 2918 Mission Street appeal cites concerns about transit reliability. In addition, the increased prevalence of on-demand transportation, such as Uber and Lyft, has resulted in an increase in passenger loading. When curb space is unavailable, loading and unloading vehicles may stand in the transit-only lane or travel lane, potentially delaying transit vehicles.

Table 3 shows transit speeds between 2007 and 2017, along Mission Street between 14th Street and Cesar Chavez. Transit travel speeds have generally increased. Speeds increased from 7.8 miles per hour (mph) to 9.3 mph (19 percent) in the southbound direction during the AM peak period, and from 5.2 mph to 7.3 mph (35 percent) in the southbound direction during the PM peak period. Transit travel speeds decreased from 8.5 mph to 8.1 (5 percent) in the northbound direction during the AM peak period between 2011 and 2017, and increased from 7.1 mph to 7.9 mph (11 percent) in the northbound direction during the PM peak period. It should be noted that transit-only lanes were implemented on Mission Street during this time (in 2015), which has contributed to the increase in speed noted between 2015 and 2017.



Table 3. Transit Travel Speeds Along Mission Street (14th Street to Cesar Chavez)

Time Period	AM Peak Period		PM Peak Period	
Direction	Southbound	Northbound	Southbound	Northbound
2007	7.8	N/A	5.4	7.1
2009	8.4	N/A	6.6	7.1
2011	8.8	8.5	6.9	7
2013	8.6	8.3	6.6	6.8
2015	8.9	8.3	6.7	6.8
2017	9.3	8.1	7.3	7.9
% Change (2007-2017)	19%	-5%	35%	11%

Source: SFCTA Congestion Management Program, 2018

Attachment G

RWDI

Shadow Analysis

2918 Mission Street

February 2, 2018



600 Southgate Drive
Guelph ON Canada
N1G 4P6

Tel: +1.519.823.1311
Fax: +1.519.823.1316
E-mail: solutions@rwdi.com

MEMORANDUM

DATE:	2018-02-07	RWDI Reference No.: 1604031
TO:	Robert Tillman	EMAIL: rrti@pacbell.net
FROM:	Ryan Danks	EMAIL: ryan.danks@rwdi.com
RE:	Shadow Analysis 2918 Mission Street San Francisco, CA	

Dear Mr. Tillman,

As requested, we have conducted an analysis to understand the potential for shadowing from the proposed 2918 Mission Street development on two nearby schoolyards. The methodology we followed is the same as what is required for shadow studies on public spaces in San Francisco.

With respect to the Zaida T. Rodriguez Child Development Center (2950 Mission Street) we make the following observations:

- The proposed building is predicted to cast a small amount of new shadow onto the northern-most area of the playground during the morning and evening from April through August.
- No new shadows from the proposed building are predicted to fall anywhere on the playground between 8:59 am and 4:44 pm at any point in the year.
- The predicted morning shadows range in duration from 1 to 92 minutes and the evening shadows last between 1 and 102 minutes.
- If we ignore impacts outside of the school year (June 5 – Aug 19, per the SFUSD 2018/2019 calendar), the longest new morning shadow lasts 85 minutes and the longest new evening shadow lasts 99 minutes



Robert Tillman
RRT Partners LLC
RWDI#1603031
2018-02-07

With respect to the Zaida T. Rodriguez Early Education School (421 Bartlett Street) we make the following observations:

- The proposed building is predicted to cast new shadows onto this space throughout the morning all year.
- No new shadows from the proposed building are predicted to occur after 11:51 am on any day of the year.
- The new shadows range in duration from 143 minutes to 270 minutes and if impacts outside the school year are ignored, the maximum duration reduces to 266 minutes.

Separate to this email we have included point-in-time shadow plots illustrating the location of the new shadow cast by the proposed building over the course of the summer and winter solstices and the vernal and autumnal equinoxes to provide additional context.

We would be happy to discuss our analysis and its findings further if desired.

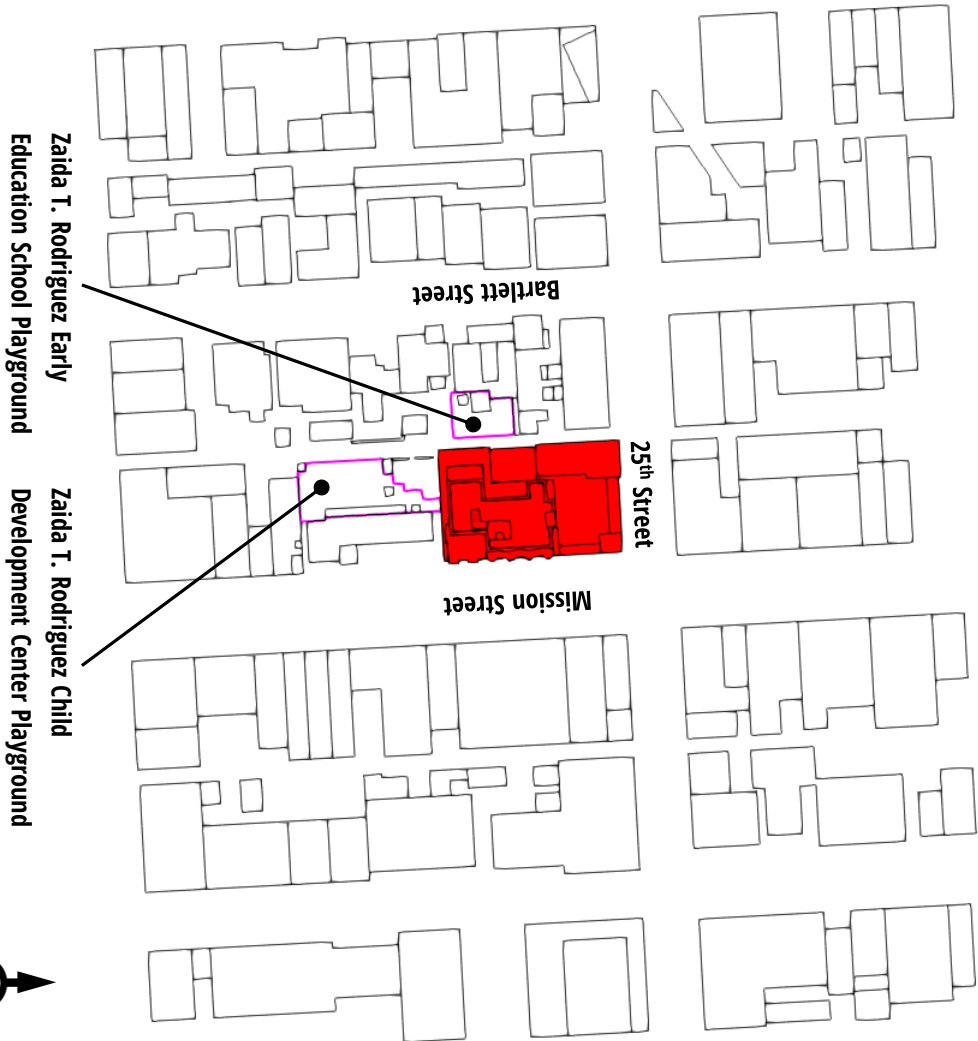
Yours truly,

RWDI

Ryan Danks, B.A.Sc., P.Eng.
Senior Engineer

Frank Kriksic, BES, CET, LEED AP, C.Dir
Senior Project Manager / Principal





STUDY AREAS



MARCH 21



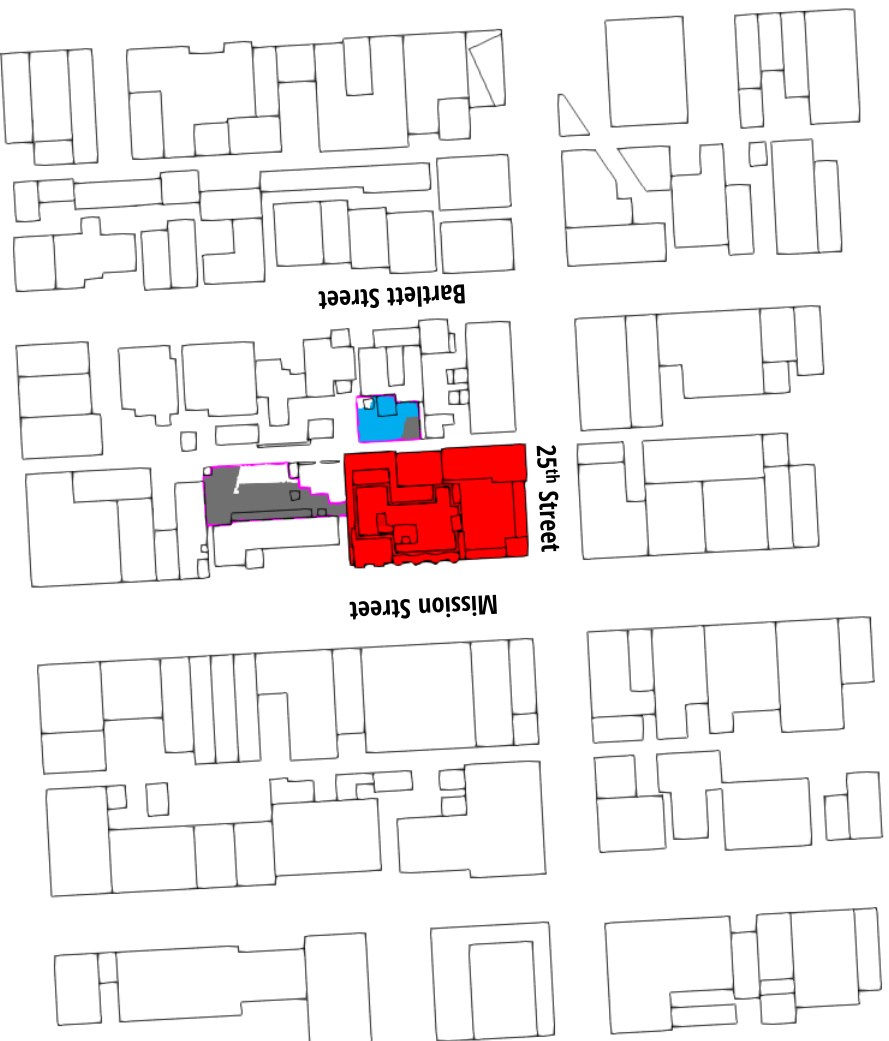
Legend

-  Studied Spaces
-  Net New Shadow
-  Existing Shadow
-  Proposed Project





8:11 am PDT - (Sunrise +1 hour)

RWDI Project # 1604031
February 7, 2018

MARCH 21



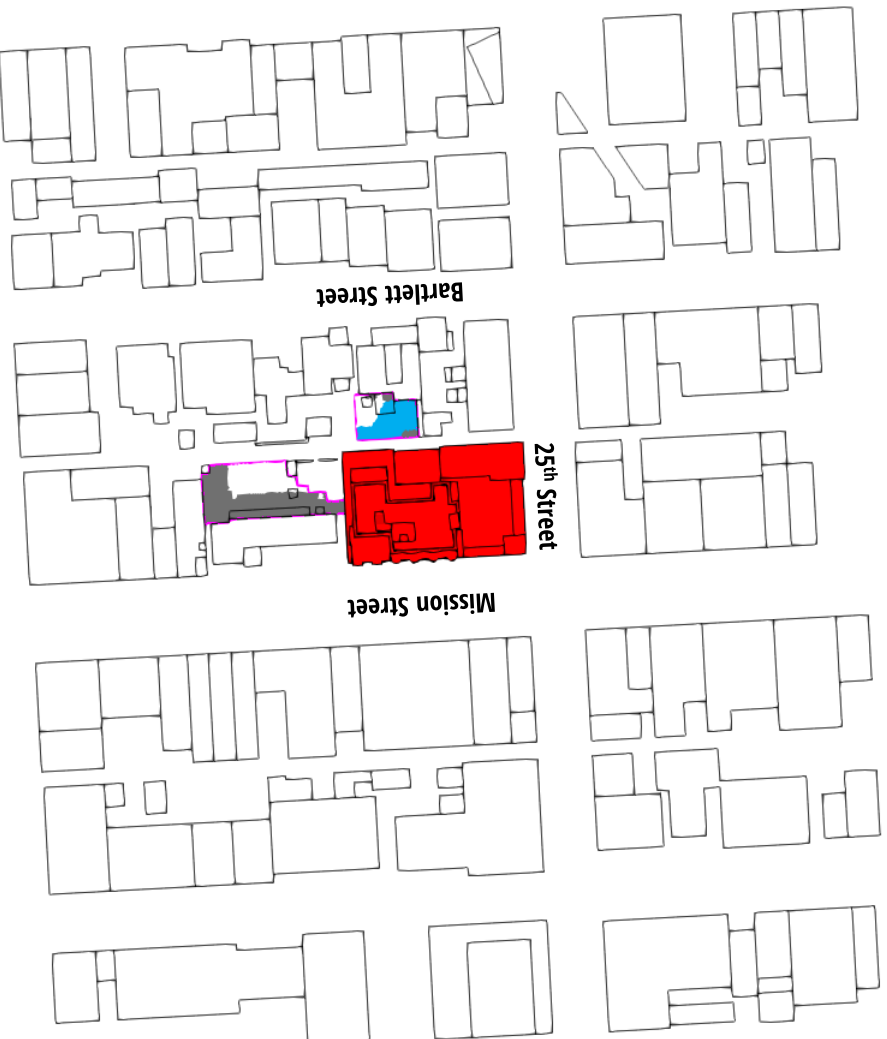
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-  Net New Shadow
-  Existing Shadow
-  Proposed Project





9:00 am PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21



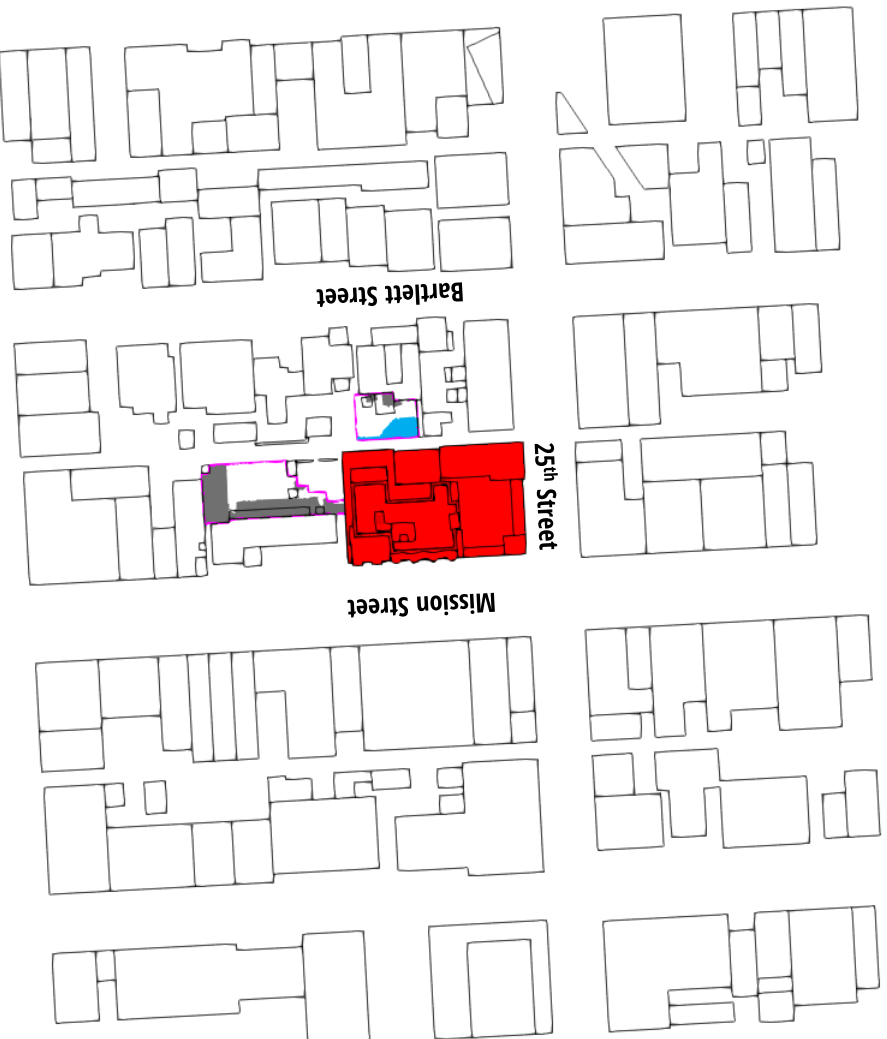
Legend

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-  Existing Shadow
-  Proposed Project





10:00 am PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21



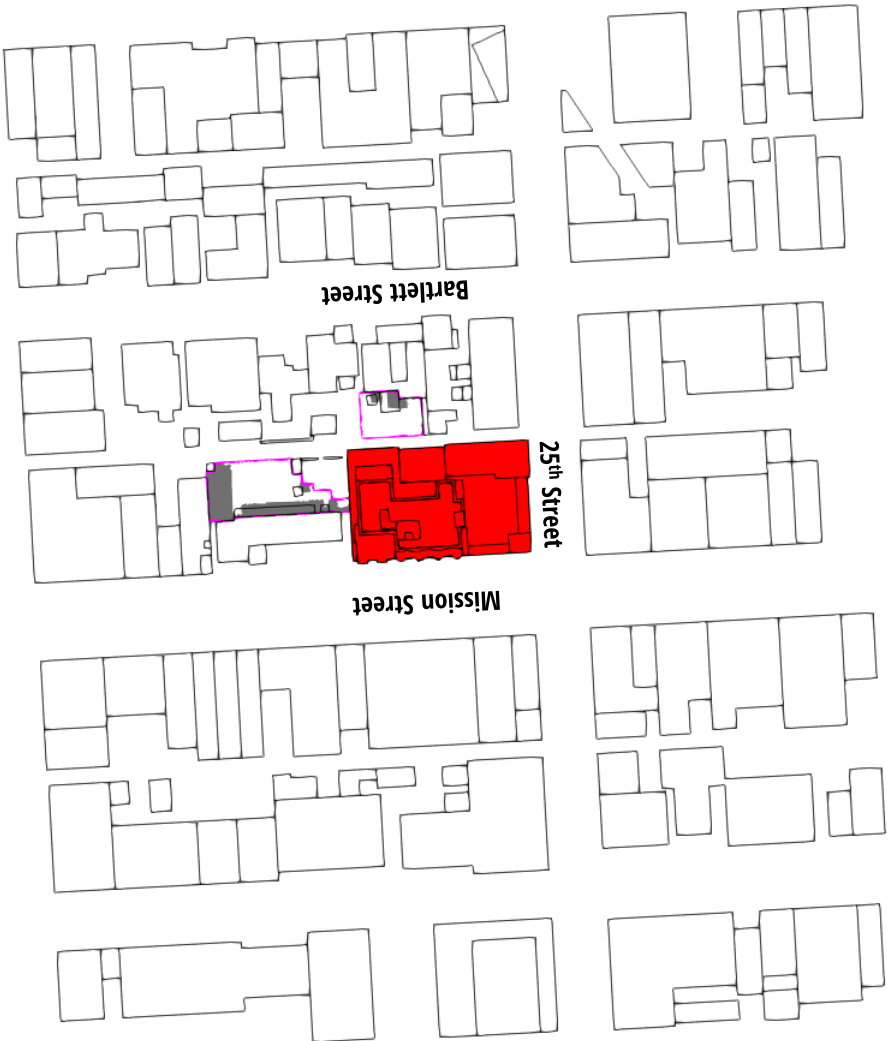
Legend

-  Studied Spaces
-  Net New Shadow
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-  Proposed Project





11:00 am PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21



Legend

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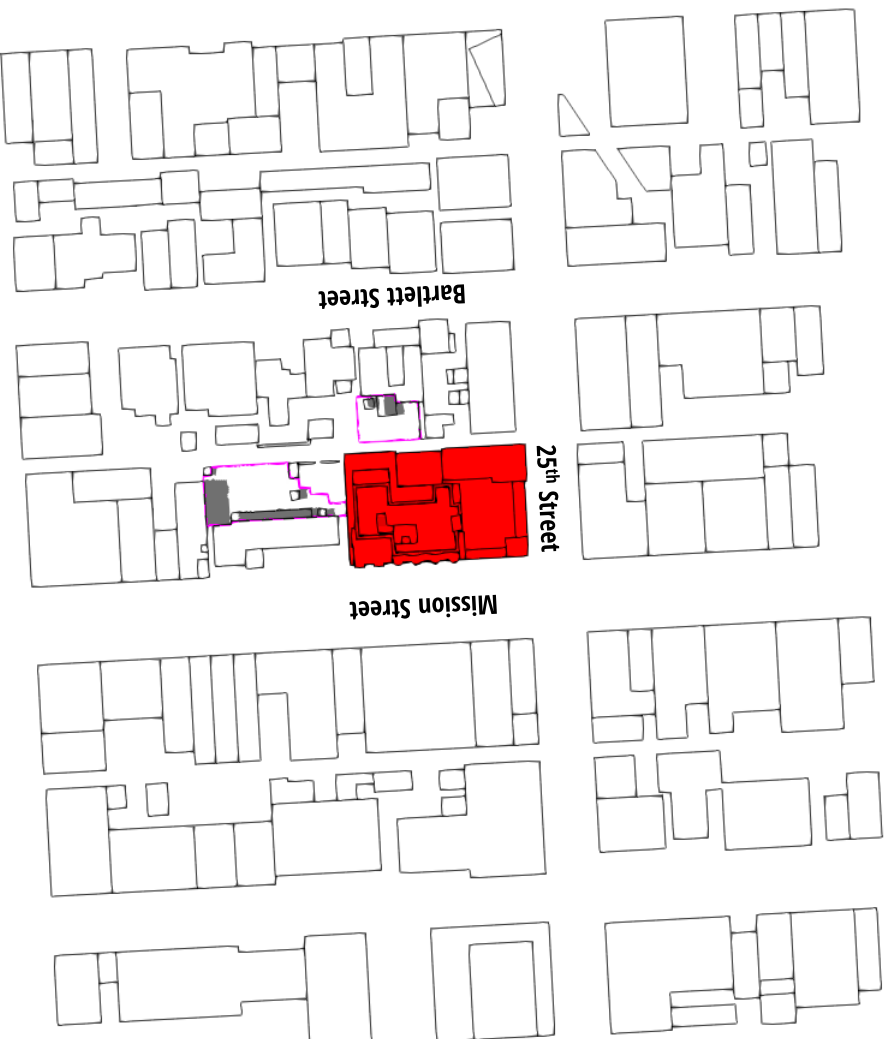
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February 7, 2018





MARCH 21



3663



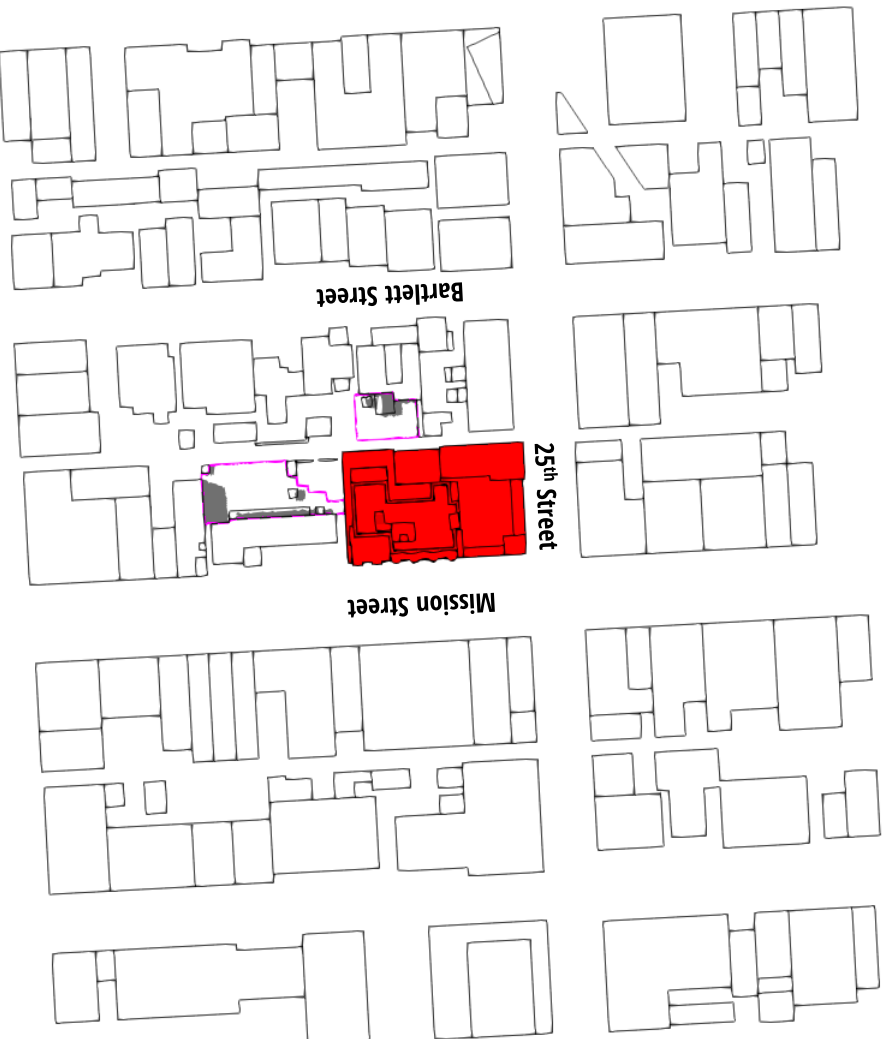
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-  Proposed Project





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RWDI Project # 1604031
February 7, 2018

MARCH 21



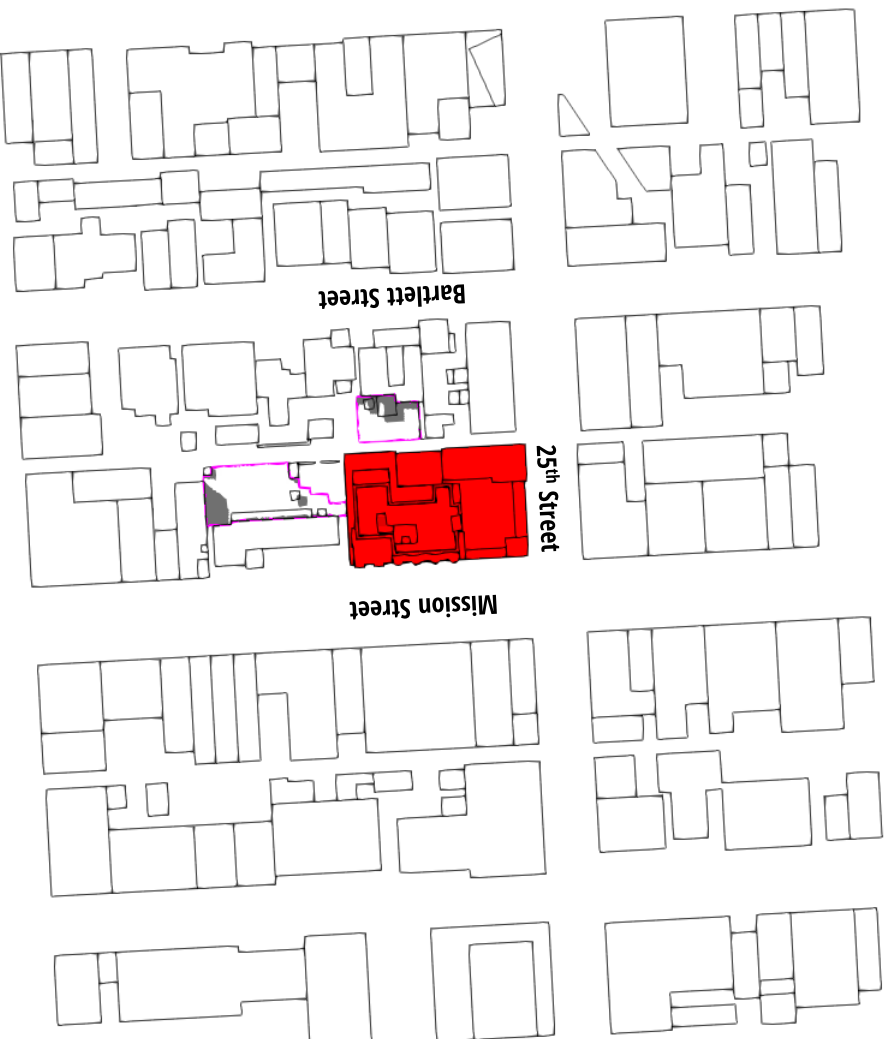
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-  Proposed Project





2:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21



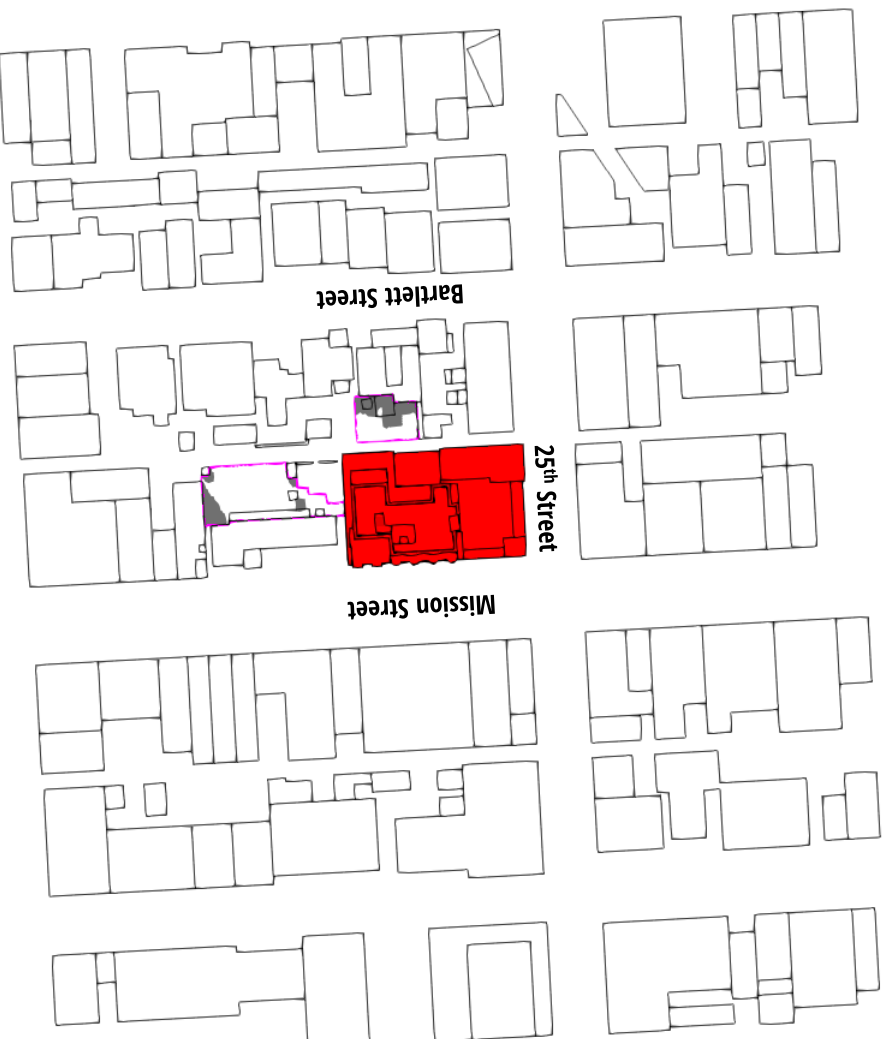
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
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February 7, 2018

MARCH 21



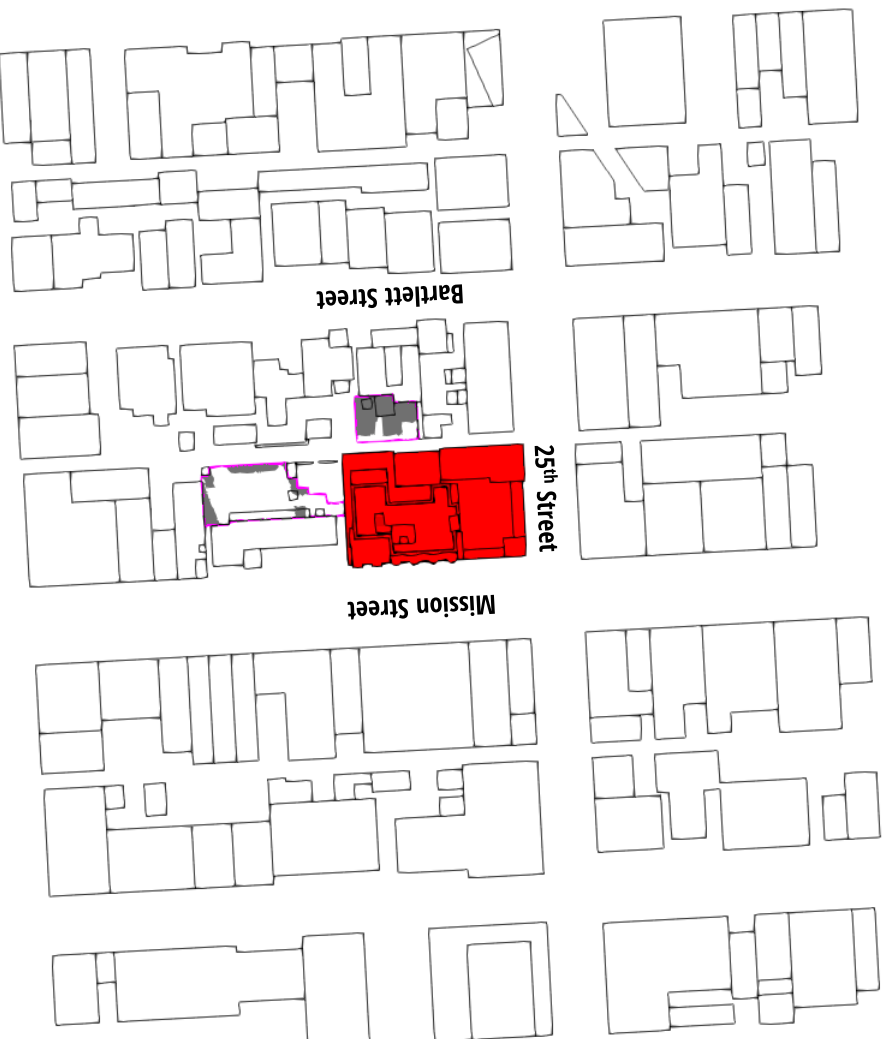
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
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February 7, 2018

MARCH 21



Legend

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-  Proposed Project





5:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21



Legend

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-  Existing Shadow
-  Proposed Project





6:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21



Legend





-  Studied Spaces
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-  Proposed Project

6:23 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018



Legend

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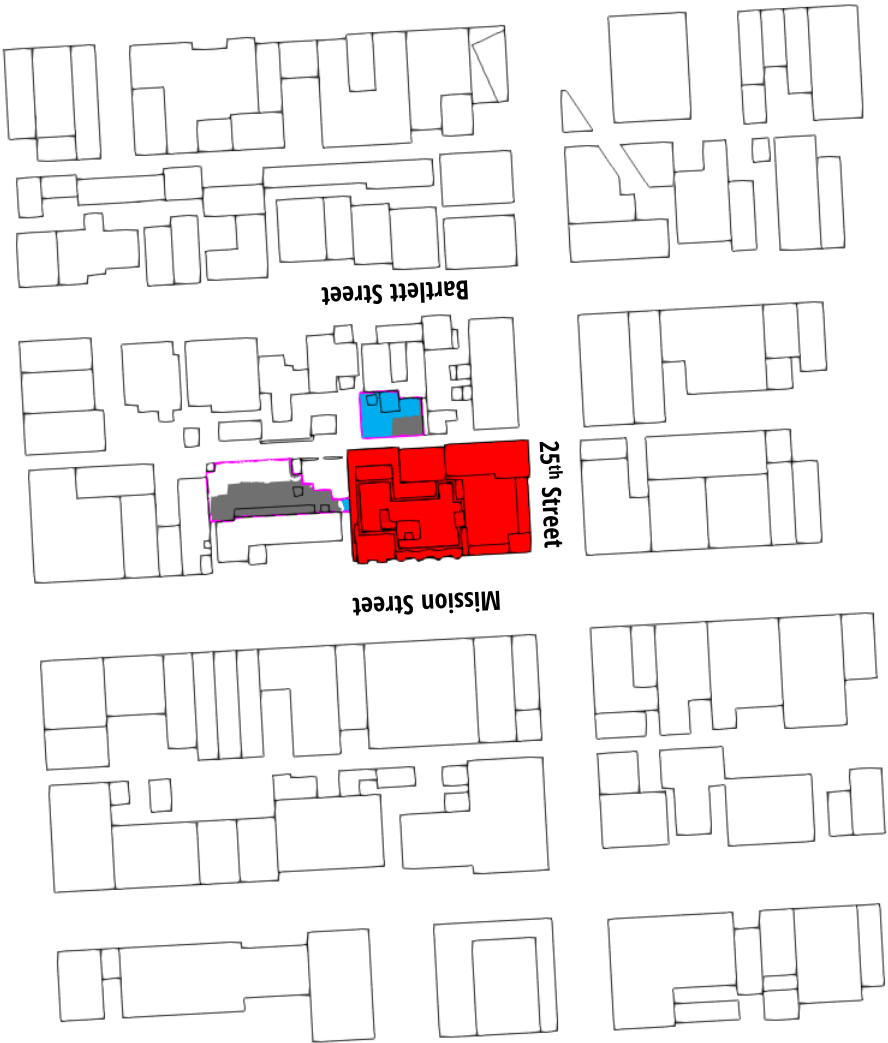
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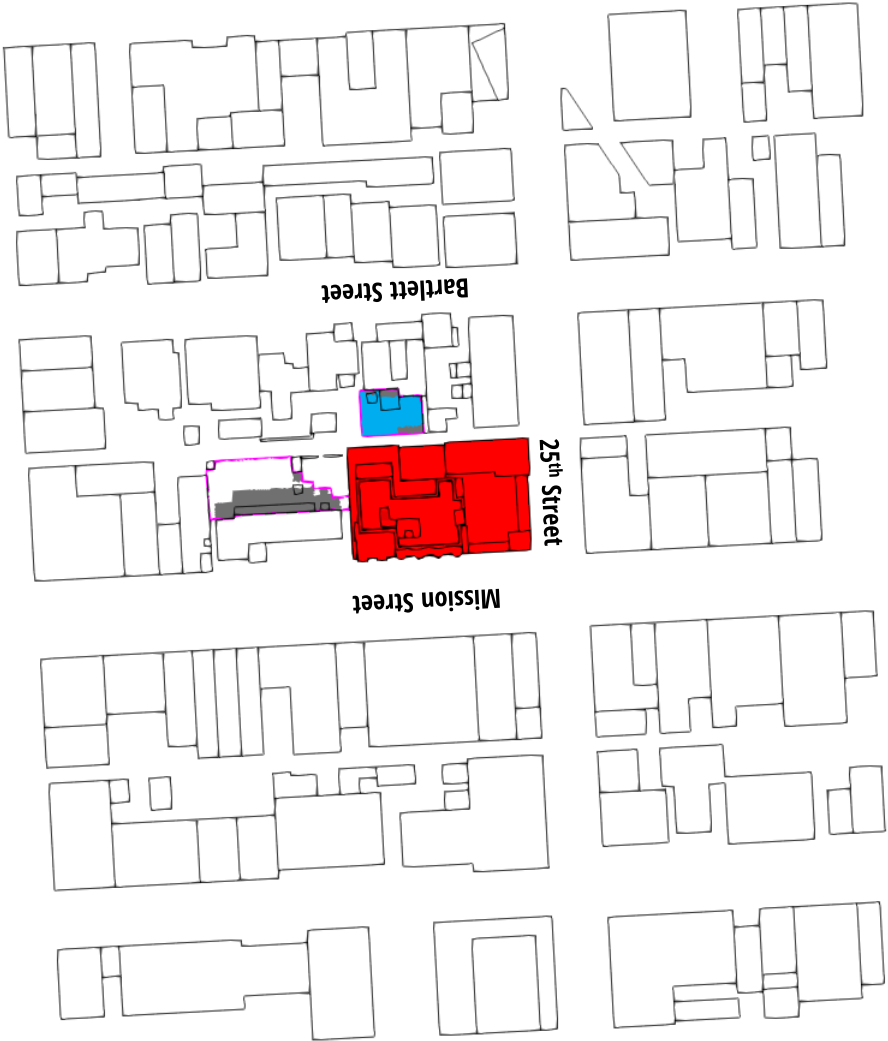
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Legend

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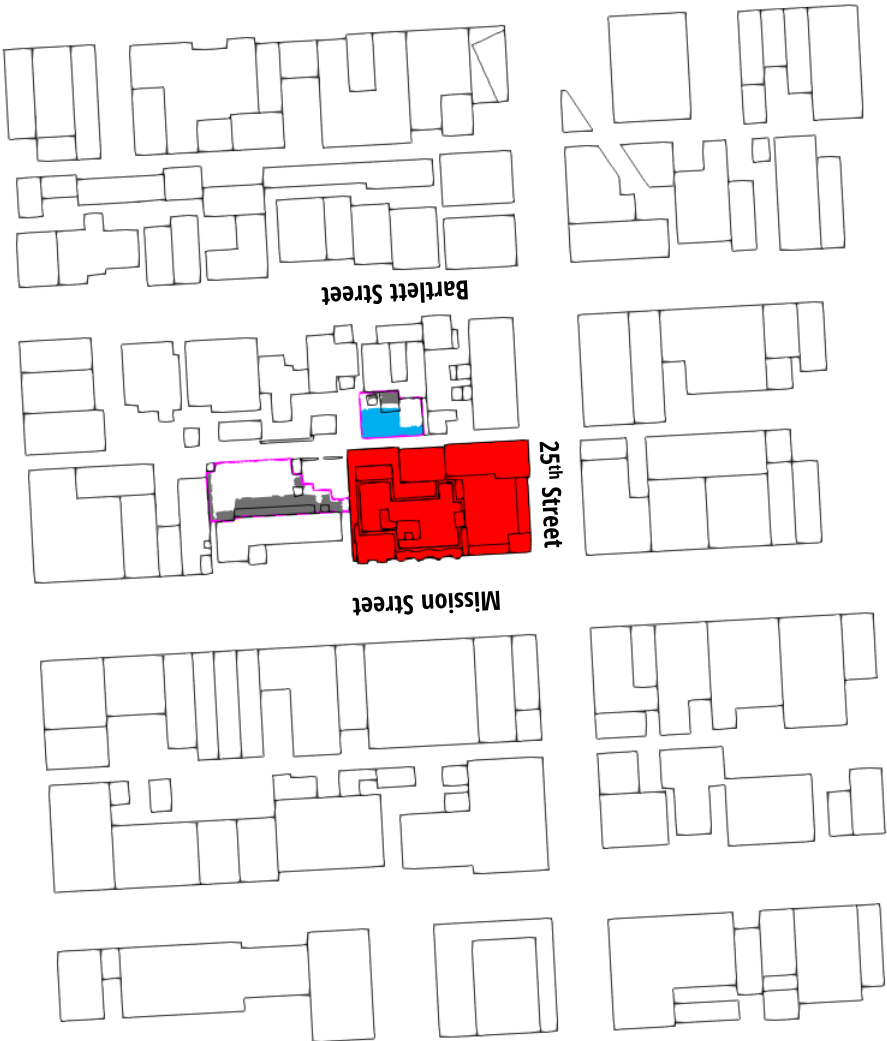
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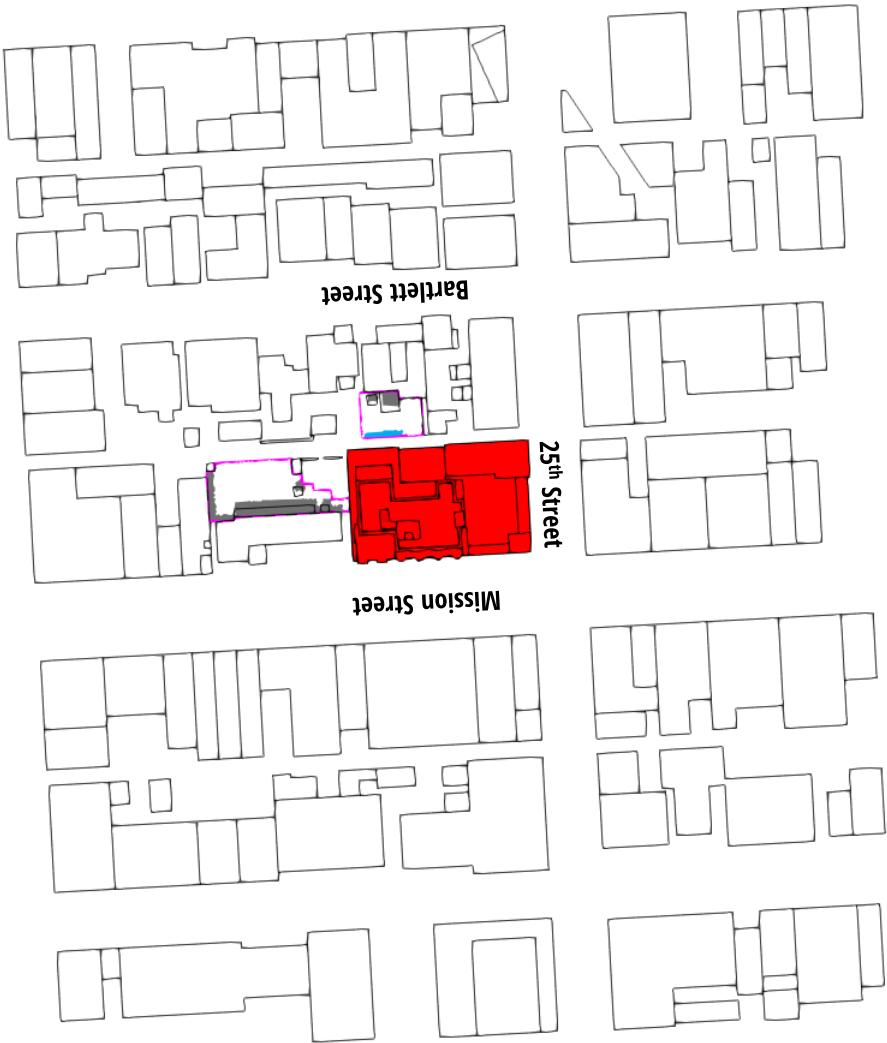
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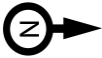
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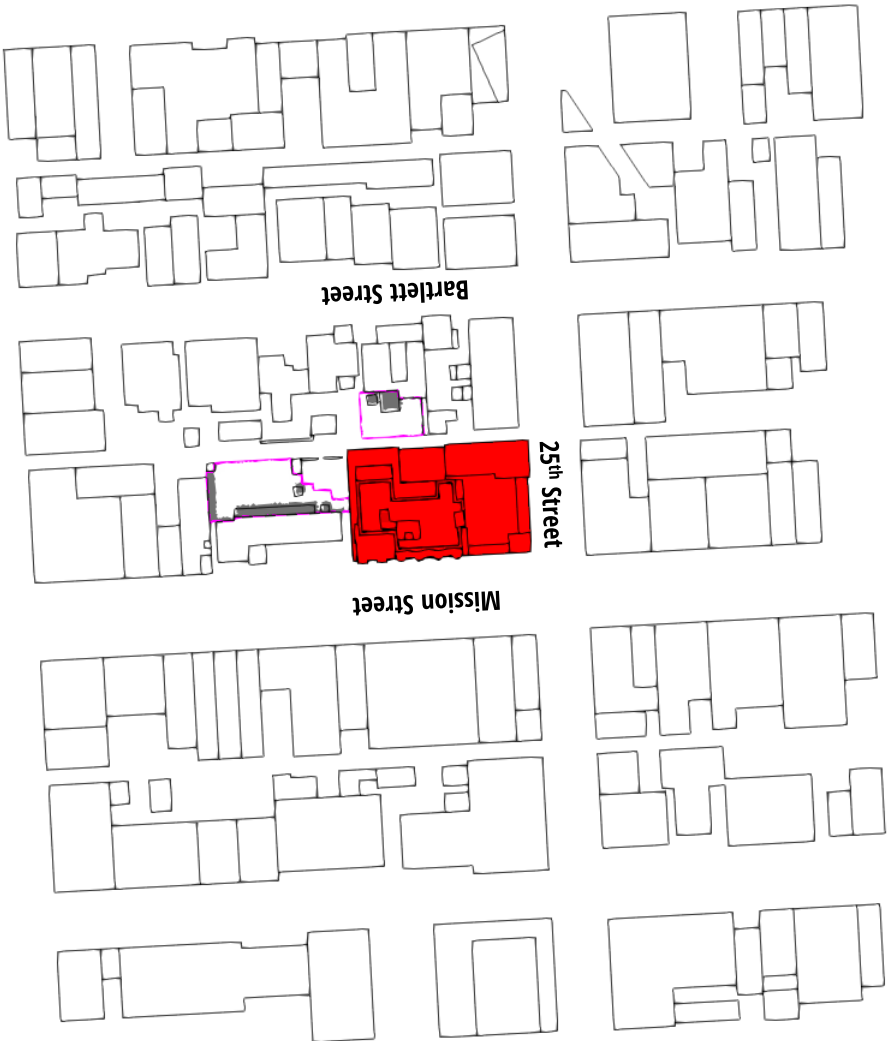


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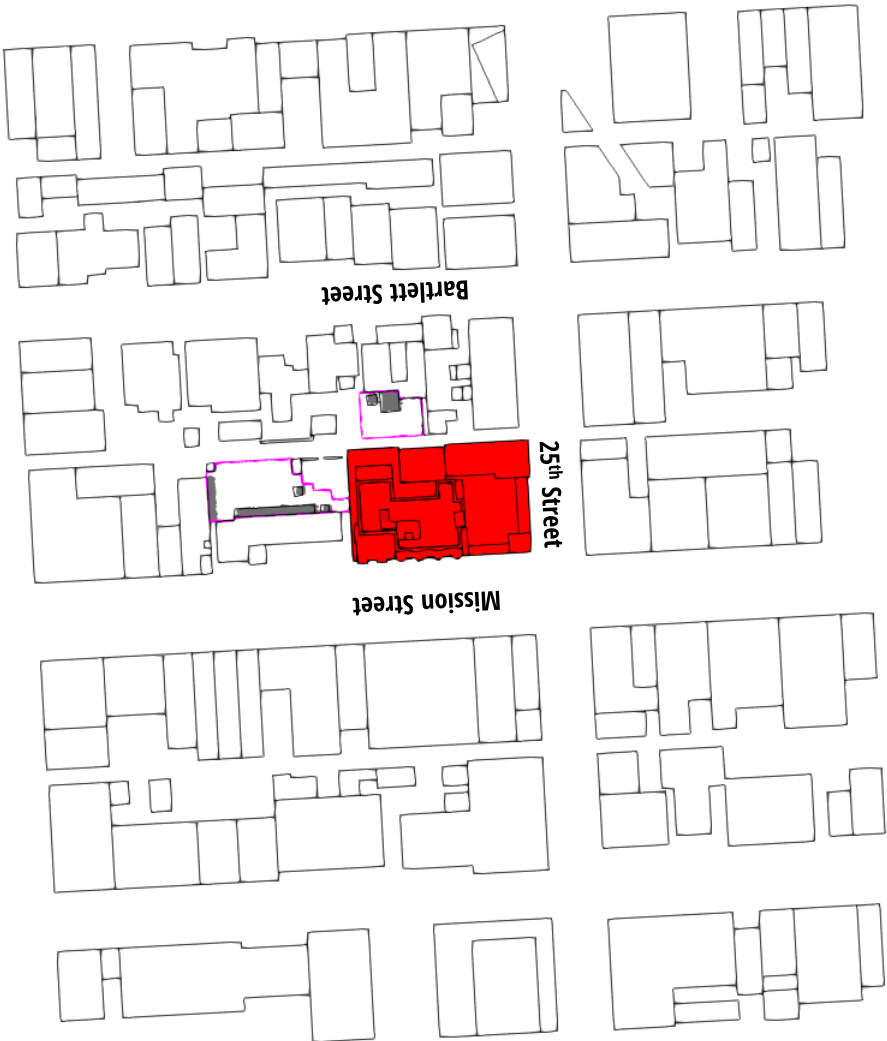
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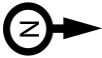
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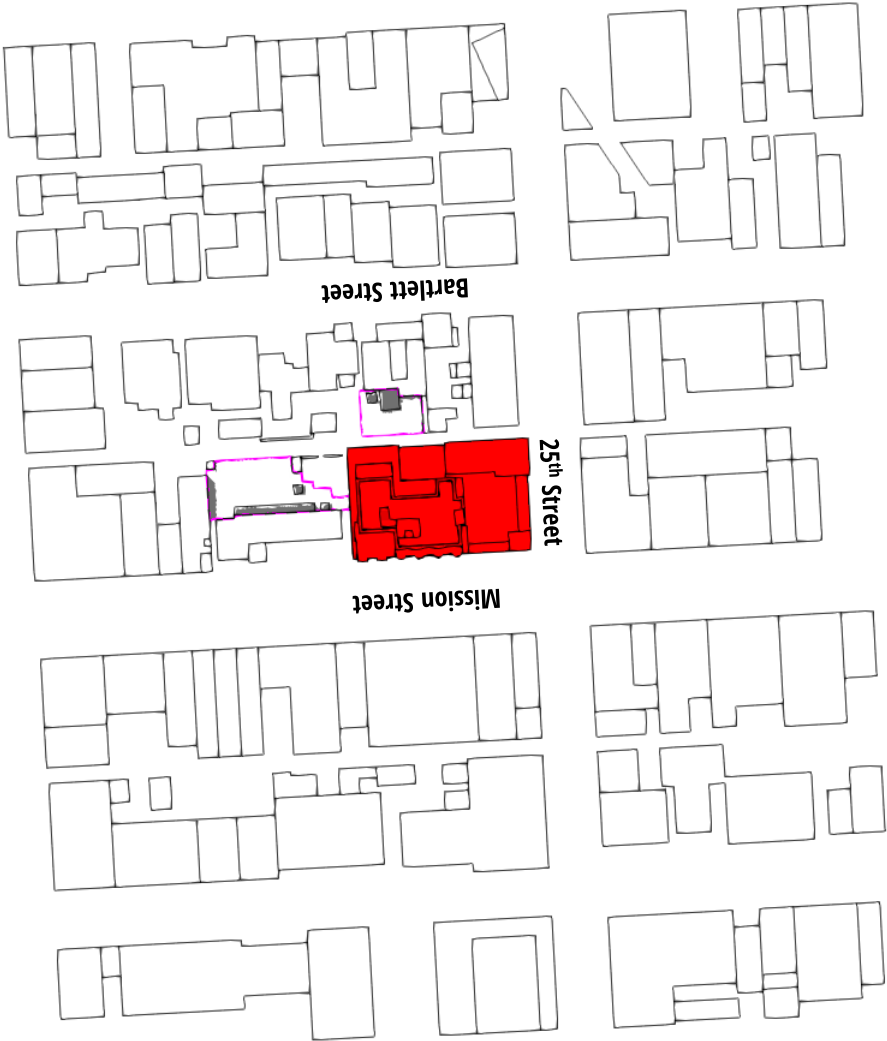


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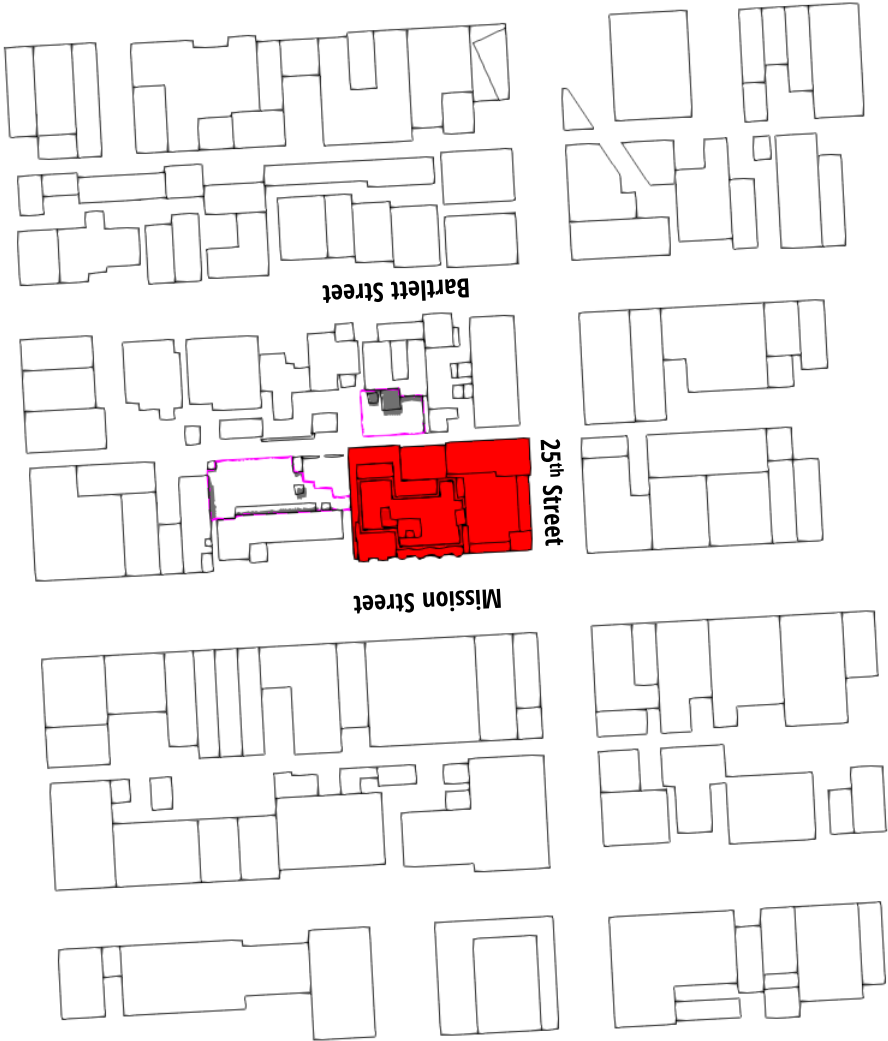
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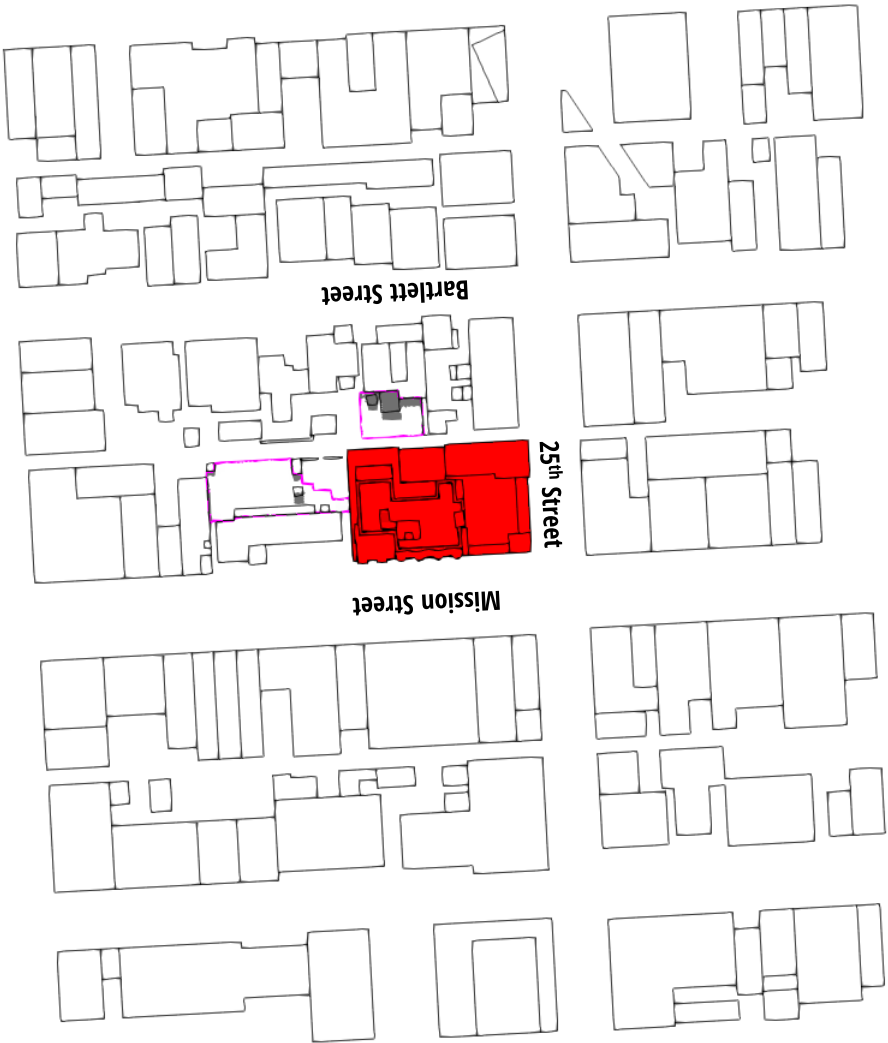
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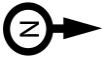
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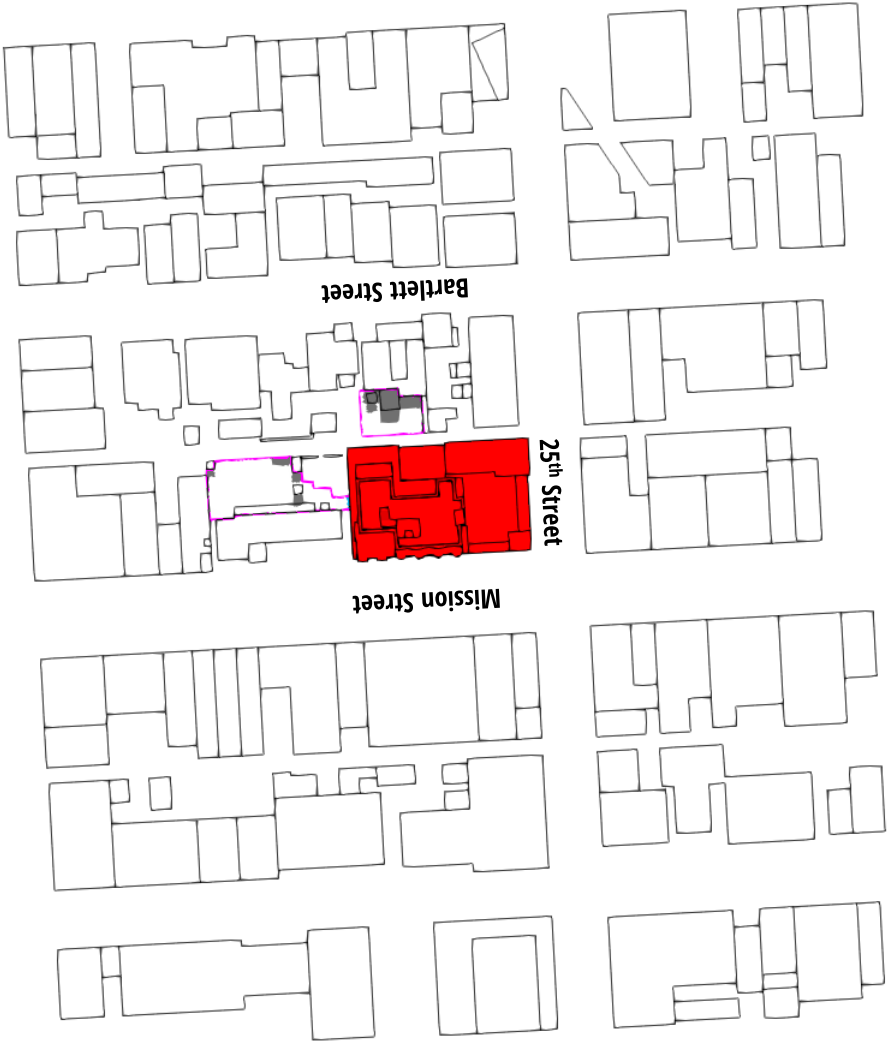


Legend





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-  Proposed Project



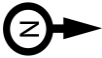
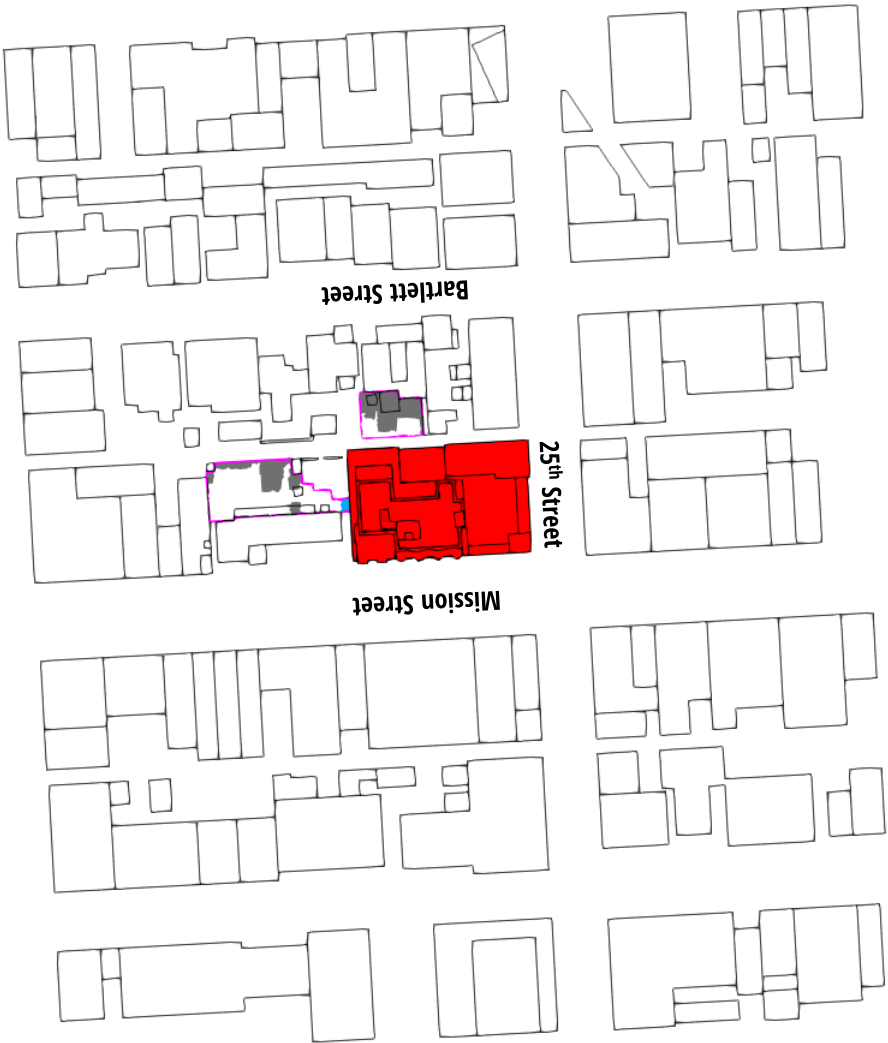
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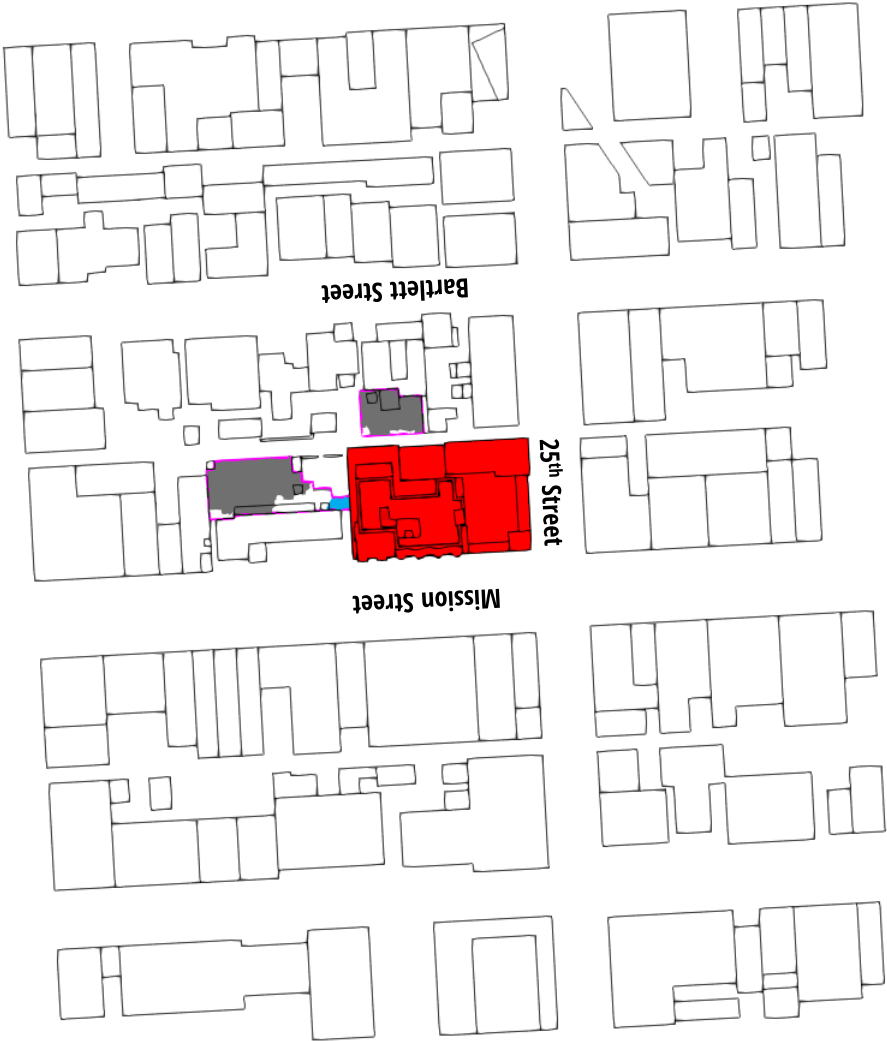


Legend





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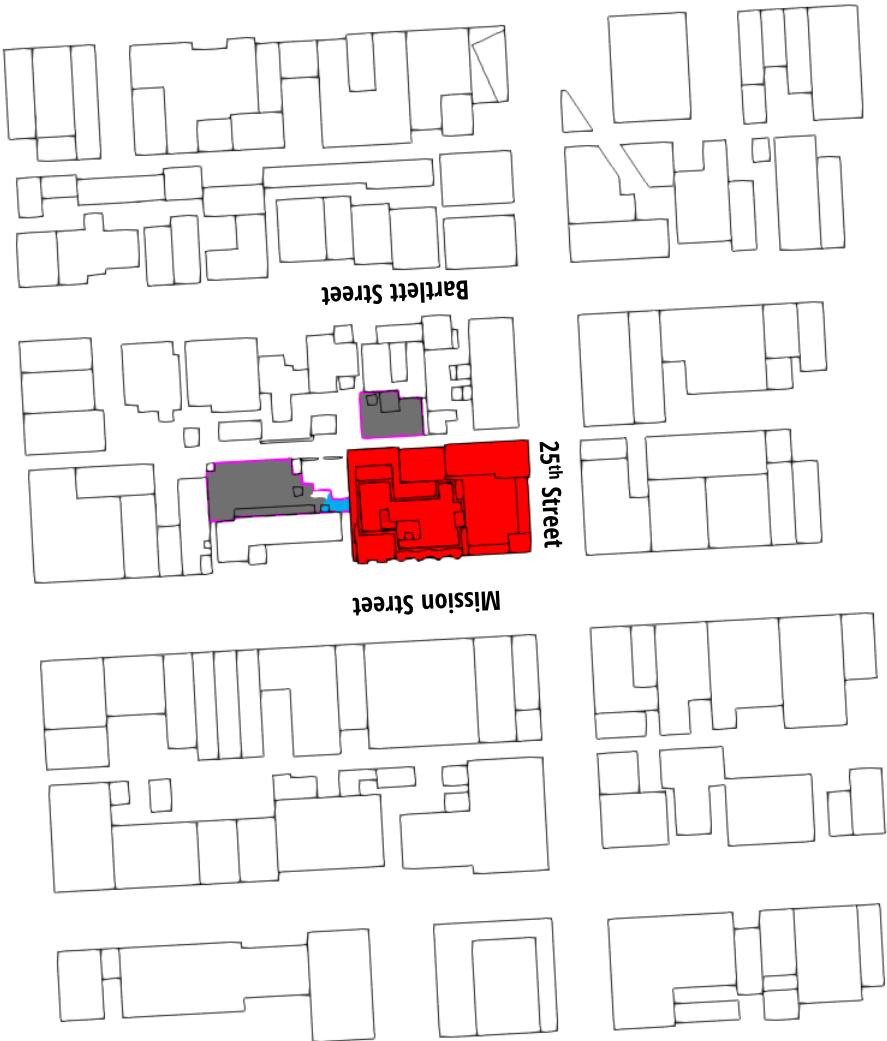
RWDI Project # 1604031
February 7, 2018



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7:00 pm PDT

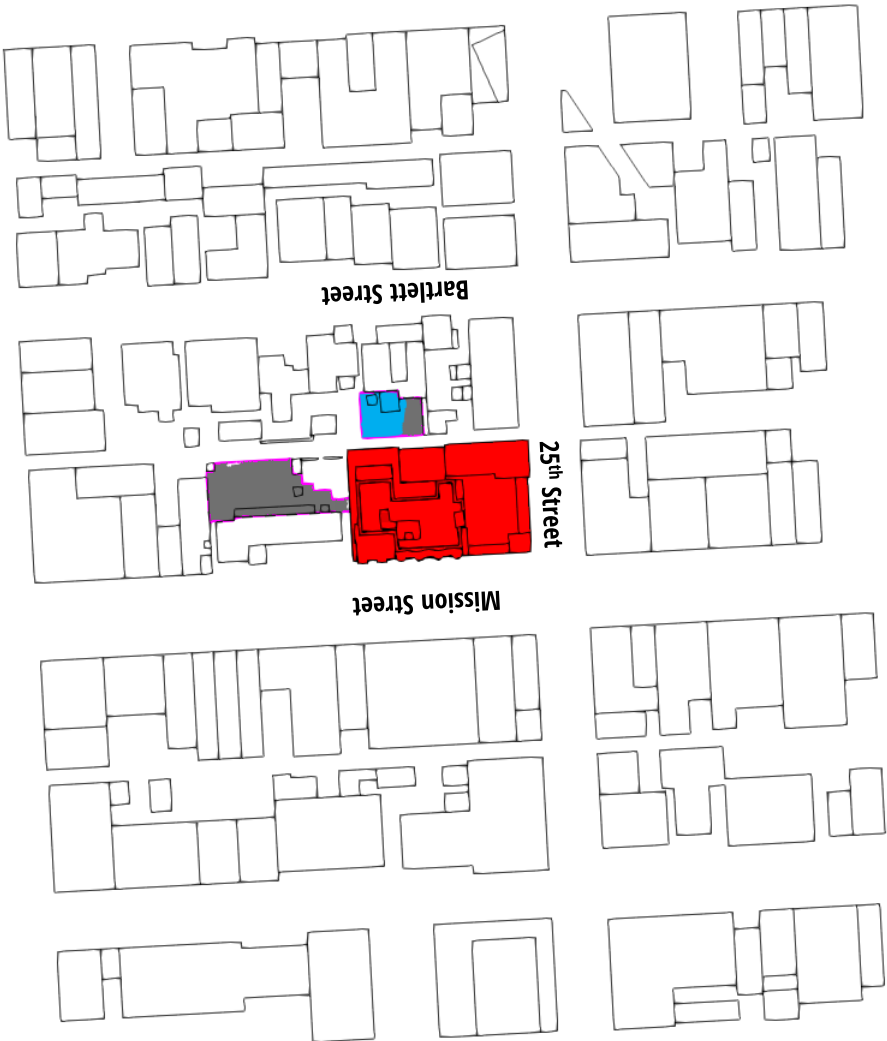


Legend





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- Proposed Project

7:35 pm PDT - (Sunset -1 hour)

SEPTEMBER 21



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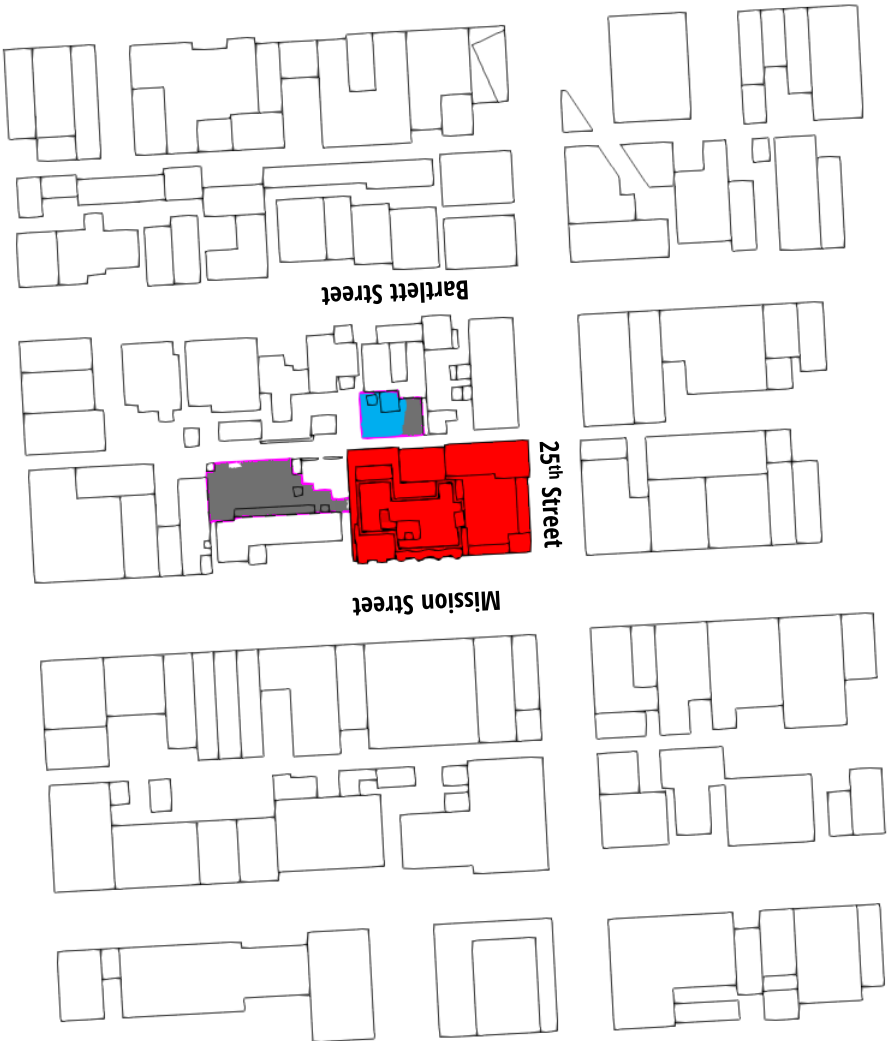
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SEPTEMBER 21



3686



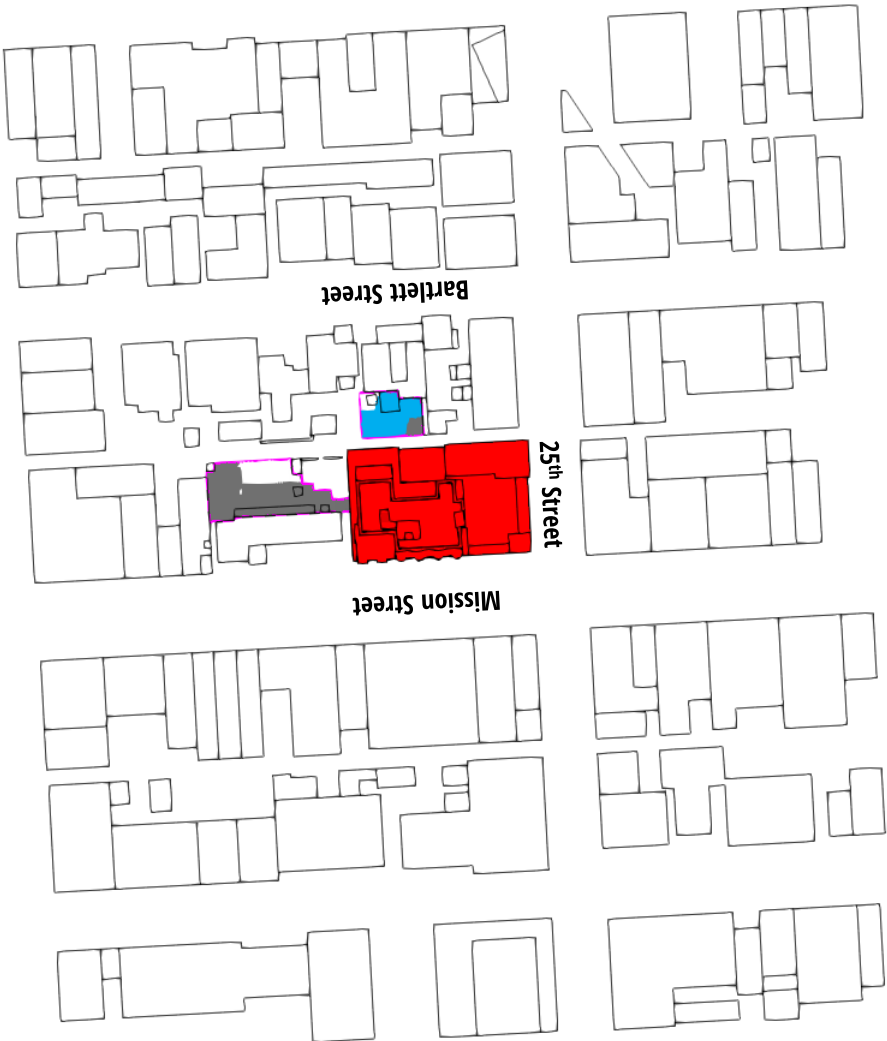
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8:00 am PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21



Legend

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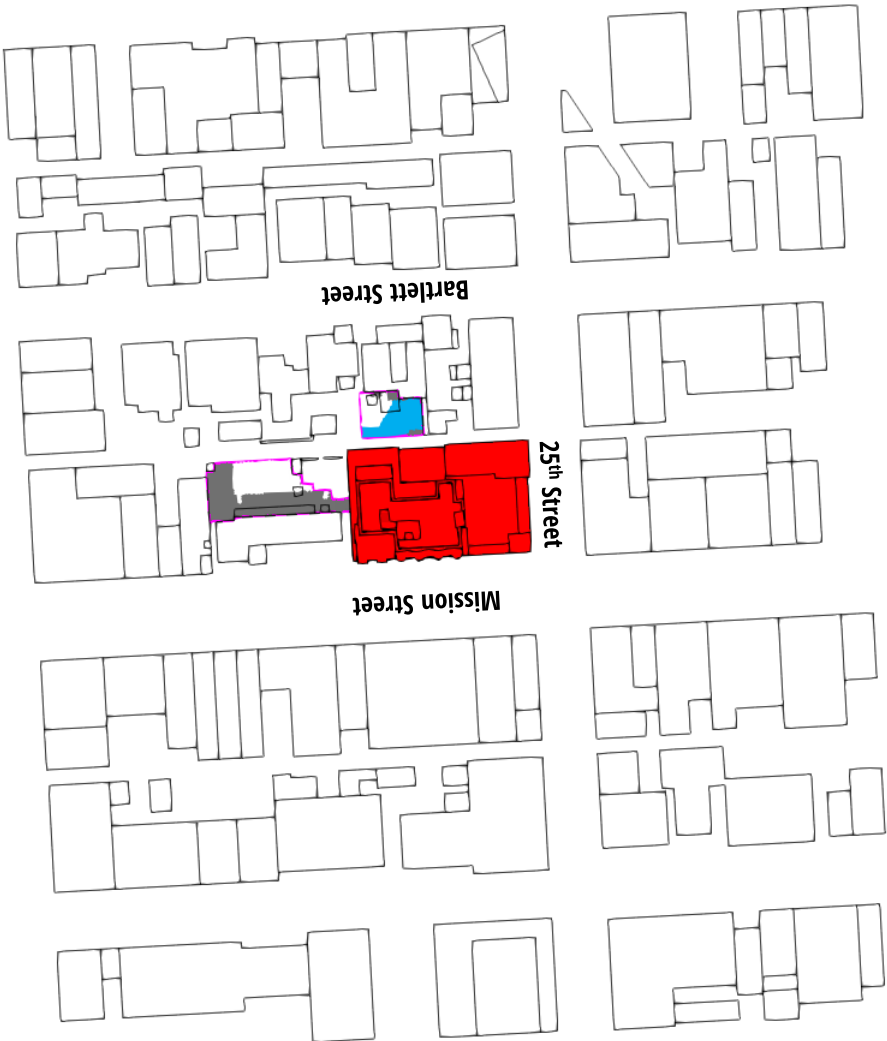
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RWDI Project # 1604031
February 7, 2018





SEPTEMBER 21



3688



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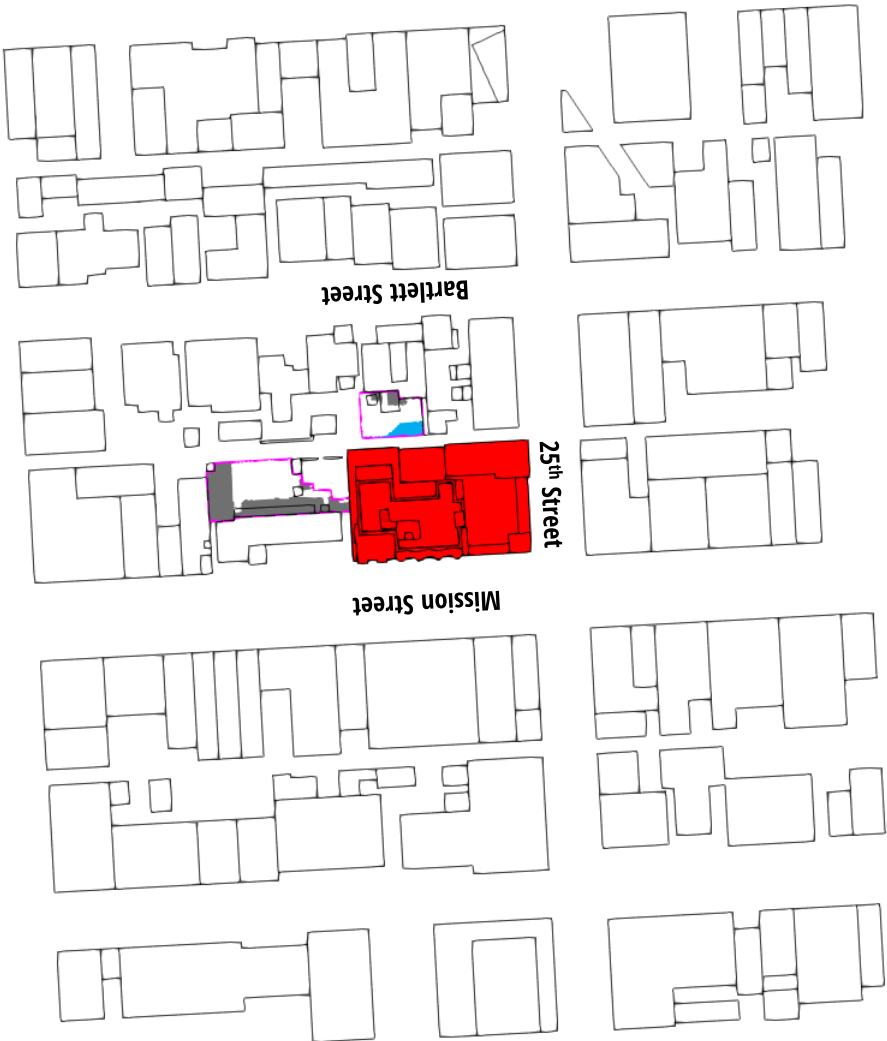
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RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21



3689



Legend

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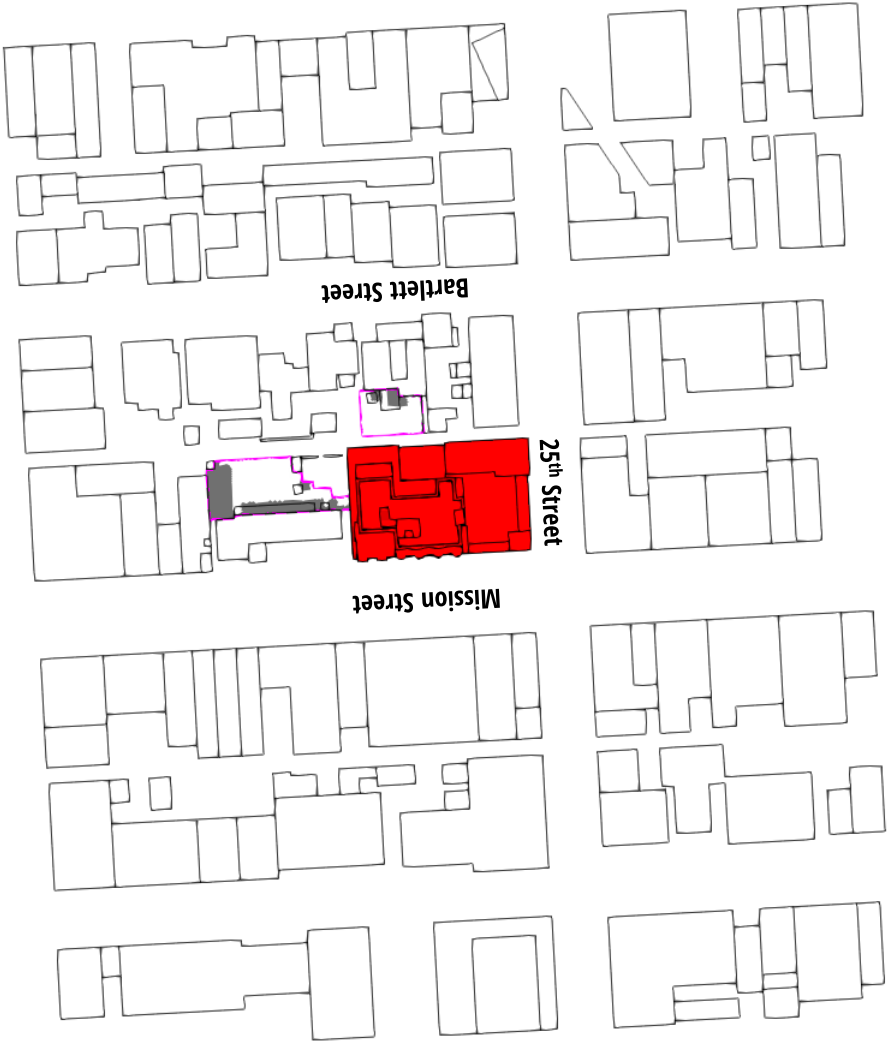
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February 7, 2018

SEPTEMBER 21

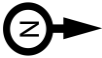


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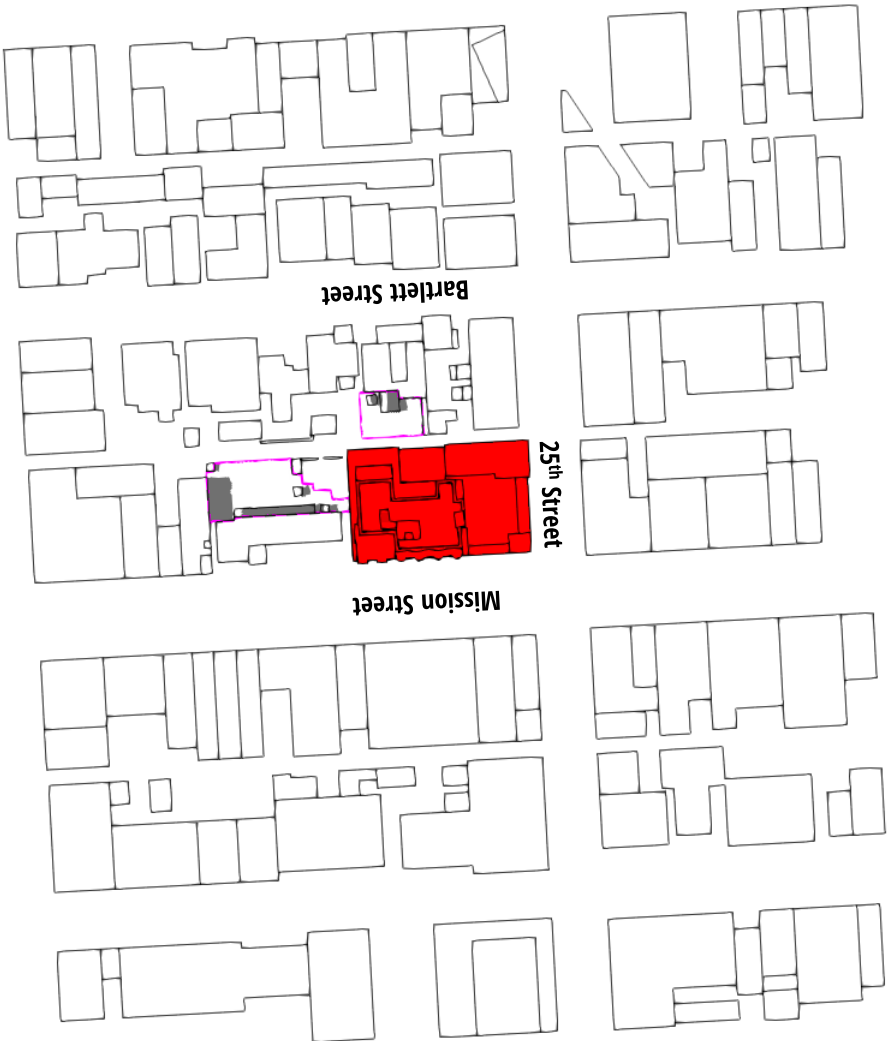
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12:00 pm PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21



Legend

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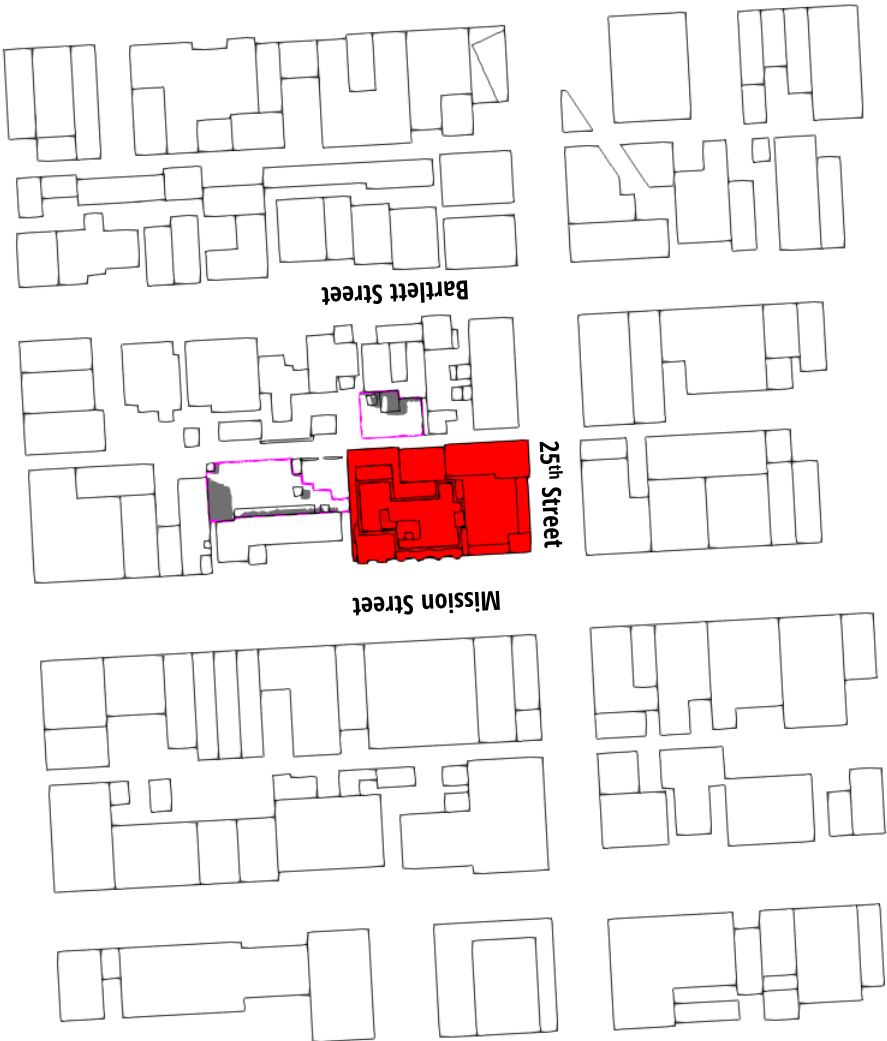
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February 7, 2018





SEPTEMBER 21



3692



Legend

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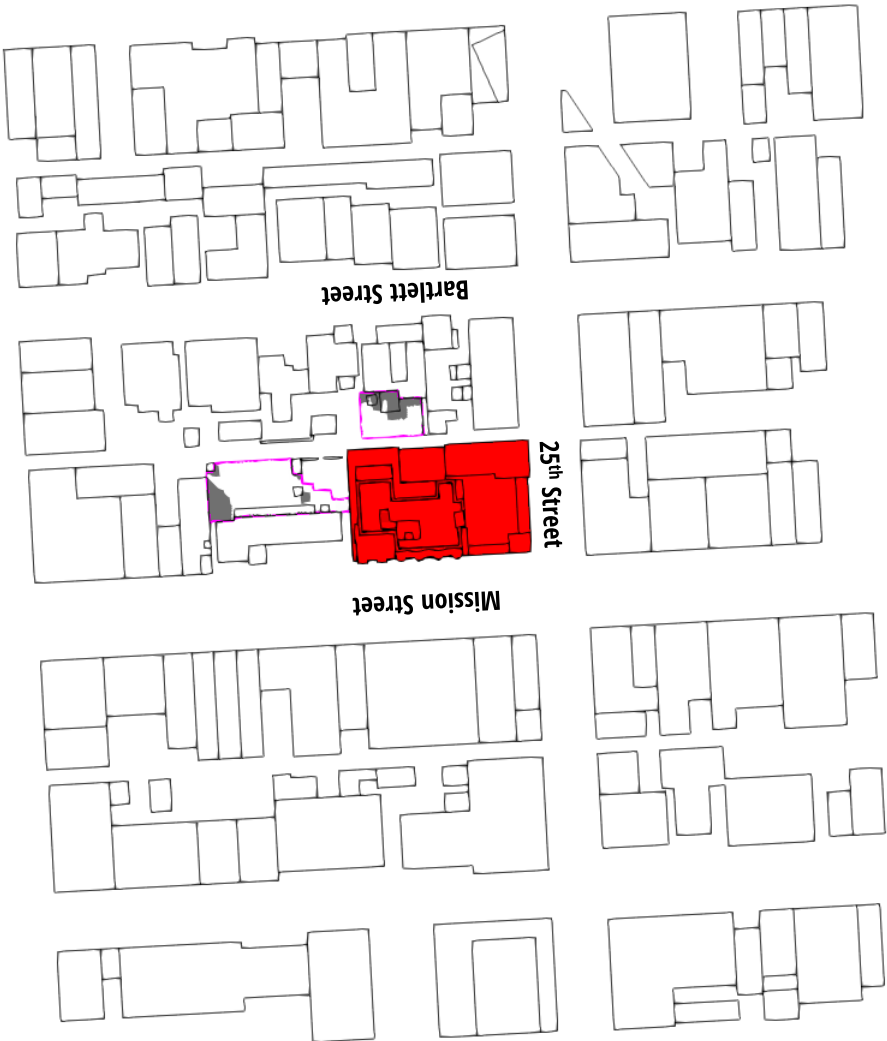
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SEPTEMBER 21



3693



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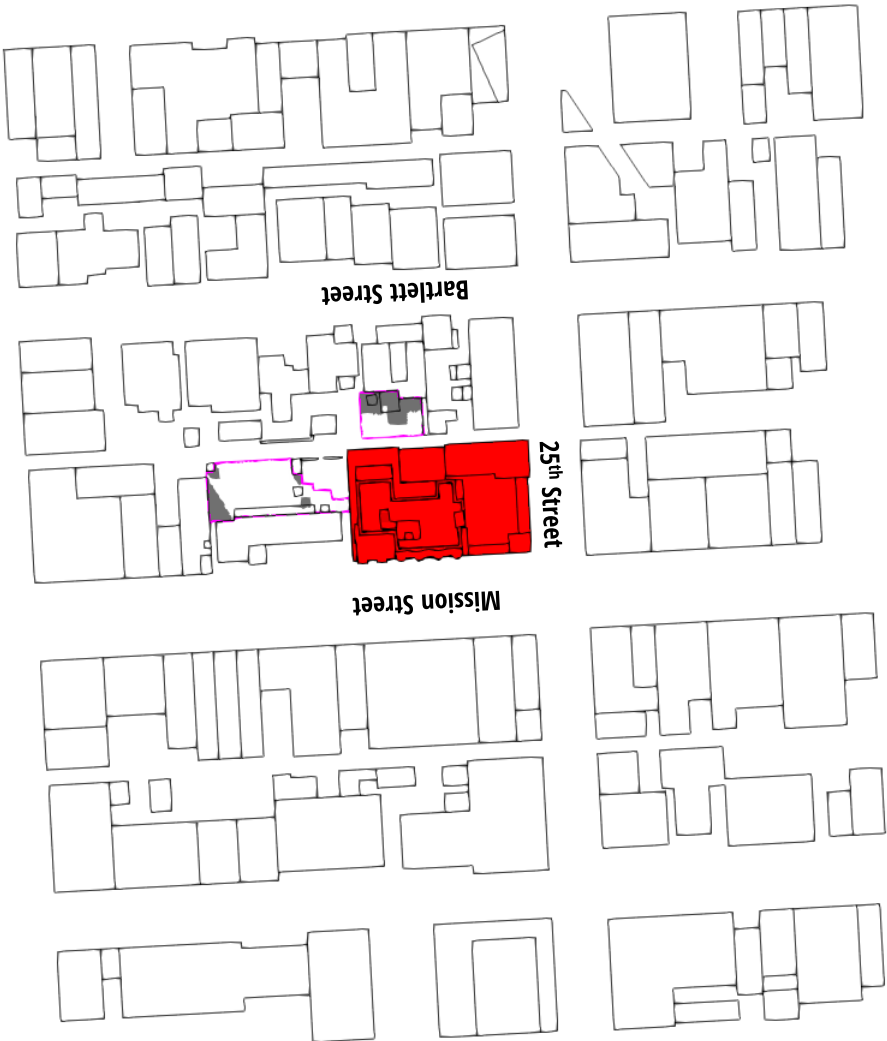
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SEPTEMBER 21



3694



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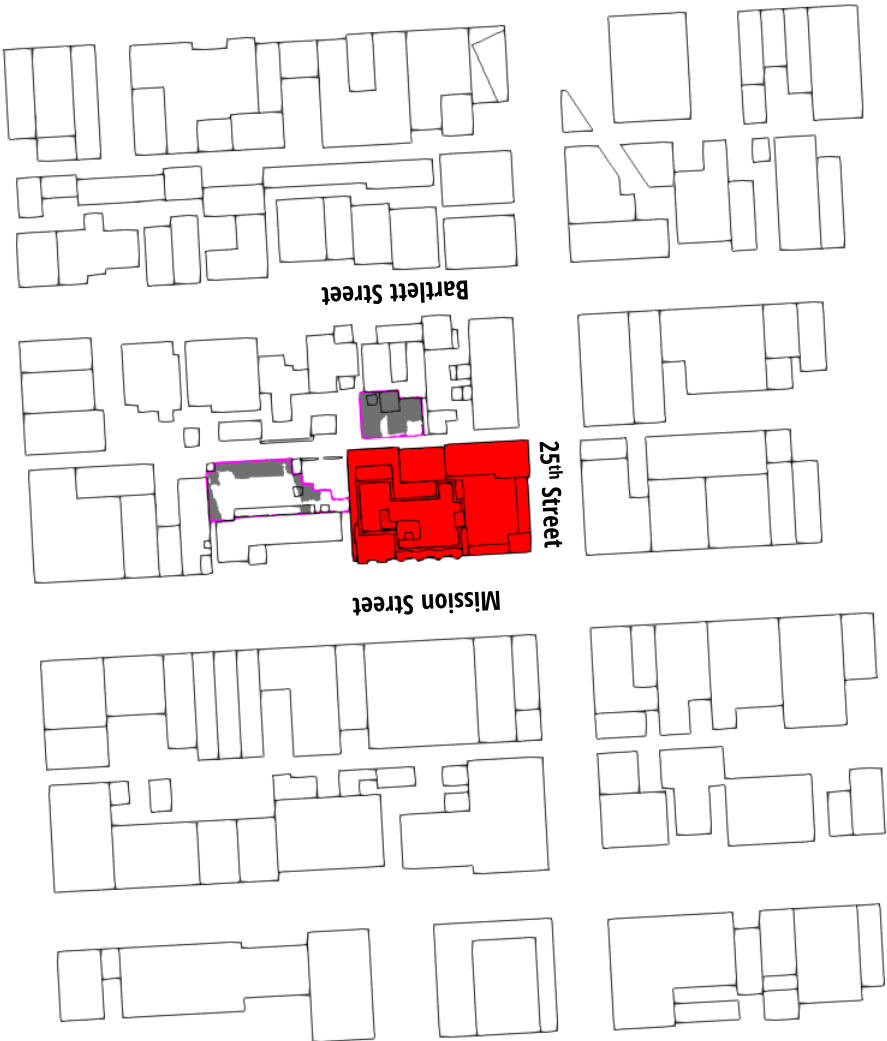
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February 7, 2018





SEPTEMBER 21



3695



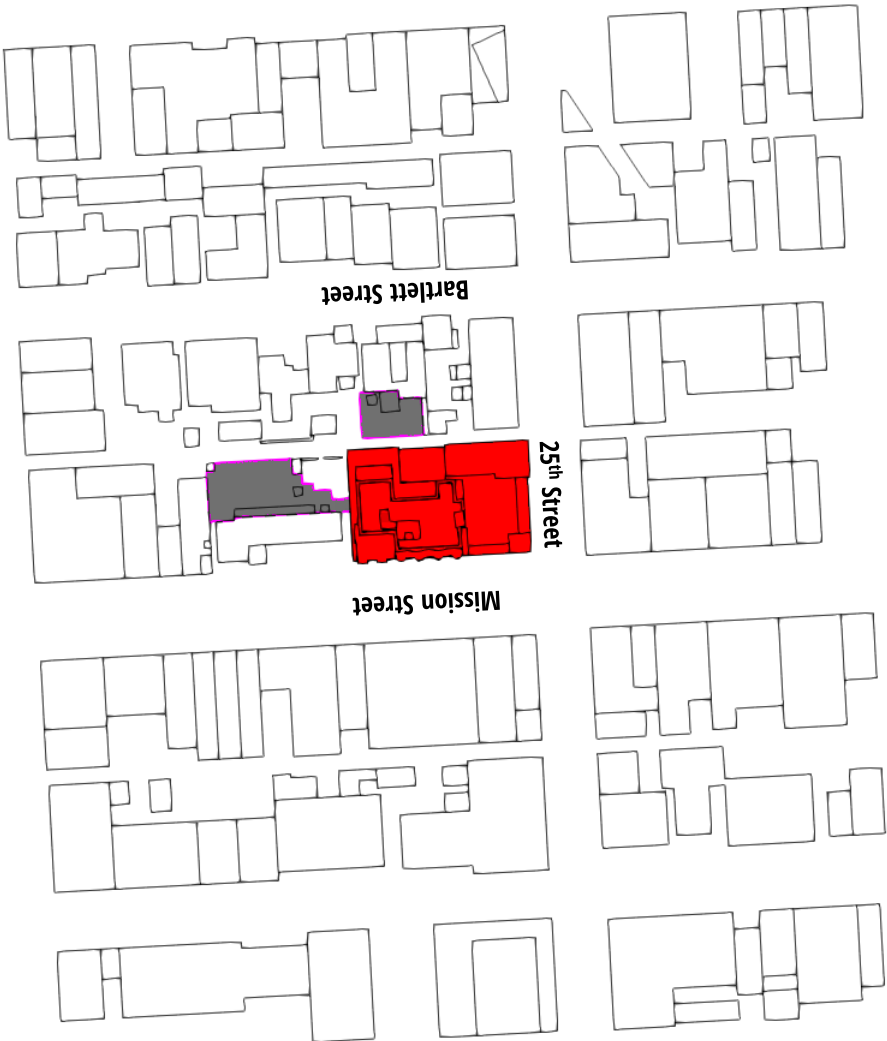
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5:00 pm PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

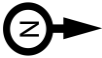
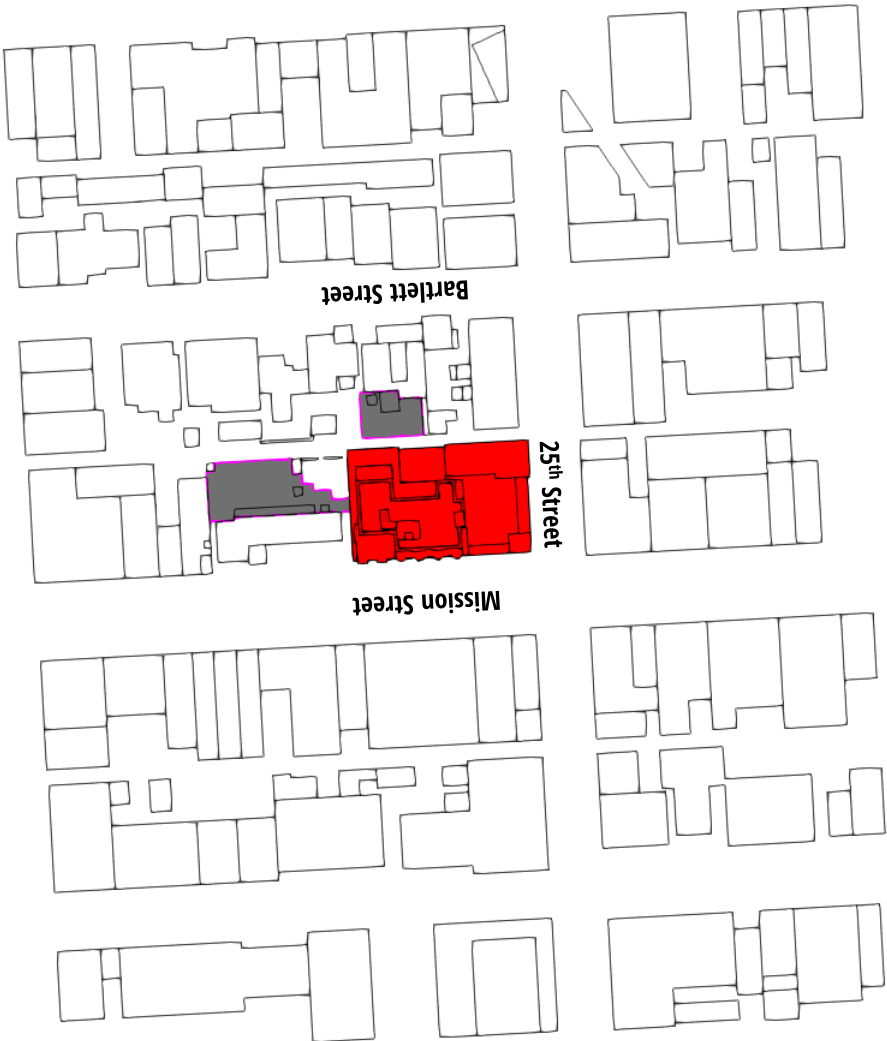


Legend





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6:08 pm PDT - (Sunset -1 hour)

SEPTEMBER 21

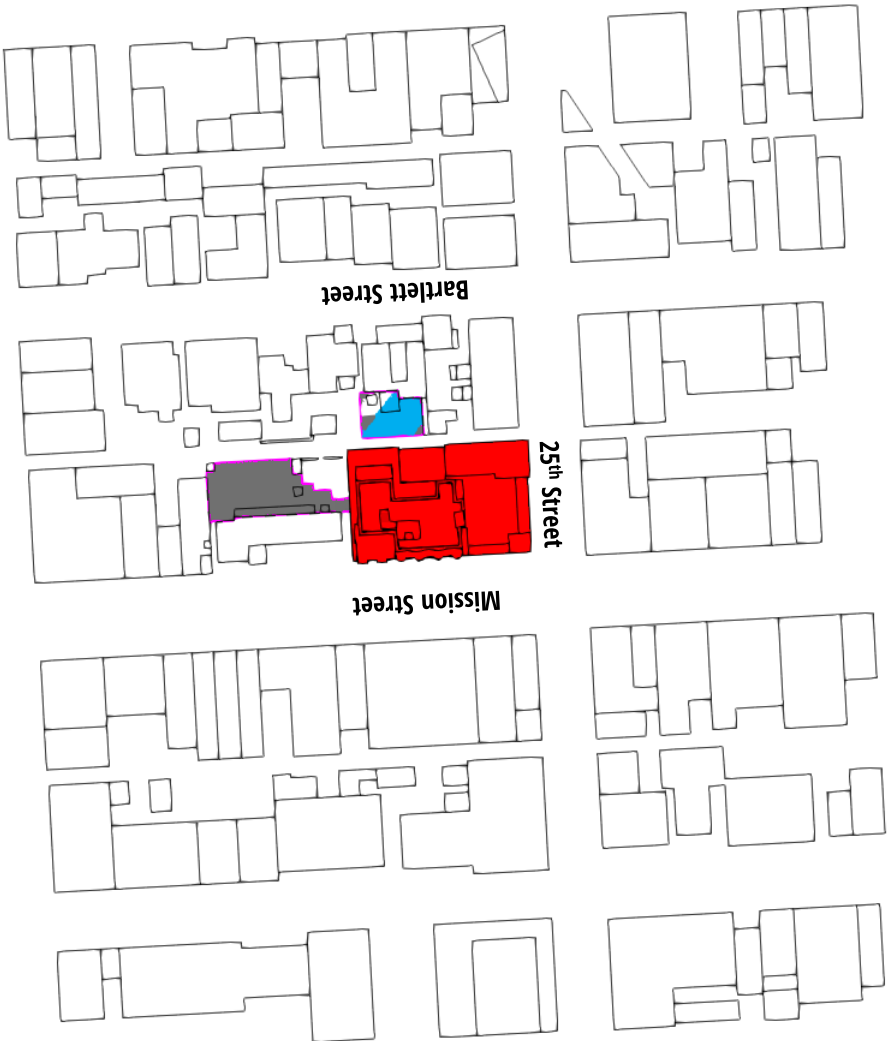


Legend

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-  Proposed Project

6:08 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018



Legend

- Studied Spaces
- Net New Shadow
- Existing Shadow
- Proposed Project

8:22 am PST - (Sunrise +1 hour)



Legend

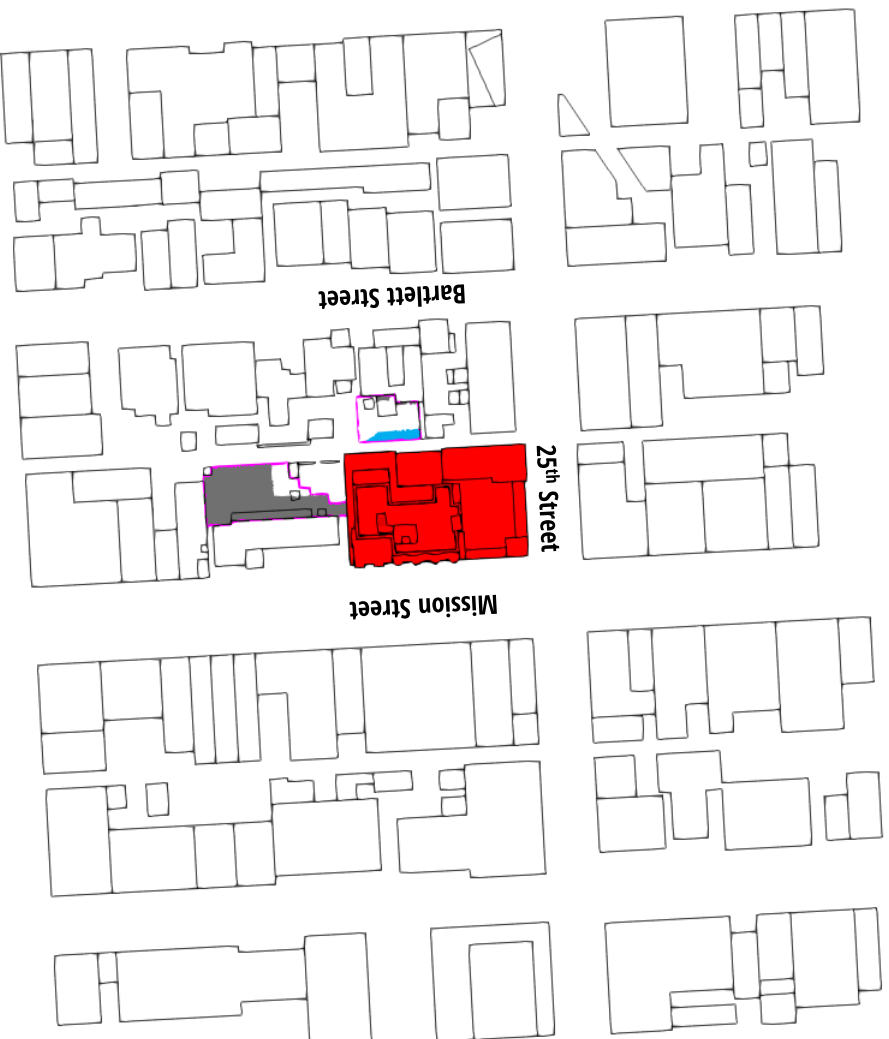
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9:00 am PST





DECEMBER 21



3700

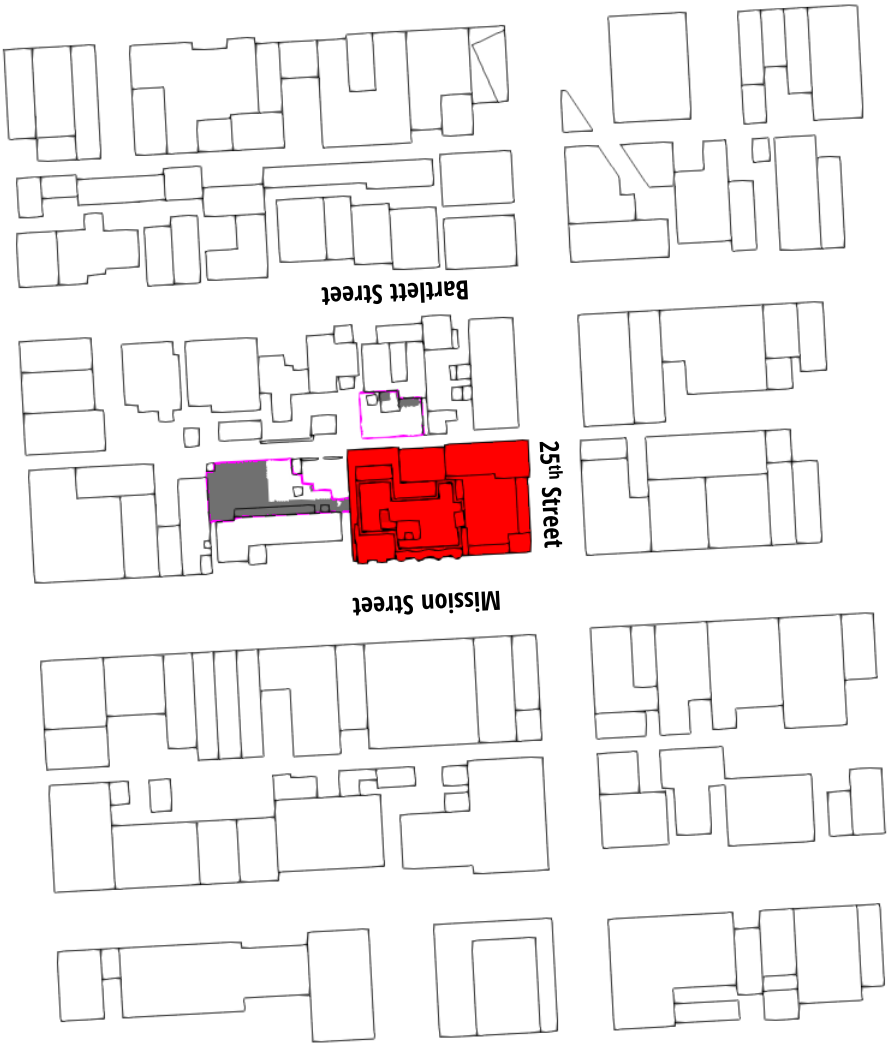


Legend

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10:00 am PST

RWDI Project # 1604031
February 7, 2018



Legend

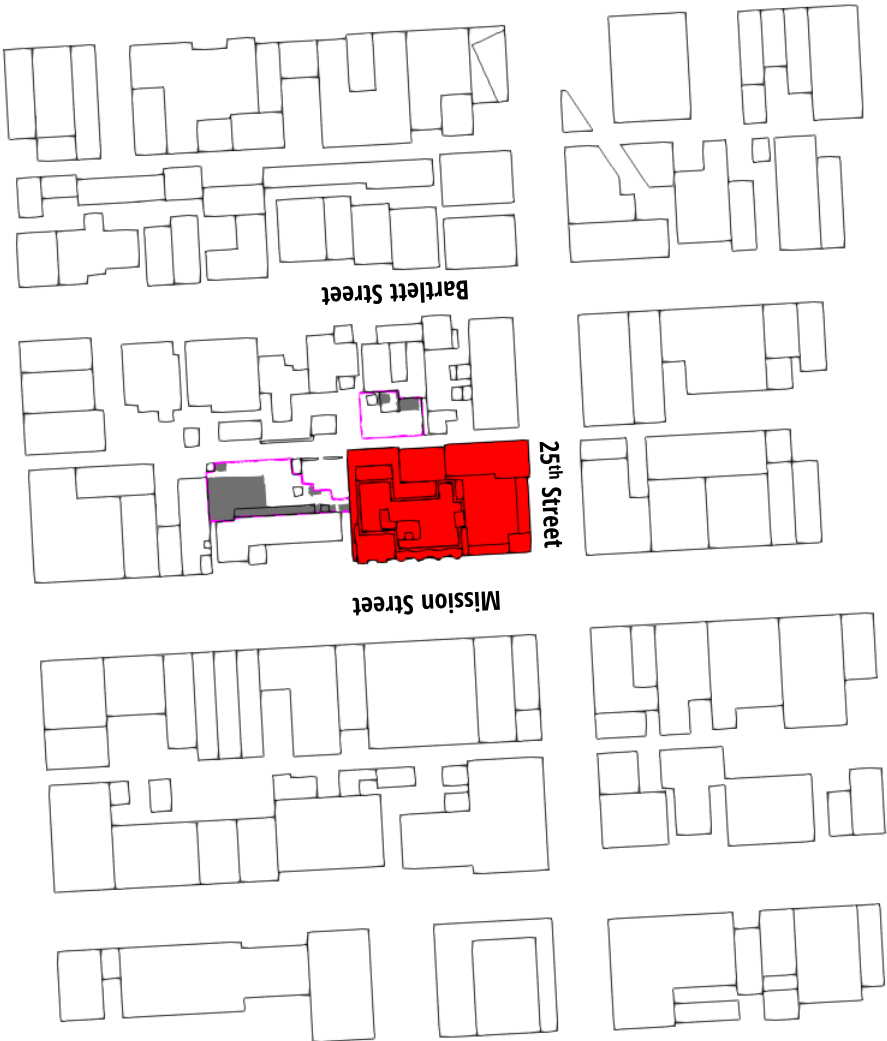
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11:00 am PST





DECEMBER 21



3702



Legend





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12:00 pm PST

RWDI Project # 1604031
February 7, 2018



Legend

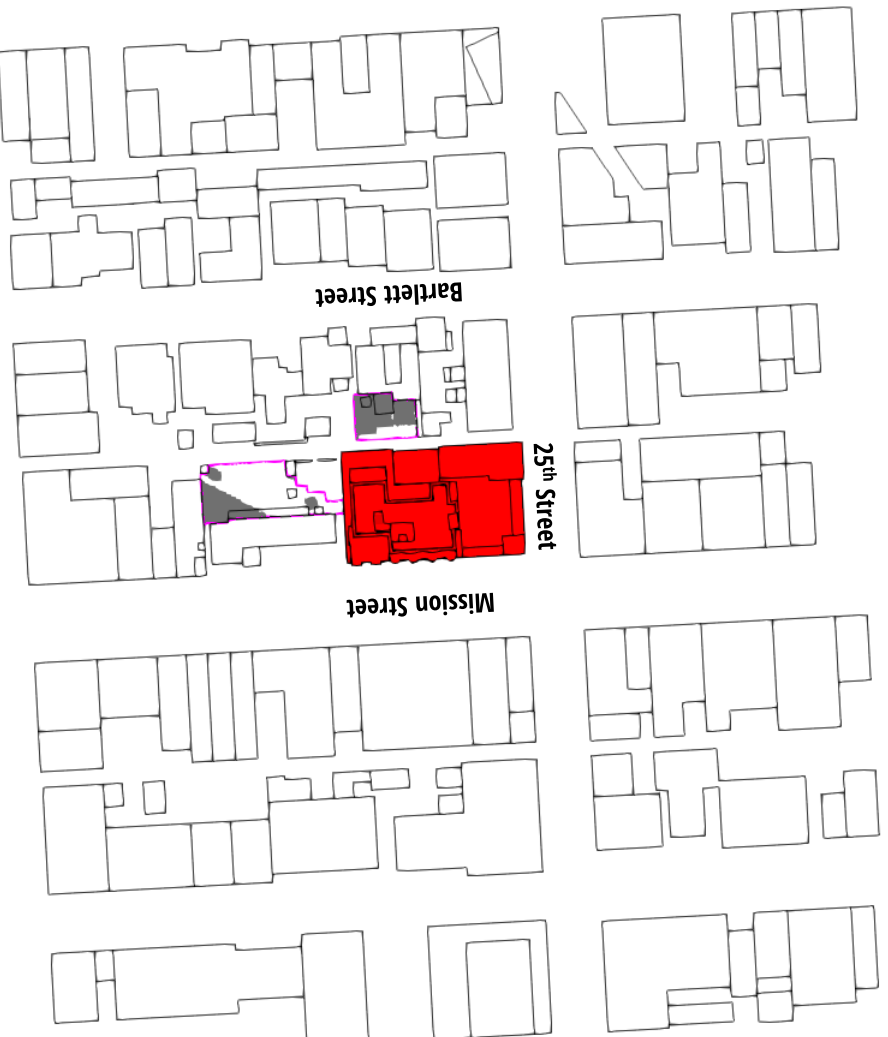
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1:00 pm PST





DECEMBER 21



3704



Legend





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2:00 pm PST

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February 7, 2018







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-  Proposed Project

3:00 pm PST



Legend

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-  Existing Shadow
-  Proposed Project

3:55 pm PST - (Sunset -1 hour)

Attachment H

ALH Urban & Regional Economics Socioeconomic Effects of 2918 Mission Street Market Rate Development

June 2018

**Socioeconomic Effects of 2918 Mission
Street Market-Rate Development**

Prepared for:

**The City and County of San Francisco
Planning Department**

Prepared by:

ALH | ECON

ALH Urban & Regional Economics

June 2018

2239 Oregon Street
Berkeley, CA 94705
510.704.1599
aherman@alhecon.com

June 14, 2018

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Socioeconomic Effects of Market-Rate Development Associated with 2918 Mission Street Project, San Francisco, CA

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Mission District, specifically at 2918 Mission Street. The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to the entitlement process for the 2918 Mission Street project.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,



Amy L. Herman
Principal

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APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

APPENDIX B: EXHIBITS

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

RRTI, Inc. is proposing development of a 75-unit multifamily apartment project with ground floor retail space at 2918 Mission Street, the site of a current laundromat. The Calle 24 Latino Cultural District Council (appellant) is appealing decisions of the Planning Commission made on November 230, 2017 regarding the proposed project. Among the many reasons cited for the appeal, the appellant believes that the CEQA findings did not consider potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, which is a defined sub-area within San Francisco's Mission District.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues, especially regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

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

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRs for well over ten years and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort. For the purpose of some of the analysis, two areas of interest associated with the 2918 Mission Street project were defined. These include a one-half mile radius around the site, in order to capture the most likely area for pedestrian-oriented activity and neighborhood retail demand, and an additional one-quarter mile radius area, whose new residents could also provide some additional demand for commercial space near the 2918 Mission Street project site.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with pipeline residential projects within three-quarter miles of the planned 2918 Mission Street project finds that the amount of neighborhood-oriented retail demand generated by new residents is unlikely to result in

commercial market shifts, such as the displacement of existing commercial establishments. Pipeline residential projects include the following: projects that have filed applications, but are still under review; projects that have received Planning/DBI entitlements but have not yet broken ground; and projects that are under construction.

The amount of demand for neighborhood-oriented retail generated by residents of the Pipeline projects within the three-quarter mile radius - equivalent to 30,300 square feet of new retail space - is close to the amount of net retail space planned in those projects (38,528 square feet). As a point of comparison, the Mission District is estimated to have 3.0 million square feet of retail space, and the one-half mile area around 2918 Mission Street has 1.4 million square feet of retail space. It is therefore not a likely result that commercial gentrification would result from pressure exerted by current Pipeline projects on the existing retail base in the one-half mile radius around 2918 Mission Street. Thus, there is no basis to support the claim that existing commercial establishments will be displaced as a result of increased demand for retail from new residents moving into the Pipeline projects in the areas surrounding the 2918 Mission Street project.

Retail supply and demand analysis for the Mission as a whole and the one-half mile radius around the 2918 Mission Street project demonstrates that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents. ***This is especially pronounced for the Mission District as a whole.*** This indicates three issues: (1) regional socioeconomic change and broad trends in the retail industry are greater influences on these commercial uses than is the composition of the immediate population of the neighborhood; (2) new residential development in the areas play a relatively insignificant role in influencing the overall commercial make-up of the districts, as the commercial bases are supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development given the scale of the existing stock relative to new development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20+ years. From 1996 to 2016, average rents at larger complexes increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco began to slow citywide, with some sources reporting a modest rental decline. This slowdown in rental rate growth continued through 2017 and into 2018. At the neighborhood level, the results have been more variable depending upon availability and relative rent levels. Historic market trends suggest that increases in rents will continue to occur, albeit modestly in the near-term. However, 71% of San Francisco's market-rate rentals are rent-controlled, with the residents insulated from short-term annual increases that occur.¹

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

¹ This percentage is pursuant to City of San Francisco Planning Department research currently in progress.

development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in very small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the highly localized level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic and associated literature does not support the concern that gentrification associated with new market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIRs prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on “community character.” There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development at or around 2918 Mission Street will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL DISPLACEMENT

ISSUE OVERVIEW AND LITERATURE REVIEW

The appellant is concerned about the *commercial* displacement impacts of new residential development in the Mission District and at 2918 Mission Street, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies.

The academic community is increasingly exploring issues and questions associated with commercial gentrification and displacement. Even in the past 1.5 years academic literature has surfaced with increasing frequency exploring different aspects of commercial gentrification, such as its relationship to transit-oriented development or changes in consumer demand. Yet, in the words of Karen Chapple, a key academic from UC Berkeley, and associated researchers and colleagues at UCLA, “commercial gentrification is largely understudied.”² This statement pertains to a September 2017 Chapple et.al. study probing the linkages between transit-oriented development and commercial gentrification, that includes a literature review of other studies that probe and discuss different aspects of commercial gentrification, including causation and effects.

Some, but not all, of the studies referenced in the Chapple September 2017 paper directly or indirectly address the impact of changing neighborhood demographics on commercial gentrification. Some of these include other studies authored by Chapple, et. al., among other authors. The cited findings most germane to residential development or changing demographic impacts on commercial development are mixed, with one summary statement in the Chapple paper as follows: “it is difficult to unpack the mechanism by which commercial gentrification relates to residential gentrification (if it does at all).”³ Yet another summary statement in this paper, based upon Chapple et. al.’s findings from case studies in Oakland and Los Angeles, California, is: “Proximity to a transit station is likely not associated with commercial gentrification. More important factors that *may* (emphasis added) relate to commercial gentrification are the demographic characteristics of a neighborhood, particularly the percent of non-Hispanic black, foreign-born, and renter residents, as well as overall population density. In some contexts, residential gentrification *may* (emphasis added) lead to commercial gentrification.”⁴

In a 2016 paper published in “Cityscape,” R. Meltzer, Assistant Professor at the New School, discusses how the process of commercial gentrification can occur through changes in consumer demand.⁵ In this paper, Meltzer theorizes that changes in the consumer base brought about by residential gentrification may lead to changes in both the business environment and local patrons. Meltzer

² Karen Chapple & Anastasia Loukaitou-Sideris, et. al., “Transit-Oriented Development & Commercial Gentrification: Exploring the Linkages,” September 2017, page 8.

See https://www.urbandisplacement.org/sites/default/files/images/commercialgentrificationreport_9-7-17.pdf

³ Ibid.

⁴ Ibid., page 4.

⁵ Meltzer, R. (2016). Gentrification and small business: Threat or opportunity? *Cityscape*, 18(3), 57-85. <https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/article3.html>

additionally discusses how increasing property values may halt new business startups and put existing operations out of businesses if revenue gains do not keep pace with appreciation. This pressure, however, can take a long time to occur, since commercial leases are structured on a more long-term basis than residential leases, with less potential for near-term appreciation than residential leases. Also in this paper, Meltzer further demonstrates through analysis of New York City business micro-data that chain stores are more likely to replace displaced businesses in gentrifying neighborhoods than in other neighborhoods not experiencing gentrification. While this finding in New York City may or may not be transferrable to other communities, the Mission District and other San Francisco neighborhoods are well-protected from this potential displacement trend as a result of San Francisco's extensive controls on formula retail. These controls effectively prohibit many chain store operations; thus San Francisco's policy tools minimize the threat of this type of commercial displacement in San Francisco.

While the Mission District and San Francisco are well protected from the threat of chain stores displacing existing commercial businesses, K. Chapple and R. Jacobus in 2009 wrote a paper discussing how retail reinvestment might lead to neighborhood revitalization.⁶ In this paper, Chapple and Jacobus showed that changes in the demographic composition of San Francisco Bay Area residential neighborhoods resulted in significant shifts in the mix of commercial establishments, with some establishments providing products and services less tailored to neighborhood demand. However, they also indicate this process could result in stiffer competition, resulting in lower prices for consumers, which could comprise a positive outcome for neighborhood residents. Thus, Chapple and Jacobus found that commercial changes resulting from gentrification, and potentially leading to displacement, can also be characterized as neighborhood or retail revitalization.

Some research studies have findings regarding the type of businesses that are more susceptible to commercial displacement. One such study was prepared by R. Meltzer and S. Capperis in 2016 and published in "Urban Studies."⁷ In this study, Meltzer and Capperis created a business typology using four categories of businesses, including necessary, discretionary, frequent, and infrequent. In their typology, necessary establishments are businesses that fulfill every day, immediate needs of residents, such as grocery stores and hardware stores. Discretionary establishments provide more luxury or recreational goods that enhance quality of life. Frequent stores provide goods or services that are frequently consumed and/or perishable, for which short travel times are essential to their appeal, and include establishments like banks, laundromats, and pharmacies, while infrequent establishments attract demand from outside the local neighborhood, providing goods such as furniture, clothing, and recreational goods.

The summary findings of this Meltzer and Capperis paper indicate that frequent and necessary establishments contribute to a neighborhood's well-being by serving a broad market that cuts across income classes, while infrequent and discretionary goods offer "local luxuries" catering to only one, high income group. The findings indicated that frequent and necessary establishments had higher retention rates than discretionary and infrequent ones, suggesting they are "less susceptible to shocks and changes in consumer demand."⁸ As stated by Chapple et. al., "the implications of these

⁶ Chapple, K., & Jacobus, R. (2009). Retail Trade as a Route to Neighborhood Revitalization. In M.A. Turner, H. Wial, & H. Wolman (Eds.), *Urban and Regional Policy and its Effects* (Vol. II, pp. 19-68). Washington, D.C.: Brookings Institutions Press.

<http://www.rjacobus.com/resources/archives/Retail%20Trade%20Proof.pdf>

⁷ Meltzer, R., & Capperis, S. (2016). Neighbourhood differences in retail turnover: Evidence from New York. *Urban Studies*, 0042098016661268. <https://doi.org/10.1177/0042098016661268>

⁸ Chapple and Jacobus, page 10.

distinctions is that decreasing shares of frequent and necessary establishments or increasing shares of discretionary and infrequent establishments could indicate commercial gentrification.”⁹

In their 2017 paper, Chapple et. al. state that only a few studies have explored the impacts of commercial gentrification, producing mixed results. For example, with regard to a paper published by R. Meltzer and J. Schuetz in 2012,¹⁰ a paper written by L. Freeman and F. Braconi in 2004,¹¹ and other previously referenced works, they state:

- “In a study of neighborhood retail change in residentially-gentrifying neighborhoods of New York City, Meltzer and Schuetz (2012) found that retail access improved at a notably higher rate in low-value neighborhoods that ‘experienced upgrading or gentrification’, as ‘low-income neighborhoods have lower densities of both establishments and employment, smaller average establishment size, and less diverse retail composition’ and ‘fewer chain stores and restaurants, somewhat contrary to conventional wisdom’.”¹²
- “Interviewing residents of changing New York neighborhoods, Freeman and Braconi (2004) found that most lauded the return of supermarkets and drugstores, rather than lamenting the invasion of restaurants and expensive boutiques. The authors argued that if this does not lead to widespread displacement, gentrification can help to ‘increase socioeconomic, racial, and ethnic integration’ in both resident and commercial areas.”¹³
- “Some argue that under certain conditions, commercial changes associated with gentrification may benefit local businesses. If transit investments, for example, result in increased pedestrian traffic from transit riders and station-area development, this could lead to more patrons for nearby businesses, higher sales, and more employees in commercial districts.”¹⁴
- “Commercial districts may also benefit from forces associated with residential gentrification. As a neighborhood’s consumer income and population density increase, business sales may also increase because of more customers and/or more disposable incomes (Meltzer, 2016). However, even if changes to a local consumer base result in neighborhood economic development, the benefits for businesses could be outweighed by the rising rents and operating costs. In addition, different tastes and a different socio-demographic composition of a new consumer base could result in stagnant or falling sales for certain existing businesses (Ibid.).”¹⁵

Despite the research findings identified and summarized in the Chapple et. al. September 2017 study, in somewhat of a summary statement of the state of the current literature and their own findings regarding the TOD and commercial gentrification linkage, Chapple et. al. state “The relationship

⁹ Ibid.

¹⁰ Meltzer, R. & Schuetz, J. (2012) Bodegas or Bagel Shops? Neighborhood Differences in Retail and Household Services. *Economic Development Quarterly*, 26(1), 73-94. <https://doi.org/10.1177/089124211430328>

¹¹ Freeman, L., & Braconi, F. (2004). Gentrification and Displacement New York City in the 1990s. *Journal of the American Planning Association*, 70(1), 39-52. <https://doi.org/10.1080/019443604089076337>

¹² Chapple and Jacobus, page 10.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

between residential and commercial gentrification also needs further exploration. The results of this study are rather mixed, and it is not clear when and where one type of gentrification follows the other, or which comes first. We suspect that there may not be a universal pattern, and this relationship may change from one neighborhood to the other.”¹⁶ For example, in discussing their qualitative case study research in Oakland, Chapple et. al. indicate that survey responses from some businesses “suggest that rent increases - more than changing consumer preferences - may be a factor driving displacement of businesses.”¹⁷ Yet in their literature review summary, they indicate “In short, the academic literature has only just begun to explore commercial gentrification. Much about the phenomenon is not yet fully understood, including what kind of effects commercial gentrification can be expected to have to area employees, consumers, and residents.”¹⁸

ALH Economics reached out to Rachel Meltzer of the New School to discuss some of her research findings and overall oeuvre with regard to commercial displacement and gentrification. The primary purpose of this outreach was to discuss Meltzer findings reported on by ALH Economics in a prior report prepared for the San Francisco Planning Department associated with another residential project appeal in the Mission District. In that report, ALH Economics extrapolated a finding from Meltzer’s above-referenced 2016 study, based on case study analysis in three New York neighborhoods, and applied the finding directly to the Mission District. This finding pertained to a conclusion presented by Meltzer, stating that “[t]he fact that displacement is not systematically higher in New York City’s gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement.”¹⁹ ALH Economics then directly applied this statement to the Mission District (specifically the LCD sub-area), stating that it was reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification.

In discussion with Meltzer, ALH Economics now recognizes that the reported finding comprised an average effect, and that Meltzer’s findings vary by neighborhood. Thus, it may not be reasonable to apply an aggregated finding to a specific neighborhood not included as part of Meltzer’s study. Meltzer indicated that neighborhood-based findings are more idiosyncratic and qualitatively nuanced than the citywide average effect, and she suggested an individual case study in her analysis might be a better match to the Mission District than the aggregated New York City effect. This case study is the Sunset Park neighborhood in southwest Brooklyn, which has a predominant Hispanic and Asian population base and is a commercial shopping destination. However, the Sunset Park neighborhood has other characteristics that are not well-matched with the conditions in the Mission District, such as large swaths of land zoned for manufacturing, and the attraction of big chain stores to this manufacturing section, such as Home Depot and Costco. Thus, ALH Economics believes the findings specific to the Sunset Park neighborhood are not apt for the Mission District.

ALH Economics engaged in a generalized discussion with Meltzer, covering a range of topics relevant to her research on commercial displacement and gentrification. Some of what was discussed included San Francisco’s formula retail store controls, which are not present in the communities Meltzer studies, and how these controls would likely mitigate against the worst displacement effects she sees in some of her research. The discussion also included a brief reference to a study prepared by Meltzer on gentrification’s impacts on local employment and its nuanced findings, including questioning if there

¹⁶ Ibid, page 5.

¹⁷ Ibid., page 74.

¹⁸ Ibid, page 15.

¹⁹ Meltzer, 2016, page 80.

is an upside to the introduction of new businesses, bringing employment opportunities not already present in a neighborhood. Melzer indicated this study also probed the nature of a “local” job, and if there are circumstances where there was a bump up in local jobs, the type of businesses that tended to hire more locally, and if they were good paying and representative of upward mobility. The discussion with Meltzer did not end with any specific conclusions reached regarding commercial gentrification and displacement, and applicability to the Mission District. However, the conversation highlighted that there are many nuanced questions and findings that continue to provide strong fodder for continuing research on the topics.

IMPLICATIONS OF LITERATURE REVIEW

The Mission District, including areas near 2918 Mission Street, is a varied commercial shopping district, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other restaurants catering to a variety of personal incomes as well as bars, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Other commercial tenants in the general area, several blocks from the 2918 Mission Street development site, such as along Valencia Street, where there is a wider array of commercial operations, including more upscale eateries, boutiques, food purveyors, and accessory stores.

Valencia Street exemplifies the type of commercial gentrification discussed in some of the research papers summarized above, comprising a commercial area that has experienced significant change in past decades, including retail upscaling. In a previous Mission District residential project appeal, the appellants claimed that new residential development in the Mission District would result in the type of gentrification that occurred on Valencia Street. As demonstrated by research conducted by the City of San Francisco Planning Department, , however, the change in the Valencia Street Corridor occurred *in the absence* of intense new residential development, which suggests that other factors aside from residential development and the influx of a changing population base may be more directly associated with commercial gentrification in this area. The example of Valencia Street is relevant because of its proximity to the project and location within the Mission District. This most comparable and potent nearby example of commercial gentrification happened without and prior to significant new market-rate residential construction in the corridor. In fact, some of the most significant and transformative recent new housing construction on Valencia Street was Valencia Gardens (bet 14th and 15th), a very large 100% BMR project, which replaced the distressed and blighted older public housing development on that site. Thus, based on the Valencia Street evidence presented and the above academic literature summary, there is not clear evidence that new residential development in and of itself will cause gentrification of commercial space, including in the areas around the 2918 Mission Street project.

To further probe this analytically, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects within one-half mile of 2918 Mission Street, as well as an additional one-quarter mile radius, whose residents could potentially generate retail and services demand near 2918 Mission Street. The analysis estimates the amount of space likely to be supported by the Pipeline households and assesses if this could result in a change of the composition of the commercial base within one-half mile of 2918 Mission Street. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes a wide variety of other restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores,

laundromats, a variety of other neighborhood-oriented businesses, some more upscale food and retail establishments, and a limited number of commercial vacancies.

To summarize the following findings, the analysis finds that the amount of neighborhood-oriented retail demand generated by the identified Pipeline projects is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, ALH Economics concludes that existing commercial establishment displacement is unlikely to occur as a result of the residential development Pipeline in or near 2918 Mission Street.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for the fourth quarter of 2017²⁰ was examined to identify proposed residential projects near 2918 Mission Street. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Projects that are under construction

The Pipeline projects reflected in the analysis include projects of 7 or more net dwelling units. This threshold was selected because, as of the date of the Pipeline report, it matched the San Francisco Planning Department's definition of moderate to large projects, which require a preliminary project assessment (PPA).²¹

Projects near 2918 Mission Street were identified based on a radius of one-half mile from the site, while other projects near but outside this area were identified within an additional one-quarter mile radius. These geographies were selected because of their walkability, with sites within one-half mile of 2918 Mission Street deemed very walkable for general shopping purposes, while the walkability of sites in the additional area could partially overlap with this primary one-half mile radius area. There may be yet other projects close to these areas, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to 2918 Mission Street. The projects, their net unit counts, and net new retail square footage are listed in Table 1 on the following page. The Pipeline project locations are mapped in Map 1, which indicates size range of project by location relative to the 2918 Mission Street project site. Summaries of the net unit counts and retail square footages are presented below in Table 2.

²⁰See <https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pg> for the database.

²¹ The PPA requirement was modified on April 13, 2018 to apply to projects of 10 or more dwelling units.

Table 1
Pipeline Projects Net New Units (1)
Projects Within One-Half Mile and Three-Quarter Miles of 2918 Mission Street
By Location, Approvals Status, Type of Housing Units, and Net New Retail

Project Location and Status	Total Net Units	Market Rate	Affordable Housing Units (2)			Affordability Target	Net New Retail Sq. Ft.
			Rental	Owner	Total		
<u>One-Half Mile Radius Projects</u>							
<i>Entitled</i>							
1515 SOUTH VAN NESS AV	157	138	19	0	19	90% AMI;	1,451
2675 FOLSOM ST	117	98	19	0	19	90% AMI;	0
1296 SHOTWELL ST	94	0	94	0	94	30% AMI; 60% AMI;	0
1198 VALENCIA ST	49	43	0	6	6	90% AMI;	5,050
3620 CESAR CHAVEZ ST	24	24	0	0	0		672
2600 HARRISON ST	20	20	0	0	0		0
<i>Sub Total Projects</i>	<i>461</i>	<i>323</i>	<i>132</i>	<i>6</i>	<i>138</i>		<i>7,173</i>
<i>Non-entitled</i>							
2918 MISSION ST (3)	75	67	8	0	8	50% AMI; 55% AMI	6,651
3314 CESAR CHAVEZ ST	50	50	0	0	0		1,740
1278 - 1298 VALENCIA ST	35	35	0	0	0		0
3230 & 3236 24TH ST	21	21	0	0	0		4,150
606 CAPP ST	20	20	0	0	0		0
2632 MISSION ST	16	16	0	0	0		7,766
2610 MISSION ST	8	8	0	0	0		0
3310 MISSION ST	8	8	0	0	0		0
856 CAPP ST	8	8	0	0	0		0
981 - 987 VALENCIA ST	8	8	0	0	0		0
<i>Sub Total Projects</i>	<i>249</i>	<i>241</i>	<i>8</i>	<i>0</i>	<i>8</i>		<i>20,307</i>
Total One-Half Mile Radius	710	564	140	6	146		27,480
<u>Projects Within Additional One-Quarter Mile Radius (4)</u>							
<i>Entitled</i>							
No projects meet the minimum threshold of 7 net units							
<i>Non-entitled</i>							
793 SOUTH VAN NESS AV	73	62	NA	NA	11	NA	4,577
2300 HARRISON ST	9	9	0	0	0		2,950
2410 MISSION ST	8	8	0	0	0		0
2799 24TH ST	7	7	0	0	0		-269
<i>Sub Total Projects</i>	<i>97</i>	<i>86</i>	<i>0</i>	<i>0</i>	<i>11</i>		<i>7,258</i>
Total Pipeline	807	650	140	6	157		34,738

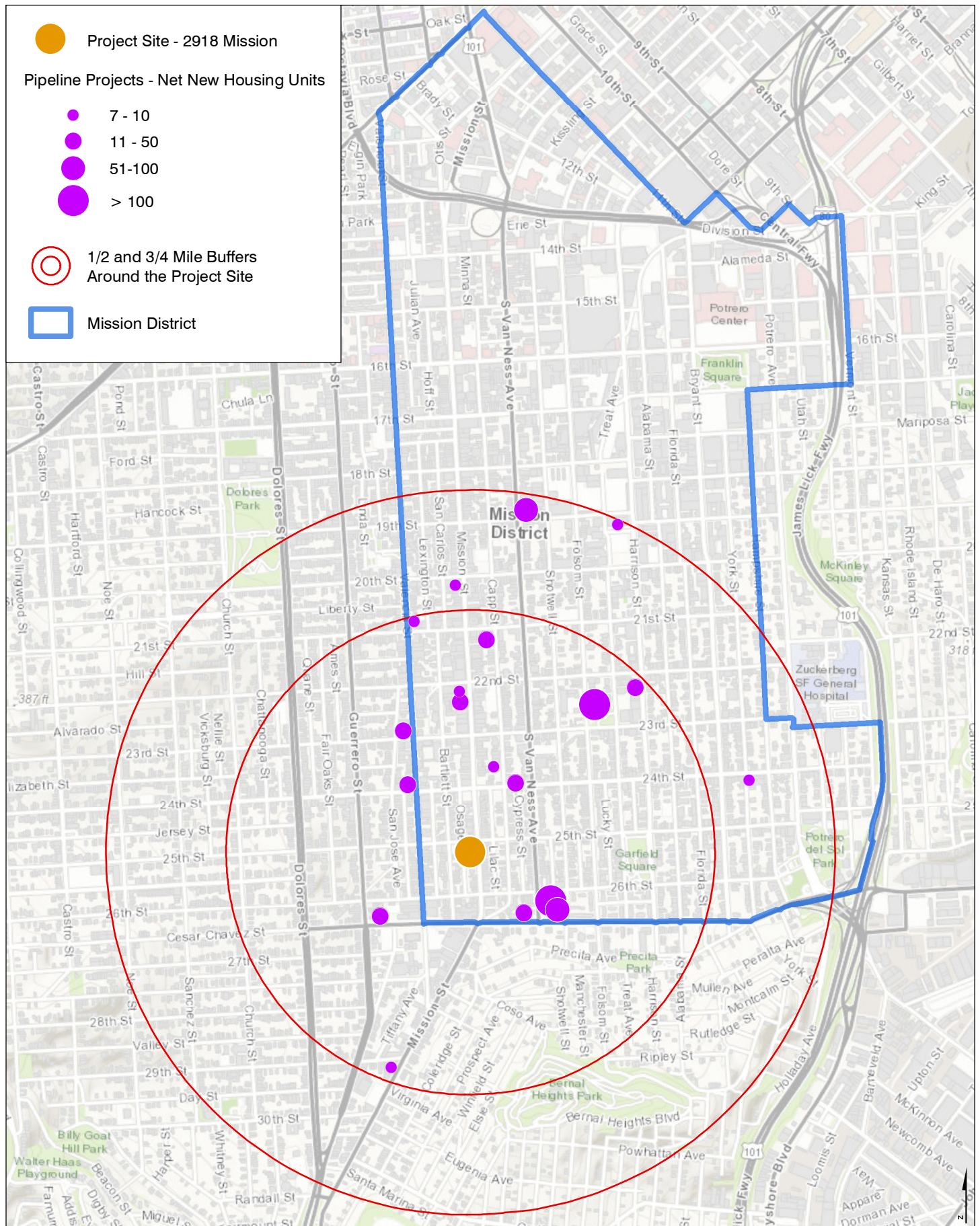
Sources: San Francisco Development Pipeline, 2017, Q4; City and County of San Francisco Planning Department; RRT Partners LLC; and ALH Urban & Regional Economics.

(1) This pipeline includes projects of 7 or more net dwelling units. This threshold was selected because it matches the San Francisco Planning Department's definition of moderate to large projects at the time the pipeline was assembled, which require a preliminary project assessment (PPA). That threshold was subsequently changed to 10 in April 2018.

(2) All available information from the San Francisco Development Pipeline is provided. Unless otherwise noted, the analysis assumes the tenure of all units is rental.

(3) Project information provided by RRT Partners LLC.

(4) The geography reflected by these projects is another 1/4 mile radius beyond the 1/2 mile radius around 2918 Mission Street. Thus, this area extends out to 3/4 miles from 2918 Mission Street.



Information extracted from the Development Pipeline indicates a total of 807 net new housing units. This includes 650 market rate units, comprising 564 in the one-half mile radius and 86 in the additional one-quarter mile radius. The Pipeline projects additionally include 146 affordable housing units in the one-half mile radius and 11 in the one-quarter mile radius, totaling 157 units overall. These comprise 21% of all units in the one-half mile radius and 11% of units in the additional one-quarter mile radius, for a cumulative total of 19% of all units. Most of the affordable housing units are rental, but a small number are owner units. In total, there are 710 units planned in the one-half mile radius and 97 units planned in the additional one-quarter mile radius.

Table 2
Summary of Pipeline Projects Net New Units and Net New Retail Sq. Ft.

Project Location and Status	Total Net Units	Units by Type		Net New Retail Sq. Ft.
		Market Rate	Affordable	
One-Half Mile Radius Projects				
Entitled	461	323	138	7173
Non-entitled	249	241	8	20,307
Total	710	564	146	27,480
Projects Within Additional One-Quarter Mile Radius (4)				
Entitled	0	0	0	0
Non-entitled	97	86	11	7,258
Total	97	86	11	7,258
Total Pipeline	807	650	157	34,738

Source: See Table 1.

In addition, these projects include 27,480 net new square feet of retail space in the one-half mile radius and another 7,258 square feet in the additional one-quarter mile radius. This is a total of 34,738 square feet of net new retail space.

This residential pipeline reflects potential interest in new housing production in the Mission District. However, because of the nature of development and the development process in San Francisco, the pipeline units may not all be developed. Moreover, the timing of development is uncertain, such that only a portion of the Pipeline units that are built will be delivered to the market in any given year.

For context, based upon the City's Housing Inventory reports, a total of 2,379 net new housing units were built in the Mission between 2001 and 2017. This is equivalent to an average of 140 units per year,²² and boosted the Mission District's housing units by 9.9% over 2010.²³ In comparison, the City as a whole gained 41,935 net new housing units between 2001 and 2017,²⁴ comprising a total boost of 11.4%.²⁵ These figures indicate that new housing development in the Mission since 2010 slightly

²² See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2017. Reports can be found at: <http://sf-planning.org/citywide-policy-reports-and-publications>.

²³ Per the City's Housing Inventory for 2010 the Mission District had an estimated 24,001 housing units in 2010. See http://default.sfplanning.org/publications_reports/2010_Housing_Inventory_Report.pdf.

²⁴ See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2017. Reports can be found at: <http://sf-planning.org/citywide-policy-reports-and-publications>.

²⁵ Per the City's Housing Inventory for 2010 the City had an estimated 368,346 housing units in 2010. See http://default.sfplanning.org/publications_reports/2010_Housing_Inventory_Report.pdf.

lagged the City of San Francisco as a whole. However, these rates of development likely did not keep pace with housing demand, resulting in strong rental rate surges annually since 2010, softening only recently beginning in 2016 (see next report section on rent trends).

PIPELINE RETAIL DEMAND

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a generalized neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and percent of household income spent on housing. For the affordable units, incomes are based on the maximum income per the % of AMI expectations per project.

Since the Pipeline projects are planned and not in lease up phase, project rents for the market-rate units are not available. In addition, unit counts by number of bedrooms are also not available. Therefore, as this is a generalized analysis, one overall average market-rate rental rate is assumed for the Pipeline projects. This rate is \$4,500, which is the median asking rent for San Francisco rental units in April 2018 as compiled by Zillow.²⁶

Exhibit 1 presents the monthly rent assumptions for all the planned Pipeline market-rate apartments. The average household income for the market-rate rental units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of \$162,000 for the market-rate units. In San Francisco, the rent burden is often much greater, but the analysis conservatively assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. For the market-rate owner units, for the lack of any further unit information, the analysis includes a generic assumption of \$430,000 annual household income, based upon a March 2018 median San Francisco home sale price of \$1.3 million as noted by Zillow²⁷ and the assumption that annual household income is one-third the housing price.

For the affordable units, the analysis assumes the maximum household income by percent of AMI, and where unit information is lacking, assumes an average three-person household. These assumptions are explained in the footnotes to Exhibit 1, and result in average annual household income estimates ranging from \$48,800 for the 2918 Mission Street project to \$95,000 for two other projects.

The amount households spend on retail goods varies by household income. Data published by the U.S. Bureau of Labor Statistics, 2016 Consumer Expenditures Survey, provides information regarding household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to ALH Economics estimates of the percentage of income spent on retail goods based on the type of

²⁶ See <https://www.zillow.com/research/data/>, accessed June 6, 2018.

²⁷ Ibid.

retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the \$40,000 to \$49,999 annual income range, with an average household income of \$44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results are 25% of income for the market rate units and 31% to 39% for the affordable units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates, Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent by type of housing unit. The findings are summarized below in Table 3.

Table 3
Summary of Pipeline Projects Net New Units Household Spending on Retail

Project Location	Number of Households	Total Annual Retail Demand
One-Half Mile Radius Projects	682	\$27,914,800
Projects Within Additional One-Quarter Mile Radius	93	\$3,688,600
Total Pipeline	775	\$31,603,400

Source: See Exhibit 1.

The annual per household retail spending figures range from a low of \$19,200 for some of the households in the affordable rental units to \$45,000 for the market-rate ownership units. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.²⁸ Therefore, given the occupancy assumptions, the total demand comprises \$27.9 million for the households in the one-half mile radius Pipeline units and \$3.7 million for the households in the additional one-quarter mile radius Pipeline households. The grand total is \$31.6 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the type of retail demand one would most expect these households to exhibit for area retail.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2016 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.6% on home furnishings & appliances to a high of 17.2% on food & beverage stores (e.g., grocery stores). Other key categories include 12.0% on general merchandise (e.g., department and discount stores), 14.6% on food services & drinking places (e.g., restaurants and bars), and 13.1% on other retail, which includes drug stores, electronics,

²⁸ Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties was 95.3%, which rounds to 95%. This is the most recent standardized information available on rental vacancy rate in San Francisco.

health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods.

By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 4, below.

**Table 4. Assumed Percentage of Pipeline Residents
Spending at Neighborhood-Oriented Outlets**

Retail Category	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	15%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	20%
General Merchandise Stores	20%
Food Services & Drinking Places	75%
Other Retail Group (6)	20%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, the increasing incidence of online shopping, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 33% of retail spending by Pipeline households comprises neighborhood-oriented spending. This percentage is largely influenced by the high proportion of food and beverage sales and food services and drinking place sales anticipated to comprise neighborhood-oriented purchases.

The aggregated retail demand estimates for the one-half mile radius and additional one-quarter mile radius pipeline households were converted to supportable square feet based upon the following:

- industry average assumptions regarding store sales performance;
- an adjustment to allow for a modest vacancy rate; and
- an allocation of additional space for services, such as banks, personal, and business services.

The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2018 sales estimates. The resulting sales per square foot figures, summarized from data presented in Exhibit 4, range from a low of \$310 per square foot for general merchandise stores to a high of \$671 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. For service-oriented retail, the analysis assumes neighborhood-oriented

demand comprises 75% of total service demand. This assumption recognizes the strong neighborhood orientation of these services.

The Pipeline projects include those located in the one-half mile radius and those located in the additional one-quarter mile radius. Much of the neighborhood-oriented demand generated by households within the one-half mile radius could be directed at commercial operations located in that area, but some could also be directed to commercial operations within walking distance of the area or beyond, and thus outside the one-half mile radius. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households in the additional one-quarter mile radius could be directed to commercial operations in the one-half mile radius. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the one-half mile radius, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline households is likely to be directed to businesses located in the one-half mile radius, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

One-half Mile Radius Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the one-half mile radius indicate estimated support for 25,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the 2918 Mission Street Project is only 2,500 square feet (see Exhibit 6). This means the remaining, other Pipeline one-half mile radius projects are estimated to generate demand for 23,200 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the one-half mile radius, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the one-half mile radius, thus not all the 25,500 square feet of demand may be directed at one-half mile radius establishments.

Additional One-Quarter Mile Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the Pipeline projects within an additional one-quarter mile of 2918 Mission Street will generate estimated support for 3,400 square feet of neighborhood-serving retail and commercial space (see Exhibit 7). This includes projects within one-half and three-quarter miles of 2918 Mission Street, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the additional one-quarter mile radius projects, with only a portion likely directed toward one-quarter mile radius operations. Thus, only a portion of the 3,400 square feet of demand could comprise demand for retail and services located in the one-half mile radius area.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline projects within the three-quarter mile radius of 2918 Mission Street is presented in Exhibit 8 and summarized below in Table 5. The figures total 20,448 square feet of retail space, 8450 square feet of service space (e.g., service retail, such as finance, personal, and business services), resulting in a rounded total of 28,900 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 3,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located

in the one-half mile radius area. Moreover, a large portion of this demand comprises grocery store demand, which could help support the new Grocery Outlet store within the one-half mile area at 1245 South Van Ness, the location of the former DeLano's Market closed since 2010, as well as other existing small markets in the area.

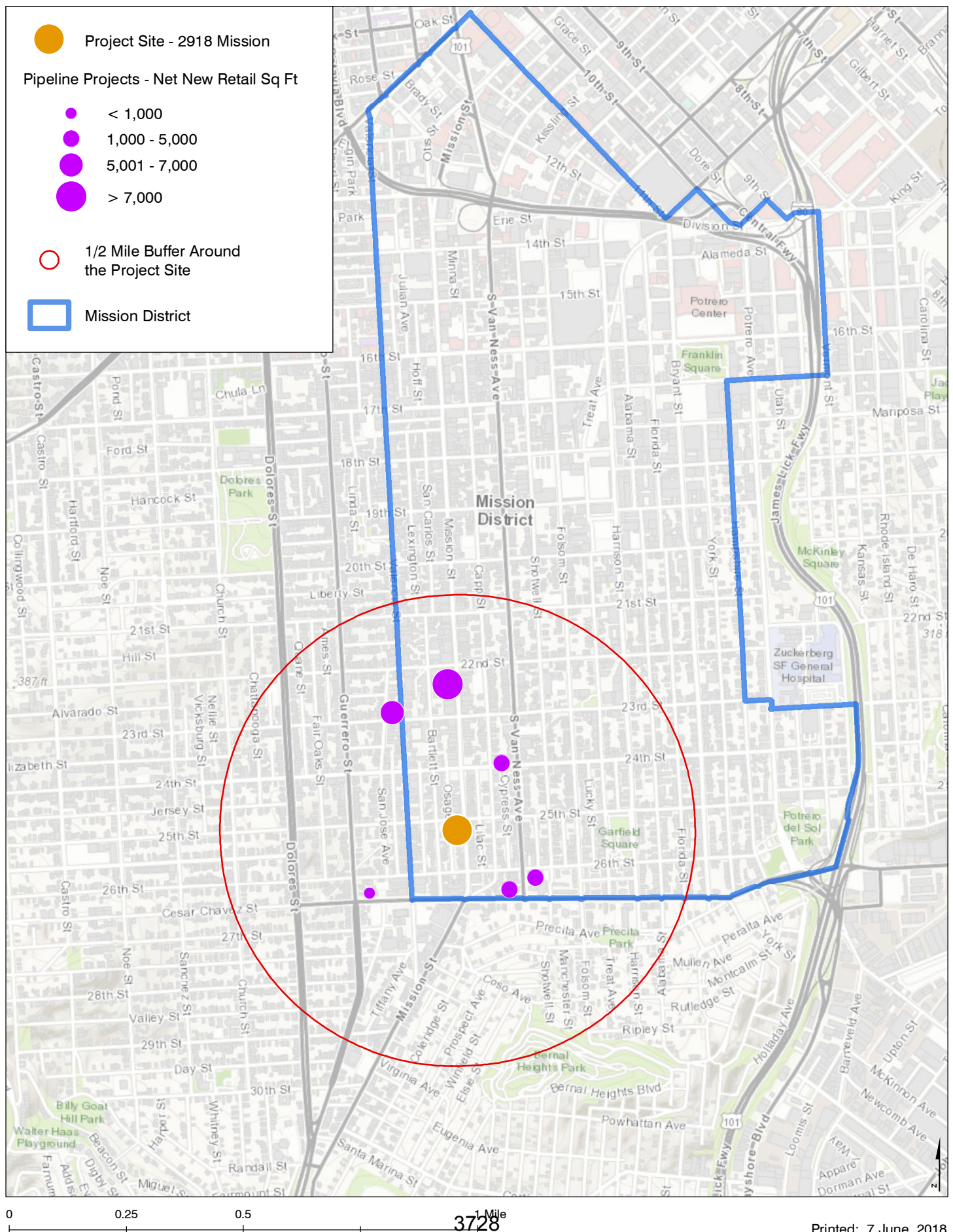
**Table 5. Pipeline Projects Neighborhood-Oriented Retail Demand
One-Half Mile and Three-Quarter Miles Radius Around 2918 Mission St.
Commercial Square Feet of Demand**

Retail Category	Square Feet Supported		Total
	One-Half Mile	Add'l 1/4 Mile	
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	729	96	825
Building Materials and Garden Equip.	616	81	697
Food and Beverage Stores	6,012	794	6,807
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	887	117	1,004
General Merchandise Stores	2,269	300	2,569
Food Services and Drinking Places	5,839	772	6,611
Other Retail Group	1,709	226	1,935
Subtotal	18,061	2,387	20,448
Additional Service Increment	7,464	986	8,450
Total	25,526	3,373	28,899
Total Rounded to Nearest 100	25,500	3,400	28,900
Net New Retail Planned	27,480	7,258	34,738

Sources: Exhibits 5, 7, and 8; and Table 1.

The summary in Table 5 also includes the net new retail space planned in the Pipeline projects in each radius area and total. As noted earlier, this totals 27,480 square feet in the one-half mile area and 7,258 square feet in the additional one-quarter mile area, for a combined total of 34,738 square feet. The geographic distribution of the net new retail space is presented in Map 2, depicting the location of the net new retail space by general size range.

As these figures indicate, there is close to equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in the combined areas. Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in these study areas. Thus, *it is not a likely result that new residential developments in the one-half mile radius around the 2918 Mission Street project would exert pressure on the existing retail base that would lead to displacement of existing tenants.* This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes displacement of existing tenants from the neighborhood's commercial space.



Moreover, even without the net new addition of retail space in the Pipeline projects, the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the one-half mile area. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the one-half mile radius has approximately 1.4 million square feet of retail space.²⁹ If 75% of the one-half mile radius demand and 33% of the additional one-quarter mile radius demand were specifically directed to one-half mile radius establishments, this would equate to just about 20,200 square feet of space, or 1.5% of the existing commercial base in the one-half mile radius. This is a small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, as the Pipeline projects will be increasing the retail base, there is no risk of pressure on the existing commercial base. ***Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the one-half mile radius around the 2918 Mission Street project, or the additional one-quarter mile radius area.***

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the one-half mile radius area as well as the Mission District. As noted above, the one-half mile area is estimated to have 1.4 million square feet of retail space. The Mission District has 3.0 million square feet of retail space.³⁰ ***Demand analysis for existing households in the Mission indicates that the Mission District is clearly characterized by retail attraction, meaning it attracts more retail sales, or demand, than is supportable by its population base.*** A similar finding could be made for the one-half mile radius area, although not as markedly as for the Mission District. These findings are demonstrated by the analysis in Exhibits 9 through 12, with Exhibit 9 presenting the household counts and weighted average household incomes for area households in 2016.³¹ These household counts and average household incomes are 15,659 and \$110,317 in the Mission, respectively, and 11,275 and \$136,422 in the one-half mile radius, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the Pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 11 and 12 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 6, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.2 million square feet, with about 480,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for one-half mile radius households are 920,000 square feet of total demand, including about 350,000 square feet of neighborhood-oriented demand.

These demand estimates indicate that the supply of retail in the Mission as a whole outstrips locally-generated demand. In the Mission, the total retail supply is 2.4 times the amount of retail supportable by its residents, and 6.3 times the neighborhood-oriented demand generated by residents. In the one-half mile radius the total supply exceeds the amount supportable by residents, but to a lesser extent

²⁹See <https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q> for the database.

³⁰ See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: <https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q>.

³¹ The household count and income figures for the one-half mile radius are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the one-half mile radius. These shares were estimated by ALH Economics based upon ArcGis analysis of the one-half mile area superimposed over area census tracts.

than the Mission District as a whole. Nevertheless, the one-half mile area total retail supply is 1.5 times the amount of retail supportable by its residents, and 3.8 times the neighborhood-oriented demand, suggesting this area as well is also characterized by retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail, especially in the Mission District.

Table 6. Mission and LCD Retail Inventory and Total and Neighborhood-Oriented Commercial Square Feet of Demand

Area	Retail Inventory	Square Feet Supported		Supply Multiplier (1)	
		Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,246,300	479,500	2.4	6.3
One-Half Mile Radius	1,362,900	920,900	354,300	1.5	3.8

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 11 and 12; and ALH Urban & Regional Economics.

(1) This metric comprises retail inventory divided by total square feet of retail supported, or demand. If the metric is ≥ 1.0 then there is a surplus of retail space relative to local demand, thus requiring demand from outside the area to support the retail inventory.

Table 7 presents another way of looking at the supply of retail in the Mission District compared to its resident base and the impact of the Pipeline households. This table identifies the number of Pipeline households, number of Mission District households, and calculates the approximate number of households needed to support the Mission District retail base. This number, which ranges from 37,979 to 98,715, comprises the number of households needed to support the retail if the Mission District captured 100% of all retail demand (37,979 households) or just 100% of the neighborhood-retail portion of demand (98,715). The high estimate of 98,715 households assumes capture of all neighborhood-serving retail. Thus, if some households make neighborhood goods purchases outside the Mission District, this figure would be even higher, which is likely the case.

Table 7. Mission District Retail Support Resident Household Deficits

Characteristic	Figure		
Number of Pipeline Households		775	
Mission District Households		15,659	
Households Needed to Support Mission District Retail (1)	37,979	-	98,715
Mission District Household Deficit to Support Retail	22,320	-	83,056
Pipeline Households as a Percent of Deficit	3.5%	-	0.9%

Sources: Table 3; Exhibit 10; Table 6; and ALH Urban & Regional Economics.

(1) Comprises the number of Mission District households multiplied by 2.4 and 6.3, which are the supply multipliers in Table 6, indicating that the Mission District's retail supply is estimated to be 2.4 times the amount of retail supportable by residents, at 100% of retail spending potential, and 6.3 times the amount of neighborhood-oriented retail supportable by residents.

Given the estimated number of existing Mission District households and the number needed to support the Mission District retail base, the figures in Table 7 indicate that an additional 22,320 to 83,056 households support the Mission District retail base beyond the existing residents. The 775

potential Pipeline households would comprise only 0.9% to 3.5% this amount, indicating that the new Pipeline households will have a very insignificant impact on the Mission District retail base.

The figures in Table 7 are generalized figures, based upon generalized sales assumptions. To the extent sales in the Mission District vary from the assumed levels, then the estimated household counts required to support the retail base will differ. However, the analysis amply demonstrates that the Mission District is clearly a regional shopping destination, as is the one-half mile radius area. Broad citywide and regional socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the Mission District exceeds the demand from existing residents and is largely supported by persons living beyond the area, new residential development within the Mission does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units at 2918 Mission Street and surrounding areas will be delivered.

San Francisco Apartment Rent Trends

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines. But overall, the overall trend is one of rising rents.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), tracked these trends generally for the San Francisco apartment market for a 20-year period. RealAnswers, however, only included “investment grade” properties with 50 or more units, which, as of December 2016,³² was 24,066 units, or about 11% of San Francisco’s 2016 renter-occupied housing units.³³ This is only a portion of San Francisco’s rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco’s rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco’s large number of rental units that are subject to rent control.

Exhibit 13 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco’s rents increased at an average annual rate of 5.5%. In absolute terms, this represented a near tripling of rents, from an average of \$1,235 in 1996 to \$3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.³⁴ Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some periods of strong rental rate growth (1996-1997, 1999-2000, 2010-2014), as well as a few periods marked by declining rents (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual

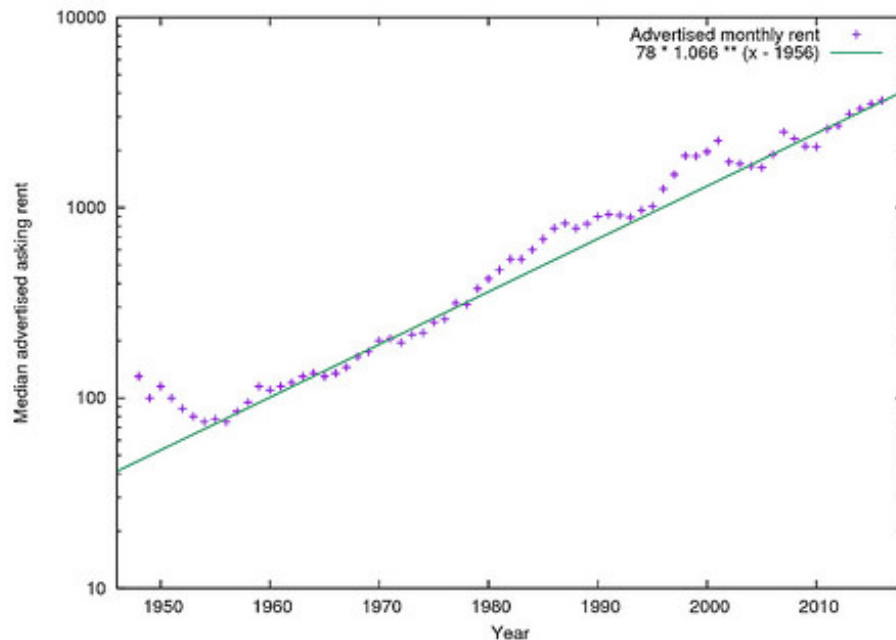
³² RealAnswers ceased operation after this date, thus more current information based on these properties is not available.

³³ Pursuant to the U.S. Census for 2016. See:

<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

³⁴ Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984+100 for All Urban Consumers. November 15, 2016.

rent increase of 6.6% (not adjusted for inflation).³⁵ While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.



Sources: Zillow.com; and ALH Urban & Regional Economics.

As shown by the RealAnswers data in Exhibit 13, San Francisco rents experienced a significant change in 2016, when the rate of recent rent increases for investment grade units slowed down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This slowdown in the rental market for the represented investment grade rental units is mirrored in other rental real estate sources, including Zillow, a national real estate and rental marketplace firm that tracks over 450 markets. The graph presented on the following page presents month-over-month rate changes in San Francisco median market rents from January 2014 to March 2018, thus demonstrating the trend beyond 2016. The data presented by Zillow indicate that median rental rates actually decreased overall in 2016. However, in contrast to RealAnswers, Zillow does not track or sample the same units over time. Instead, Zillow reports apartment listings by unit type, and thus comprises a different random set of units every month. As such, the Zillow trend may be less robust than the earlier RealAnswers trend.

As shown by the above graph, median rental rate growth in San Francisco citywide turned negative in January 2016 and continued to be negative throughout the year and into early 2017. Since then, monthly rent growth has been weak – either slightly positive or negative - and has not yet returned to the levels experienced in 2014 and 2015.

³⁵ <https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html>

San Francisco Metropolitan Area and National Trends

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reports a slowdown in rent increases in the San Francisco metropolitan area, as shown in Table 8 below.

**Table 8. Yardi Matrix
Apartment Rent Growth Statistics**

Year	Year over Year Growth (April)		Projected Growth
	San Francisco MSA	United States	Year End San Francisco MSA
2015	12.5%	4.3%	11.1%
2016	6.5%	6.0%	10.5%
2017	-0.1%	2.0%	3.8%
2018	1.7%	2.4%	2.8%

Sources: "Matrix Monthly, Rent Survey April 2015" by Yardi Matrix; "Matrix Monthly, Rent Survey April 2016" by Yardi Matrix; "Matrix Monthly, Rent Survey April 2017" by Yardi Matrix; "Yardi Matrix Multifamily Monthly, April 2018" by Yardi Matrix; and ALH Urban & Regional Economics.

As Table 8 indicates, year-over-year rent growth in the San Francisco MSA (or metro area),³⁶ which was 12.5% for the year ended April 2015, had declined to 6.5% by April 2016, and was -0.1% as of April 2017. Very modest rent growth has returned in the past year through April 2018, reported at 1.7%.

Nationally, the year-over-year trend in rent growth indicates a different pattern, with 4.3% rental rate growth in 2015, followed by increased rent growth of 6.0% in 2016. Similar to the San Francisco MSA, the rate of rent growth declined in 2017, but was nonetheless positive at 2.0% versus slightly negative in San Francisco. While rent growth both in the San Francisco metro area and overall nationwide were slowing down, the slowdown was more pronounced in San Francisco. As of April 2018, U.S. rent growth continues at a modest pace of 2.4%, moderately higher than that in the San Francisco metro area.

Table 8 also presents Yardi's forecast of rent growth for the calendar year for the San Francisco metro area. As shown, this growth forecast declined from 11.1% in 2015 to 2.8% in 2018. Out of the 30 larger metro areas with 2018 calendar year rent forecasts in the Yardi Matrix Multifamily Monthly April 2018 report, San Francisco ranks 17th, with Sacramento being the top market at a 7.2% projected rent growth for 2018, followed by Phoenix at 5.0%. Washington DC is the lowest at 1.3%.

Neighborhood Trends

Looking at the neighborhood level, Zumper found that, out of the 43 San Francisco neighborhoods included in its report, 25 experienced a rent decrease in median one-bedroom rents from March 2017 to March 2018.³⁷ One neighborhood was flat (West of Twins Peaks), while the remaining 17

³⁶ Defined as the Standard Metropolitan Statistical Area, which includes San Mateo, Marin, Alameda, and Contra Costa counties.)

³⁷ <https://www.zumper.com/blog/2018/03/see-which-sf-neighborhoods-had-the-fastest-growing-rents-this-past-year/>

had a rent increase. In most of these neighborhoods, the rate of increase was less than 5.0%, but five areas did experience an increase in excess of 5.0% (Presidio Heights/Laurel Heights, Lower Haight, Tenderloin, Bayview, and Lower Pacific Heights). The Mission experienced an increase of 1.47% in its median one-bedroom rent. The overall increase citywide in one-bedroom rents is 4%, which follows an overall rent decline in 2016.

In terms of monthly rent amounts reported by Zumper, the Mission, with a median one-bedroom rent of \$3,450, ties with Russian Hill for the 10th most expensive neighborhood in San Francisco. The median one-bedroom rent in the Mission is slightly higher than that for San Francisco overall at \$3,400 as reported in the Zumper National Rent Report: April 2018. This report also provides data on the median rent for a two-bedroom unit in San Francisco at \$4,510. Although this report indicates that year-over-year rent increases citywide were in the low single digits (2.4% and 1.8%, respectively), San Francisco remains the most-expensive rental market in the U.S.³⁸

Based on evidence reviewed, rental rate growth in San Francisco has tapered off since the end of 2015, with either flat or declining rents, depending upon the source and its methodology. In most neighborhoods, such as the Mission District, rent increases have moderated. Although increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, the San Francisco market remains in a slower period of rent increases. As noted above, however, City of San Francisco Planning Department analysis indicates that 71% of San Francisco's market-rate rentals are subject to rent control, thus many San Franciscans are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production at 2918 Mission Street and the surrounding area will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, six papers (including document links) stand out regarding their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.

<http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).

<http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf>

³⁸ <https://www.zumper.com/blog/2018/03/zumper-national-rent-report-april-2018/>

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016. <http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper>

6. Karen Chapple, Paul Waddell, and Daniel Chatman, with Miriam Zuk, "Developing a New Methodology for Analyzing Potential Displacement," Prepared for the California Air Resources Board and the California Environmental Protection Agency, by the University of California, Berkeley and the University of California, Los Angeles, April 26, 2017. http://www.urbandisplacement.org/sites/default/files/images/arb_tod_report_13-310.pdf

The findings from the six studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress upward pressure on existing home prices and rents. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level. They further indicate that the extensive gentrification observed in Bay Area transit-served neighborhoods over the past 15+ years, including the Mission, was not caused by new development, as relatively limited development occurred during this time period in these neighborhoods.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline relevant to the 2918 Mission Street project. The key findings of each study are highlighted.

California Legislative Analyst's Office (LAO)

March 2015 Study. The LAO's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the

national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

“California is a desirable place to live. Yet not enough housing exists in the state’s major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains new housing construction. A shortage of housing along California’s coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California’s coast unaffordable turn instead to California’s inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices.”³⁹

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

“after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower.”⁴⁰

Thus, the LAO study concludes, as a result of conducting statistical analysis, that ***a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.***

February 2016 Study. In response to concerns about housing affordability for low-income households following release of the 2015 study, LAO’s February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state’s coastal urban communities would help make housing more affordable for low-income Californians. As cited by the LAO:

“Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.

Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that

³⁹ Mac Taylor, California Legislative Analyst’s Office, “California’s High Housing Costs: Causes and Consequences,” March 17, 2015, page 3.

⁴⁰ Ibid, page 12.

construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians.”⁴¹

In this paper, the LAO presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs; and
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households.

Further, the LAO cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. The LAO additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community’s housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California’s slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, the LAO *paper concludes that more private development is associated with less displacement*.⁴² The LAO cites that the analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, the study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, the findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).⁴³ The LAO theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community’s inclusionary housing policies.⁴⁴ In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, the LAO also found displacement was more than twice as likely than in low-income census tracts with high construction levels.⁴⁵ This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

⁴¹ Mac Taylor, California Legislative Analyst’s Office, “Perspectives on Helping Low-Income Californians Afford Housing,” February 2016, page 1.

⁴² The LAO defines a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see LAO, 2016, page 13).

⁴³ Ibid, page 9.

⁴⁴ Ibid.

⁴⁵ Ibid, page 10.

City and County of San Francisco, Office of Economic Analysis

In 2015, at the request of the Board of Supervisors, the Office of Economic Analysis (OEA) prepared a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

“lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city’s ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium.”⁴⁶

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

“market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable.”⁴⁷

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.⁴⁸ Finally, the study stated:

“We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. On the contrary, both in the Mission and across the city, new market rate housing tends to depress, not raise, the value of existing properties.”⁴⁹

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that *new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period.*⁵⁰

⁴⁶ City and County of San Francisco, Office of the Controller-Office of Economic analysis, “Potential Effects of Limiting Market-Rate Housing in the Mission,” September 10, 2015, page 1.

⁴⁷ Ibid, page 28.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid page 26.

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk and Chapple, from the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by the LAO in "Perspectives on Helping Low-Income Californians Afford Housing" (February 2016), wherein the LAO study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of the LAO's findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if the LAO's noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple's findings largely support the argument that building more housing reduces displacement pressures, and agree that "market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population."⁵¹ They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that *"neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem."*⁵² They further cite that drilling down to local case studies, they "see that the housing market dynamics and their impact on displacement operate differently at these different scales"⁵³ and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.⁵⁴

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen's study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen's study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

⁵¹ Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.

⁵² Ibid, page 7.

⁵³ Ibid, page 10.

⁵⁴ Ibid, page 1.

"Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."⁵⁵

Monkkonen states that "constraining the supply of housing increases rents."⁵⁶ He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise be inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."⁵⁷ He further cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."⁵⁸ Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that *increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement*.

Karen Chapple, Paul Waddell, and Daniel Chatman, with Miriam Zuk, University of California, Berkeley and the University of California, Los Angeles, April 26, 2017

This paper is a very extensive and comprehensive review of theory and research regarding the relationship between fixed-rail transit neighborhoods and displacement, using case studies in Los Angeles and the San Francisco Bay Area to examine patterns of neighborhood change in relation to transit proximity. The impetus behind this study is to assess the impact of pursuing more compact, transit-oriented development as a key strategy to achieve greenhouse gas reductions through regional sustainable communities strategies (SCS), in compliance with State of California climate change legislation. As noted in the study's Executive Summary, "Concern has been raised that such

⁵⁵ Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.

⁵⁶ Ibid, page 5.

⁵⁷ Ibid page 6.

⁵⁸ Ibid.

development and investment patterns may result in heightened property values and the displacement of low income households.”⁵⁹

A key objective of the study was to examine “the relationship between fixed-rail transit neighborhoods and displacement in California by modeling past patterns of neighborhood change in relation to transit proximity.”⁶⁰ The report also sought to analyze the relationship between displacement and travel behavior. The many types of variables included in the study’s quantitative and qualitative case study analysis included neighborhood-level data, address-level data, and parcel-level data. The neighborhood-level analysis included variables such as demographic, housing, and socioeconomic characteristics; movement in/out of neighborhood; and public housing unit counts and Section 8 voucher recipients (all neighborhood-level datasets). The address-level analysis included variables such as number of housing units constructed; number of jobs, establishments, and business sales; number of evictions by type; and presence of a rail station. The parcel-level analysis included numerous variables probing changes associated with a plot of land, such as transaction history, land-use changes, new residential structure construction, major renovations, and conversions of apartments to condominiums. These data, along with other data constructs, were inputs to the investigators’ development of proxies to assess different types of displacement (e.g., economic, physical, and exclusionary). The study years represented by the data reflected 2000 to 2013.

A heavy focus of the study was to assess vehicle miles traveled (VMT) among different groups relative to their transit proximity. But in addition, its findings have bearing on the knowledge base associated with residential gentrification and displacement. Aside from the findings associated with VMT, some of the case study findings associated with examining gentrification and displacement in fixed-rail transit neighborhoods included the following:

- “Gentrification in Los Angeles and the Bay Area transit neighborhoods cannot be attributed to new residential development, as the vast majority of transit neighborhoods in both Los Angeles and the Bay Area experienced relatively little residential development from 2000 to 2013. In the Bay Area, over half of market rate residential development occurred in tracts that did not gentrify.”⁶¹

The preceding is a very high-level summary of just one small aspect of a detailed and well-researched study. It is, however, one of the findings most relevant to the issue being addressed by this literature review regarding the relationship between home construction, increasing rents, and displacement.

Case Study Analysis and Findings

This section includes case study analysis and findings that explores the relationship between housing production and market-rate housing costs. The focus of this section is analysis specific to San Francisco, but also includes several additional case studies associated with other areas where rising residential prices relative to housing production has also been explored, either in depth or on a more qualitative basis.

San Francisco. To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify

⁵⁹ Karen Chapple, Paul Waddell and Daniel Chatman, with Miriam Zuk, “Developing a New Methodology for Analyzing Potential Displacement,” April 26, 2107, page vi.

⁶⁰ Ibid.

⁶¹ Ibid, page 91.

readily available data points local to San Francisco and the Mission District. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as \$0 - \$499, \$500-\$999, \$1,000-\$1,499, \$1,500- \$1,999, and \$2,000+. The rent range band tops out at \$2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the \$2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count, and this resource ceased operation after 2016. Other sources also provide a time series of data, but do not track the same set of housing units over time, and thus provide informative, but potentially less reliable findings.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco and the census tracts defining the Mission District, pursuant to the American Community Survey (ACS). Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as Zillow and RealAnswers, with the latter tracking prices and price changes for a 20-year period, but ending in 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco and the Mission District. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. *No specific trends were identified for the City or the Mission District suggesting that housing production has an impact on apartment rents, either increases in rent or rent suppression.* This finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. For example, Zillow now tracks median rents in San Francisco and several neighborhoods for all rental units as well as units by type (i.e., number of bedrooms). While these data are useful, they are somewhat limited because the sample units comprise a random set of units being marketed at the time of Zillow's survey, and do not comprise a consistent stock of units being sampled over time. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases. For just the Mission District, an estimate published in June 2015 suggested that approximately 68% of units in the Mission census tracts are potentially rent-controlled.⁶²

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco and the Mission District is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

Other Cities. Many other cities throughout the United States grapple with understanding where displacement is occurring in their city and how gentrification impacts displacement, and explore approaches to mitigate displacement. An oft-cited means of reducing displacement is the creation or preservation of affordable housing, priced to protect the most vulnerable residents. These considerations are often combined with concerns about promoting economic mobility for all, as displacement is deemed less likely to occur if household income grows along with the neighborhood's rising values.

Less common in the reports and studies prepared by or about other cities are findings or strategies regarding how new housing development impacts displacement, or rental rates of existing housing units, which is a core consideration at issue in San Francisco and the Mission District specifically. ALH Economics conducted a search to identify case study examples of cities, journalists, or urbanists that

⁶² Sydney Cespedes, Mitchell Crispell, Christina Blackston, Jonathan Plowman, and Edward Graves, "Community Organizing and Resistance in SF's Mission District, Center for Community Innovation, June 2015, page 6.

broadened their examination or discussions to include the dimensions of new housing development and pricing relative to gentrification, including how to balance revitalization, which is perceived to be positive for communities, with reducing displacement risks. Following are summaries of some of the materials found to most directly include incorporation of new market-rate housing development along with affordable housing development in their analysis and findings.

Seattle. A January 2018 Seattle Times article reported findings that the Seattle region comprising King and Snohomish counties experienced a 48% increase in rents over the previous five years, with Seattle leading the nation in rent hikes in 2016 and early 2017.⁶³ While the annual rent still increased modestly from a year earlier (4.5%), the quarterly average rental rate dropped significantly for the first time this decade, comprising a 2.9% decline in December 2017 compared with the prior quarter. During the same period, the region's vacancy rate grew 0.8%, reaching 5.4% in December 2017, comprising the highest vacancy rate since 2010. Vacancy rates were reported to be higher among the existing apartment stock in neighborhoods experiencing new apartment development. In parallel, the biggest rent decreases were mostly in the popular Seattle neighborhoods experiencing the greatest new construction, with rents dropping more than 6% from the prior quarter in many neighborhoods.

While the surge in rental rates was attributed to strong job and population growth, The Seattle Times article attributed the changing rental market dynamics to the strong growth in rental unit supply, with many new projects under construction and supply growing faster than demand. As a result, some new apartments are remaining vacant. While some longer-term rental rate growth is anticipated for this market, several market analysts anticipate growth will be similar to the rate of inflation, rather than any accelerated market growth. Thus, rental rates in Seattle are anticipated to moderate pursuant to the achievement of relative market equilibrium between supply and demand.

This trend in Seattle suggests that rental unit pricing is influenced negatively by new rental unit construction, i.e., as new production occurs, pricing increases become more moderate or drop, suggesting that new development helps dampen pricing increases and does not result in increased rents elsewhere.

Prior to this recent market trend in Seattle, Sightline.org published a paper in 2016 by Dan Bertolet that focused on Seattle housing market dynamics and displacement.⁶⁴ The paper's purpose was to lay out evidence on displacement in Seattle and assess strategies for community protection from displacement. The author's premise is that "the root cause of displacement is a shortage of homes, and the only real solution is to build lots more housing of all types, to bolster those efforts with public support for those most vulnerable, and to precisely target preservation efforts in places justified by the protection of cultural communities or the opening of economic opportunities." One focus of Bertolet's paper is the distinction between "physical displacement" and "economic displacement," with the former associated with old buildings making way for new ones, and the latter occurring when rising rents force tenants to move elsewhere. The author then indicates the two forms of displacement could precipitate "cultural displacement," when people move because neighbors and culturally related businesses have left the area.

A good portion of Bertolet's efforts was associated with the demolition of low-cost housing as new housing development opportunities arise in Seattle. As this is not a key issue relative to concerns about

⁶³ Mike Rosenberg, Seattle Times (seattletimes.com), "Seattle-area rents drop significantly for first time this decade as new apartments sit empty," January 12, 2018, Updated January 13, 2018.

⁶⁴ Dan Bertolet, Sightline.org, "Displacement: The Gnawing Injustice at the Heart of Housing Crises, What can we actually do about it?," August 10, 2016.

displacement in San Francisco and the Mission District, the following focuses on other aspects of the Bertolet's research and findings more associated with economic displacement, although some of the paper's conclusions and findings are based upon comingling consideration of both types of displacement.

Bertolet makes many statements associated with the impact of housing production on displacement and rent trends. Among these are the following:

- "Legal restrictions on housing construction create a situation in which the need for homes increasingly outstrips the supply of homes available to rent or purchase. And this enforced housing shortage creates a preservation paradox: conservation of existing inexpensive private-market housing Does not reduce displacement. It only rearranges where the displacement happens – and can even increase its occurrence."
- "In a bidding war for scarce homes... the only way everyone can come out with a place to live is if there are enough new dwellings added for everyone who is bidding.... Ultimately, no action is more effective at curtailing displacement across an entire city than creating more housing choices for the diverse families and individuals who need them."
- "In terms of net housing gained versus housing lost, redevelopment is a big win for reversing Seattle's housing shortage and relieving upward pressure on prices caused by unmet demand. More homes to accommodate more families at lower prices is a simple formula for less displacement overall."

After examining data regarding new home development by zone in Seattle, such as commercial zone, neighborhood commercial + midrise zone, etc., versus homes lost to demolition, Bertolet concludes that the data indicate that to minimize overall displacement, Seattle should allow as many kinds of new housing at as high a density as possible given site characteristics. He further indicates that halting development to save existing housing may provide a short-lived benefit for some, but only at the expense of many more times families who will see their rents rise faster. While the context for this comment pertains to preserving homes versus demolition for higher density housing opportunities, this finding could equally pertain to a scenario of restricting versus allowing new residential development.

Bertolet's paper continues with additional discussion regarding rental housing price dynamics, the preservation of affordable housing, the process by which filtering reduces economic displacement both in the short-term and the long-term, the benefits of building more subsidized affordable housing, and the need for consideration of other approaches beyond new housing development to equitably address displacement pressures in some culturally sensitive communities. Specifically, Bertolet states that "Tackling displacement requires a "both/and" approach; build lots and lots of new housing, and provide support for communities most vulnerable to change." Thus, Bertolet recognizes that culturally sensitive communities have unique needs, but that new housing development is critical to the minimization of economic displacement.

Bertolet's paper was written during a period characterized by strong growth in Seattle's rental rates. However, Bertolet's position that net new housing development could relieve upward pressure on prices appears to be borne out by the trends reviewed in the January 2018 Seattle Times article, i.e., declining rental rates coinciding with dramatic increases in new housing supply and associated forecasted modest rental rate growth consistent with inflation.

Denver. In May 2016, Denver's Office of Economic Development (OED) engaged in a study titled "Gentrification Study: Mitigating Involuntary Displacement." This was a far-reaching and multi-faceted

study, that conducted a review of what strategies and tools can be employed to reduce displacement. As part of the study, Denver's OED looked at other cities around the U.S. to see how communities are balancing the benefits of thoughtful development in a way that helps protect the most vulnerable residents and promotes economic mobility for all. Pursuant to the review conducted by Denver's OED of conditions in Denver and practices in other cities such as Portland, Sacramento, Seattle, Los Angeles, and others, the study highlights the following ideas for Denver:

- ***Affordable Housing*** – Increases in rental and for-sale housing prices outpaced income growth in many households, thus making public investment critical to increase Denver's supply of affordable housing across a wide spectrum of income levels;
- ***Middle-Skill Jobs*** – Displacement is less likely if household income grows along with the neighborhood's rising values, thus career-directed workforce training is key to helping people get the credentials they need to meet employers' needs;
- ***Support Small Business*** – Nurturing aspiring and existing small business owners is a powerful economic tool for sustaining healthy, diverse urban neighborhoods;
- ***Focus on Vulnerable Neighborhoods*** – Armed with the ability to predict where displacement threatens in the new future, both public and private investment can drive future decisions to preserve and protect unique neighborhoods while fueling the development they need to build opportunity, income and jobs.⁶⁵

Denver's OED study puts forth several recommendations, forming a platform for action. These include:⁶⁶

- ***There is no single solution*** – Gentrification is most often the result of complex market forces, and there is no quick fix for a city to benefit from neighborhood revitalization while completely avoiding the involuntary displacement that gentrification can bring;
- ***Investment in affordable housing continues to be a critical need*** – This includes creating a funding source, preserving affordable housing, land banking, and fiscal policy and grants to protect existing homeowners; and
- ***Access to broader economic opportunity needs to be considered within every public investment*** – Including provide technical support to neighborhood businesses, tie business incentives to targeted community engagement, expand awareness and exposure to career-path options, support entrepreneurship, and preserve industrial space for targeted uses with the potential to create middle-skills jobs.

As is clear from these summary points, one major thrust of Denver's approach is to support economic growth, of individuals as well as businesses, as a means of combating displacement. A very succinct statement in the full report addresses this by saying "Investing aggressively in affordable housing is critical, but housing-based strategies must also be paired with strategies to build existing residents' economic capacity. With the right strategies and supports, neighborhood reinvestment offers the potential to create new economic opportunity for existing residents. *Keeping investment out of some*

⁶⁵ Extracted from the Denver Office of Economic Development summary brochure "Gentrification Study: Balancing revitalization, reducing displacement. See <https://www.denvergov.org/content/dam/denvergov/Portals/690/Reports%20and%20Studies/GENT%20STUDY%20051816.pdf> for full study.

⁶⁶ Ibid.

neighborhoods to avoid gentrification while the rest of the city prospers is not a positive strategy for the long-term success of neighborhood residents.”⁶⁷

This statement is supported by the study’s summary of two Brookings Institution studies, one titled “The Anti-Poverty Case for Smart Gentrification” from 2015 and the other titled “Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices” from 2001. Of these studies, the full Denver report says “Both Brookings studies underline that a policy approach that seeks to simply stop or slow investment will not provide the greatest benefit to a city’s lower-income residents. Rather, policymakers should undertake strategies that allow residents to stay in place as investments in their communities create new economic opportunity. This report recommends strategies to both create greater access to affordable housing in gentrifying neighborhoods, and to create entry points for residents to benefit from new investments in their communities.”⁶⁸

While the thrust of the Denver study is more on how creating opportunities for economic growth can help mitigate displacement, rather than the impact of how other trends such as the development of market-rate housing can help preserve lower cost housing opportunities, this study does suggest that halting development in general is not a productive strategy and does not aid in reducing or minimizing residential displacement. The following section further explores the relationship between gentrification and displacement as addressed in the academic and associated literature.

Dissenting Opinion. The notion that the provision of new housing will help damp down increases in housing costs is not universally accepted. One such example of this dissenting opinion is made clear in a January 2018 article in Britain’s daily newspaper “The Guardian” by Ann Pettifor, a Director of Policy Research in Macroeconomics (PRIME), a network of economists concerned with Keynesian monetary theory and policies. This article, printed in a newspaper and not reviewed or vetted as occurs with academic journal studies, is heavily grounded in discussion about London’s real estate market, especially for houses, and thus is not easily transferrable to a U.S. market like San Francisco. However, the major thrust of Pettifor’s argument is that throughout the UK, increases in housing supply, and a contraction of demand due to a decline in the number of households, has not dampened prices.

To support this statement, Pettifor presents a few scant figures regarding the number of households in the UK, and the number of dwellings. The only housing cost information presented includes an 11% increase in home prices in Ireland in 2006, when more than 90,000 homes were built in a country with 4 million people.⁶⁹ Thus, Pettifor’s discussion is more qualitative than it is quantitative, wherein she states that the key to making housing more affordable in the UK is not to build more, but to stop the flow of cash flooding into expensive areas. She believes that building more without doing this will not reduce prices, and that the market will simply absorb more cash.

The crux of Pettifor’s argument is that speculation in the London property market is fueling stratospheric house price rises, not a shortage of supply, and that this has been exacerbated by government subsidies, tax breaks, and global and non-resident buyers funneling cash into London property.⁷⁰ To stop the flow of cash, Pettifor recommends implementing a tax on property speculation

⁶⁷ “Gentrification Study: Mitigating Involuntary Displacement,” Denver Office of Economic Development, May 2016, page 7.

⁶⁸ Ibid, page 14.

⁶⁹ “Why building more homes will not solve Britain’s housing crisis,” The Guardian, January 27, 2018, by Ann Pettifor.

⁷⁰ Ibid.

and taxing speculative capital flows in and out of Britain, which would create a managed fall in property prices. Pettifor believes the resulting bubble deflation will achieve a more affordable housing market, and that the money getting channeled toward speculative property investment could instead be used to drive investment in capital and social infrastructure to generate growth in productive, skilled, better-paid employment.

Aside from the fact that Pettifor provides no analytical support for her opinions, she promulgates a stance that would require a change in national taxation policy that in her opinion would also cause a largescale decline in property values. Without more substantial information and data, it is not possible for a reader of Pettifor's article to understand how she reached her conclusions. Moreover, the approach she recommends involving a national taxation policy change is not an approach that can be implemented at the local level in the United States, where concerns about the impact of affordable housing supply and market-rate pricing are most acute. Further, the implementation of a policy that would guarantee wholesale property value reduction, such as promoted by Pettifor, does not address the connection between construction costs and pricing, which is not addressed herein but which also factors into the context of pricing for new housing development.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification, as how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development, and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development *cause* gentrification and displacement?

ALH Economics identified 12 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with *public policy tools* available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development at 2918 Mission Street, and the Mission District in general, will cause displacement *is not supported by the evidence in the academic*

literature. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. Generally speaking, CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." Most specifically, the CEQA Guidelines state that:

"[e]conomic or social effects of a project shall not be treated as significant effects on the environment."⁷¹ CEQA defines the "[e]nvironment" as "*physical conditions*,"⁷² and impacts analyzed under CEQA must be "related to a physical change."⁷³

Under the CEQA guidelines, however, *physical changes* to the environment caused by a project's economic or social effects are secondary impacts that should be included in an EIR's impact analysis *if they are significant*.⁷⁴ There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.⁷⁵

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.⁷⁶

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

⁷¹ CEQA Guidelines, § 15131, subd. (a)

⁷² Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.

⁷³ Guidelines, §15358(b).

⁷⁴ CEQA Guidelines §15064(e)

⁷⁵ The primary case is *Bakersfield Citizens for Local Control v City of Bakersfield* (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include *Anderson First Coalition v City of Anderson* (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and *Gilroy Citizens for Responsible Planning v City of Gilroy* (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.

⁷⁶ This case is *Gray v County of Madera* (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.⁷⁷ Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.⁷⁸

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development at 2918 Mission Street and its surrounding areas (e.g., the one-half miles and additional one-quarter mile radii) will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

⁷⁷ Representative cases include *Preserve Poway v. City of Poway* (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not “include such psychological, social, or economic impacts on community character;” and *Cathay Mortuary, Inc. v. San Francisco Planning Com.* (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not “related to any environmental issue.”

⁷⁸ See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study “economic displacement”; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; Group 4 Architecture, Research + Planning, Inc.; East Bay Community Energy Authority; Claremont Colleges; and Kimco.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and

economic impact analysis, commercial market analysis, economic development and redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's

Home Improvement Warehouse, or Target store. The studies have also been conducted for large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, opened October 2017, with 365 Market opening December 2017
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opened April 2017
- Fresno, Park Crossing (formerly Fresno 40), totaling 209,650 square feet, July 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, opened April 2017
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center; phased project opening beginning September 2017
- Sacramento, Downtown Commons, mixed-use entertainment complex with 682,500 square feet of retail space adjoining new Golden 1 Center for the Sacramento Kings; initial tenant 2016, additional tenants beginning November 2017
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007

- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Sonora, Sonora Crossroads, Walmart Discount Store expansion to a Superstore, net increase of 30,000 square feet, groundbreaking May 2017
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006
- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Ukiah, Costco, 148,000-square-foot warehouse membership store, groundbreaking September 2017, completion anticipated Spring 2018
- Warriors Arena, San Francisco, groundbreaking January 2017

Projects in Progress/Engaged in the Public Process

- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center. FEIR completed January 2016 and Certified September 2017
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex. Final EIR completed 2017. Specific Plan Approved January 2018. Groundbreaking anticipated 2019/2020.
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

***Amy L Herman Resume Insert**



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PRINCIPAL

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SELECT OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- China Harbor Engineering Company
- Claremont University Consortium
- City of Dublin
- Dudek
- Environmental Science Associates
- Equity One
- First Carbon Solutions
- Gresham Savage Nolan & Tilden
- Howard Hughes Corporation
- Kimco Realty
- City of Los Banos
- LSA Associates
- Michael Brandman Associates
- City of Pleasanton
- The Primary School
- Remy Moose Manley
- Signature Flight Support
- Sunset Development Co.
- Sycamore Real Estate Investments LLC
- Syufy Enterprises
- City of Tracy

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time, she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

Alameda County. Prime consultant managing a complex team preparing a Local Development Business Plan for the soon-to-be launched East Bay Community Energy Community Choice Aggregation program for Alameda County. ALH Economics components include economic impact and financial analysis of the local development program components.

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

FISCAL IMPACT ANALYSIS

Stanford Research Park. Analyzed historic and current fiscal contributions generated by the Stanford Research Park real estate base and businesses to the City of Palo Alto, Santa Clara County, and the Palo Alto Unified School District.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Ronald McDonald House. Prepared fiscal impact analysis of expansion plans to more than double the existing facility to better serve families seeking treatment at Lucille Packard Children's Hospital.

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

AMY L. HERMAN
Principal**ECONOMIC DEVELOPMENT AND PUBLIC FINANCE**

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed-use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts. Prepared as a subconsultant to the District's water resource planning firm.

DEVELOPMENT FEASIBILITY

Alameda County. Managed numerous assignments helping Alameda County achieve its economic development goals for the County's unincorporated areas through surplus site disposition assistance, including market analysis and financial due diligence.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

Union City Property Owner. Provided an independent analysis regarding the reasonableness of the City of Union City continuing to reserve a key development area for office and/or R&D development in the context of the General Plan Update.

DCT Management LLC. Performed economic analysis on a proposed change to the Newark Zoning Ordinance regarding permitted industrial uses. The analysis demonstrated the market, fiscal, and economic impacts that could result from the proposed zoning ordinance change.

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles.

EDUCATION

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
**Entitled and Non-entitled Residential Pipeline Projects Within One-Half Mile and Three-Quarter Miles of 2918 Mission Street
Total Estimated Income and Spending on Retail from 2918 Mission Street and Pipeline Households
2018 Dollars**

Residential Land Use	Average Monthly Rent Assumption	Estimated Average Household Income (1)	Number of Households (2)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (5)
<u>Project (2918 Mission Street) (6)</u>						
2918 Mission - Market Rate	\$4,500	\$162,000	64	25%	\$41,100	\$2,618,200
2918 Mission - Affordable Rental	NA	\$48,800 (7)	8	39%	\$19,200	\$153,800
<i>Subtotal</i>			<u>72</u>			<u>\$2,772,000</u>
<u>Other One-Half Mile Projects</u>						
Entitled Market Rate Rental (8)	\$4,500	\$162,000	266	25%	\$41,100	\$10,941,600
Entitled Affordable Rental	NA	\$74,600 (9)	132	33%	\$24,900	\$3,288,100
Entitled Market Rate Owner	NA	\$430,000 (10)	41	22%	\$45,000 (11)	\$3,933,100
Entitled Affordable Owner	NA	\$95,900 (12)	6	31%	\$30,100	\$180,600
Not Entitled Market Rate Rental (8)	\$4,500	\$162,000	165	25%	\$41,100	\$6,799,400
Not Entitled Affordable Rental (13)	NA	NA	0	NA	NA	NA
<i>Subtotal</i>			<u>610</u>			<u>\$25,142,800</u>
<u>Total One-Half Mile Radius</u>					\$96,300	\$27,914,800
<u>Projects Within Additional One-Quarter Mile Radius</u>						
Not Entitled Market Rate (8)	\$4,500	\$162,000	82	25%	\$41,100	\$3,360,600
Not Entitled Affordable Rental	NA	\$95,000 (14)	11	31%	\$29,800	\$328,000
<i>Subtotal</i>			<u>93</u>			<u>\$3,688,600</u>
Total (15)		--	775	--	--	\$31,603,400

Sources: Vanguard Properties; 2018 Maximum Income by Household Size, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; 2018 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; Zillow; and ALH Urban & Regional Economics.

(1) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.

(2) Assumed to comprise occupied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.

(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.

(4) Comprises the product of estimated annual household income times percent income spent on retail.

(5) Comprises number of households times percent income spent on retail. Figures rounded to the nearest \$1,000.

(6) The market rate unit rents are based on the April 2018 median rent for rental units in the Mission District, per Zillow's monthly multifamily rent trends. For analytical purposes this is deemed a proxy for the cost of the 2918 Mission Street market-rate unit monthly rents. The affordable unit rents are based on the maximum rents per AMI income level by unit type. The unit mix comprises 2 studio units, 3 one-bedroom units, and 3 two-bedroom units.

(7) The affordable units at 2918 Mission Street are assumed to include 2 studio units affordable at 50% of AMI, 3 one-bedroom units affordable at 50% of AMI, 2 two-bedroom unit affordable at 50% of AMI, and 1 two-bedroom unit affordable at 55% of AMI. Household sizes are assumed at 1 for studio units, 2 for one-bedroom units, and 3 for two-bedroom units (i.e., number of bedrooms plus one except for the studio units). Using these assumptions, and the 2018 Maximum Income by Household Size, the average weighted household income is \$48,800.

(8) Market rate rents are based on the April 2018 median rent for rental units in the Mission District, per Zillow's monthly multifamily rent trends. For analytical purposes this is deemed a proxy for the cost of the average new rental unit, regardless of unit type.

(9) The San Francisco Development Pipeline includes three projects with affordable units, two at 90% of AMI and one at 30% and 60% of AMI. The majority of the units are in the project with the lower AMI. ALH Urban & Regional Economics calculated an approximate weighted average AMI across all the units, based upon the limited information available. The conclusion is unit affordability at 70% of AMI, with the household size average 3 persons.

(10) This is a generic assumption prepared by ALH Urban & Regional Economics, based on the household income equal to one-third housing cost and a March 2018 median home sale price in San Francisco of \$1.3 million per Zillow.

(11) Per the formula, this figure would calculate as \$96,300. Conservatively, ALH Urban & Regional Economics reduced this estimate to \$45,000, to allow for a higher spending proportion of income spent for other purposes, such as housing costs.

(12) Assumes 90% of AMI for a 3-person household. The San Francisco Development Pipeline indicates the 90% threshold. The household size assumption was prepared by ALH Urban & Regional Economics.

(13) The units at 2918 Mission Street are the only "not entitled" affordable units in this area.

(14) The affordability level of these units is not specified in the San Francisco Development Pipeline. For analytical purposes they are assumed to be affordable to 90% of AMI, which is consistent with the majority of other area projects with affordable levels. The income level included here corresponds with a 3-person households.

(15) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2016

Characteristic	Household Income Range									
	All Consumer Units	\$15,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 and more	
Average HH Income	\$74,664	\$22,167	\$34,703	\$44,589	\$59,369	\$83,595	\$120,512	\$170,704	\$345,002	
Amount Spent on Retail (2)	\$21,411	\$12,614	\$16,512	\$17,949	\$20,648	\$25,238	\$31,377	\$39,324	\$47,687	
Percent Spent on Retail (3)	29%	57%	48%	40%	35%	30%	26%	23%	14%	

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2016, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

- (1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
- (2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
- (3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2016
(in \$000s)

Type of Retailer	State of California		
	Total Taxable Sales (1)	Taxable Sales Adjusted to Total Retail	Percent Assumed Neighborhood- Oriented (2)
Motor Vehicle & Parts Dealers	\$84,225,652	\$84,225,652	15.7%
Home Furnishings & Appliances	\$29,910,071	\$29,910,071	5.6%
Building Materials & Garden Equipment	\$35,238,333	\$35,238,333	6.6%
Food & Beverage Stores	\$27,678,056	\$92,260,187 (3)	17.2%
Gasoline Stations	\$43,273,082	\$43,273,082	8.0%
Clothing & Clothing Accessories	\$39,698,156	\$39,698,156	7.4%
General Merchandise Stores	\$48,255,569	\$64,340,759 (4)	12.0%
Food Services & Drinking Places	\$78,494,623	\$78,494,623	14.6%
Other Retail Group (6)	\$55,940,351	\$70,414,309 (5)	13.1%
Total (7)	\$442,713,894	\$537,855,172	100%
			NA

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2016; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and Sedway Consulting.

- (1) Taxable sales are pursuant to reporting by the BOE.
- (2) Assumption prepared by ALH Urban & Regional Economics.
- (3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.
- (4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.
- (5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2015 represented approximately 12.74% of all Other Retail Group sales. Sedway Consulting applied that percentage and then adjusted upward for non-taxable sales.
- (6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.
- (7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2018 Projected (1)

Store or Category (2)	2010		2011		2012		2013		Average In 2018\$'s
	In 2010\$'s	In 2018\$'s	In 2011\$'s	In 2018\$'s	In 2012\$'s	In 2018\$'s	In 2013\$'s	In 2018\$'s	
Apparel									
Apparel - Specialty	\$405	\$464	\$447	\$496	\$472	\$513	\$451	\$483	\$489
Women's Apparel	\$365	\$418	\$455	\$505	\$515	\$560	\$473	\$507	\$497
Shoe Stores	\$371	\$425	\$454	\$504	\$487	\$529	\$475	\$509	\$492
Ross Dress for Less	\$324	\$371	\$195	\$216	\$195	\$212	\$362	\$388	\$297
Kohl's	\$229	\$262	\$215	\$239	\$209	\$227	\$190	\$204	\$233
Discount Stores									
Target	\$196	\$224	\$212	\$235	\$213	\$232	\$202	\$216	\$227
Wal-Mart	\$282	\$323	\$290	\$322	\$304	\$330	\$297	\$318	\$323
	\$422	\$483	\$499	\$554	\$456	\$496	\$376	\$403	\$484
Department Stores Category									
Sears	\$252	\$288	\$276	\$306	\$274	\$298	\$285	\$305	\$299
	\$206	\$236	\$205	\$227	\$210	\$228	\$161	\$172	\$216
Domestics Category									
Furniture Category	\$294	\$336	\$288	\$320	\$268	\$291	\$300	\$321	\$317
Average of Domestics & Furniture	\$198	\$227	\$290	\$322	\$361	\$392	\$449	\$481	\$355
	\$246	\$282	\$289	\$321	\$315	\$342	\$375	\$401	\$336
Neighborhood Center Category									
Supermarkets	\$535	\$612	\$533	\$591	\$575	\$625	\$611	\$655	\$621
Specialty/Organic	\$510	\$584	\$658	\$730	\$698	\$759	\$756	\$810	\$721
Drug Stores	\$724	\$829	\$657	\$729	\$667	\$725	\$629	\$674	\$739
Rite Aid	\$421	\$482	\$560	\$621	\$549	\$597	\$556	\$596	\$574
CVS	\$802	\$918	\$806	\$894	\$883	\$960	\$875	\$937	\$927
Restaurants Category									
Casual Dining	\$429	\$491	\$496	\$550	\$480	\$522	\$486	\$521	\$521
Fast Food Chains	\$431	\$493	\$578	\$641	\$563	\$612	\$567	\$607	\$588
	\$431	\$493	\$507	\$562	\$492	\$535	\$543	\$582	\$543
Home Improvement									
	\$269	\$308	\$278	\$308	\$287	\$312	\$301	\$322	\$313
Auto - DIY Stores (3)									
	\$205	\$235	\$218	\$242	\$220	\$239	\$217	\$232	\$237
Other Retail Categories									
Accessories	\$778	\$890	\$978	\$1,085	\$1,191	\$1,295	\$1,032	\$1,106	\$1,094
HBA, Home Fragrances	\$541	\$619	\$474	\$526	\$531	\$577	\$519	\$556	\$570
Electronics & Appliances	\$686	\$785	\$1,171	\$1,299	\$821	\$892	\$946	\$1,013	\$998
Office Supplies	\$263	\$301	\$270	\$300	\$262	\$285	\$283	\$303	\$297
Sports	\$226	\$259	\$239	\$265	\$252	\$274	\$253	\$271	\$267
Pet Supplies	\$185	\$212	\$188	\$209	\$218	\$237	\$234	\$251	\$227
Book Superstores	\$180	\$206	\$247	\$274	\$210	\$228	\$189	\$202	\$228
Toys	\$320	\$366	\$333	\$369	\$312	\$339	\$220	\$236	\$328
Music Superstores	\$318	\$364	\$317	\$352	\$314	\$341	\$292	\$313	\$342
Gifts, Hobbies & Fabrics	\$124	\$142	\$136	\$151	\$137	\$149	\$151	\$162	\$151
Average of Other Retail Categories	\$362	\$414	\$435	\$483	\$425	\$462	\$412	\$441	\$450

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.

(2) Includes industry- and category-representative stores.

(3) Average reflects a four-year trend.

Exhibit 5
Entitled and Non-entitled Residential Pipeline Projects Within One-Half Mile of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.	
			Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	\$4,371,330	\$800 (6)	5,464	0
Home Furnishings and Appliances	\$1,552,339	\$336	4,616	729
Building Materials and Garden Equip.	\$1,828,877	\$313	5,849	616
Food and Beverage Stores	\$4,788,324	\$671	7,140	6,012
Gasoline Stations	\$2,245,882	NA (7)	NA (7)	0
Clothing and Clothing Accessories	\$2,060,343	\$489	4,214	887
General Merchandise Stores	\$3,339,299	\$310	10,777	2,269
Food Services and Drinking Places	\$4,073,888	\$551	7,396	5,839
Other Retail Group	\$3,654,518	\$450	8,120	1,709
Subtotal	\$27,914,800	--	53,576	18,061
Additional Service Increment (15% of total) (9)	N/A	N/A	9,455	7,464 (8)
Total	N/A	N/A	63,031 (10)	25,526
Total Rounded to Nearest 100			63,000	25,500

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
2918 Mission Street
Supportable Square Feet of Commercial Space from Project Households
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Total Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$434,082	\$800 (6)	543	571	0
Home Furnishings and Appliances	\$154,151	\$336	458	483	72
Building Materials and Garden Equip.	\$181,611	\$313	581	611	61
Food and Beverage Stores	\$475,491	\$671	709	746	597
Gasoline Stations	\$223,021	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	\$204,597	\$489	418	441	88
General Merchandise Stores	\$331,600	\$310	1,070	1,126	225
Food Services and Drinking Places	\$404,546	\$551	734	773	580
Other Retail Group	\$362,902	\$450	806	849	170
Subtotal	\$2,772,000	--	5,320	5,600	1,794
Additional Service Increment (15% of total) (9)	N/A	N/A	939	988	741 (8)
Total	N/A	N/A	6,259 (10)	6,589	2,535
Total Rounded to Nearest 100			6,300	6,600 (11)	2,500

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7
Entitled and Non-entitled Residential Pipeline Projects Within Additional One-Quarter Mile of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$577,618	\$800 (6)	722	760	0
Home Furnishings and Appliances	\$205,123	\$336	610	642	96
Building Materials and Garden Equip.	\$241,664	\$313	773	814	81
Food and Beverage Stores	\$632,719	\$671	943	993	794
Gasoline Stations	\$296,766	NA (7)	NA (7)	NA (7)	0
Clothing and Clothing Accessories	\$272,249	\$489	557	586	117
General Merchandise Stores	\$441,248	\$310	1,424	1,499	300
Food Services and Drinking Places	\$538,315	\$551	977	1,029	772
Other Retail Group	\$482,900	\$450	1,073	1,129	226
Subtotal	\$3,688,600	--	7,079	7,452	2,387
Additional Service Increment (15% of total) (9)	N/A	N/A	1,249	1,315	986 (8)
Total	N/A	N/A	8,329 (10)	8,767	3,373
Total Rounded to Nearest 100			8,300	8,800 (11)	3,400

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
All Pipeline Projects Within Three-Quarter Miles of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.	
			Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	\$4,948,947	\$800 (6)	6,186	0
Home Furnishings and Appliances	\$1,757,462	\$336	5,226	825
Building Materials and Garden Equip.	\$2,070,541	\$313	6,622	697
Food and Beverage Stores	\$5,421,042	\$671	8,083	6,807
Gasoline Stations	\$2,542,648	NA (7)	N/A (7)	0
Clothing and Clothing Accessories	\$2,332,592	\$489	4,771	1,004
General Merchandise Stores	\$3,780,547	\$310	12,201	2,569
Food Services and Drinking Places	\$4,612,203	\$551	8,374	6,611
Other Retail Group	\$4,137,418	\$450	9,193	1,935
Subtotal	\$31,603,400	--	60,656	20,448
Additional Service Increment (15% of total) (9)	N/A	N/A	10,704	8,450 (8)
Total	N/A	N/A	71,360 (10)	28,899
Total Rounded to Nearest 100			71,400	28,900

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located within three-quarter miles of 2918 Mission Street and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Households and Mean Household Income
2016 (1)
Mission District and One-Half Mile Area Around 2918 Mission St.

Geographic Area/Census Tracts	All Census Tract Households	Area Households	Mean Household Income 2016	
<u>Mission District Census Tracts (2)</u>				
177	758	758	\$108,422	
201	3,115	3,115	\$78,337	
208	2,846	2,846	\$110,843	
209	1,894	1,894	\$98,578	
228.01	1,947	1,947	\$149,946	
228.03	1,570	1,570	\$126,656	
229.01	1,540	1,540	\$103,254	
229.02	832	832	\$141,679	
229.03	1,157	1,157	\$113,577	
Total/Weighted Average		15,659	\$110,317	
Percent of				
<u>One-Half Mile Area (3)</u>	<u>Census Tract</u>			
253	56%	1,734	969	\$142,278
252	42%	2,117	883	\$168,279
251	1%	1,400	17	\$161,052
229.02 (4)	72%	832	596	\$141,679
228.03 (4)	42%	1,570	657	\$126,656
229.01 (4)	100%	1,540	1,540	\$103,254
228.01 (4)	0%	1,947	4	\$149,946
215	28%	2,580	722	\$157,089
214	29%	1,666	482	\$204,076
211	11%	1,919	210	\$212,843
210	100%	2,165	2,165	\$146,639
209 (4)	100%	1,894	1,894	\$98,578
208 (4)	26%	2,846	729	\$110,843
207	15%	2,656	407	\$197,080
		11,275	\$136,422	

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars) 2012-2016"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The ACS conducts annual sampling for a running five-year period, and then inflation-adjusts the income numbers to the last calendar year in the sample, which in this case is 2016.

(2) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(3) The census tract identification and percentages for the One-Half Mile Area Around 2918 Mission Street per ALH Urban & Regional Economics using ArcGIS. Percentages comprise ALH Economics assumptions.

(4) Comprise census tracts that overlap with the Mission District. The household count in these tracts comprises 35% of Mission District households. The other census tracts are in other Planning Districts, including Bernal Heights and Central.

Exhibit 10
Mission District and One-Half Mile Radius Around 2918 Mission Street
Total Estimated Income and Spending on Retail from Existing Area Households
2018 Dollars

Area	Estimated Average Household Income		Number of Households (1)	Percent Income Spent on Retail (3)		Per Household Retail Spending (4)	Total Retail Demand (4)
	2016 (1)	2018 (2)					
Mission	\$110,317	\$113,930	15,659	29%		\$33,500	\$524,348,700
One-Half Mile Radius (5)	\$136,422	\$140,890	11,275	24%		\$34,400	\$387,445,500

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars) 2012-2016"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

- (1) See Exhibit 9 for estimated 2016 household incomes.
- (2) Incomes are inflated from 2016 to 2018 pursuant to a CPI adjustment for All Urban Consumers from 2016 Annual Average to January 2018. The CPI factors are 240.007 for 2016 and 247.867 for January 2018, resulting in a 1.033 inflation rate.
- (3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
- (4) Figures rounded to the nearest \$1,000.
- (5) Comprises geographic area with a one-half mile radius around the 2918 Mission Street development site.

Exhibit 11
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2018 Dollars

Retail Category	2018 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		Neighborhood-Oriented (5)
			Amount (3)	Vacancy Adjusted (4)	
Motor Vehicles and Parts	\$82,110,600	\$800 (6)	102,638	108,040	0
Home Furnishings and Appliances	\$29,158,977	\$336	86,706	91,270	13,690
Building Materials and Garden Equip.	\$34,353,437	\$313	109,872	115,655	11,565
Food and Beverage Stores	\$89,943,374	\$671	134,110	141,169	112,935
Gasoline Stations	\$42,186,420	N/A (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	\$38,701,267	\$489	79,161	83,327	16,665
General Merchandise Stores	\$62,725,052	\$310	202,433	213,087	42,617
Food Services and Drinking Places	\$76,523,488	\$551	138,931	146,243	109,682
Other Retail Group	\$68,646,084	\$450	152,520	160,547	32,109
Subtotal	\$524,348,700	--	1,006,371	1,059,338	339,265
Additional Service Increment (15% of total) (9)	N/A	N/A	177,595	186,942	140,206 (8)
Total	N/A	N/A	1,183,966 (10)	1,246,280	479,472
Total Rounded to Nearest 100			1,184,000	1,246,300 (11)	479,500

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 10 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 12
One-Half Mile Radius Around 2918 Mission Street
Supportable Square Feet of Commercial Space from Households Within One-Half Mile Radius of 2918 Mission St.
2018 Dollars

Retail Category	2018 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	\$60,672,187	\$800 (6)	75,840	79,832	0
Home Furnishings and Appliances	\$21,545,804	\$336	64,068	67,440	10,116
Building Materials and Garden Equip.	\$25,384,033	\$313	81,185	85,458	8,546
Food and Beverage Stores	\$66,459,887	\$671	99,095	104,311	83,449
Gasoline Stations	\$31,171,887	NA (7)	NA (7)	NA (7)	0
Clothing and Clothing Accessories	\$28,596,679	\$489	58,492	61,571	12,314
General Merchandise Stores	\$46,348,049	\$310	149,579	157,452	31,490
Food Services and Drinking Places	\$56,543,825	\$551	102,657	108,060	81,045
Other Retail Group	\$50,723,147	\$450	112,698	118,630	23,726
Subtotal	\$387,445,500	--	743,616	782,753	250,686
Additional Service Increment (15% of total) (9)	N/A	N/A	131,226	138,133	103,600 (8)
Total	N/A	N/A	874,842 (10)	920,886	354,286
Total Rounded to Nearest 100			874,800	920,900 (11)	354,300

Source: ALH Urban & Regional Economics.

- (1) See Exhibit 10 for the amount of estimated retail sales demand from households within one-half mile of 2918 Mission Street and Exhibit 3 for the percentage distribution by category.
- (2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
- (3) Reflects the estimated supportable square feet of retail for each category.
- (4) Includes a 5% vacancy allowance for all categories of retail space.
- (5) See assumptions by retail category presented in Table 2.
- (6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average \$237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average \$800 for the category.
- (7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
- (8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
- (9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
- (10) Excludes Gasoline Stations.
- (11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

	Monthly Rents						
Year	Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	\$940	\$1,182	\$1,239	\$1,555	\$1,563	\$1,235	2.4%
1997	\$1,054	\$1,322	\$1,416	\$1,799	\$1,808	\$1,402	3.1%
1998	\$1,161	\$1,456	\$1,560	\$1,891	\$2,015	\$1,531	2.3%
1999	\$1,251	\$1,585	\$1,656	\$2,019	\$2,294	\$1,663	2.4%
2000	\$1,544	\$2,011	\$2,327	\$2,709	\$3,147	\$2,180	1.4%
2001	\$1,512	\$1,960	\$2,332	\$2,600	\$3,111	\$2,130	5.1%
2002	\$1,314	\$1,741	\$1,979	\$2,299	\$2,826	\$1,867	5.9%
2003	\$1,262	\$1,622	\$1,875	\$2,225	\$2,878	\$1,768	5.2%
2004	\$1,267	\$1,646	\$1,821	\$2,277	\$2,679	\$1,778	6.5%
2005	\$1,334	\$1,700	\$1,885	\$2,382	\$2,643	\$1,835	3.9%
2006	\$1,439	\$1,799	\$1,930	\$2,635	\$2,390	\$1,958	4.0%
2007	\$1,586	\$1,988	\$2,192	\$2,954	\$2,610	\$2,175	5.1%
2008	\$1,723	\$2,152	\$2,359	\$3,242	\$2,702	\$2,368	4.4%
2009	\$1,584	\$2,010	\$2,258	\$3,001	\$2,812	\$2,262	4.4%
2010	\$1,595	\$2,052	\$2,149	\$3,011	\$2,902	\$2,243	6.3%
2011	\$1,894	\$2,330	\$2,403	\$3,379	\$2,983	\$2,472	3.9%
2012	\$2,136	\$2,642	\$2,735	\$3,713	\$3,024	\$2,727	4.7%
2013	\$2,327	\$2,832	\$3,135	\$4,064	\$3,652	\$2,976	4.5%
2014	\$2,575	\$3,119	\$3,379	\$4,270	\$4,082	\$3,275	4.4%
2015	\$2,839	\$3,366	\$3,607	\$4,666	\$4,322	\$3,557	4.8%
2016	\$2,831	\$3,372	\$3,621	\$4,713	\$4,582	\$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association*; Winter 2004; 70, 1; ProQuest Direct Complete, page 39.
<http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf>
2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008).
<http://www.nber.org/papers/w14036>
3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," *Regional Science and Urban Economics*, Volume 41, Issue 2 (March 2011).
<http://www.sciencedirect.com/science/article/pii/S0166046211000044> (abstract)
4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013).
http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf
5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014).
<http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup>
6. Joe Cortright, "How Governing got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015).
<http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/> [comments on *Governing Magazine*, "The 'G' Word: A Special Series on Gentrification" (February 2015)
<http://www.governing.com/topics/urban/gov-gentrification-series.html>]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.
<http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/>
8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015).
http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf
9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf
10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016).
https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en
11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016).
<https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html>

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the Mission District, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

“To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city.”⁷⁹

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- “Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others.”⁸⁰
- “We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one.”⁸¹

⁷⁹ Lance Freeman and Frank Braconi, “Gentrification and Displacement: New York City in the 1990s”, American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.

⁸⁰ Ibid, page 45.

⁸¹ Ibid, page 48.

- “Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement... The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here,, suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents.”⁸²

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

“Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises.”⁸³

2. Terra McKinnish, University of Colorado at Boulder; Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

⁸² Ibid.

⁸³ Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.⁸⁴ But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."⁸⁵

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."⁸⁶ Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."⁸⁷ Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."⁸⁸ Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."⁸⁹

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal *Regional Science and Urban Economics*. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

⁸⁴ Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.

⁸⁵ Ibid, page 2.

⁸⁶ Ibid, page 4.

⁸⁷ Ibid.

⁸⁸ Ibid, page 5.

⁸⁹ Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.⁹⁰ An abstract of this paper, published on-line, cites the following summary finding:

“Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less.”

Further, as cited in the study findings, Ellen and O’Regan state:

“The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume.”⁹¹

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

“Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey’s data on residential turnover, Ellen and O’Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman’s (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

⁹⁰ <http://www.sciencedirect.com/science/article/pii/S0166046211000044>.

⁹¹ See paper excerpt cited in: <https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup>

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas.”⁹²

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will “need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods.”⁹³

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center’s overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman’s 2005 study:

“In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%.”⁹⁴

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that “The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others.”⁹⁵

This roundup cites other study findings, such as the following:

- “Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.
- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

⁹² Silva Mathema, “Gentrification: An updated Literature Review,” Poverty & Race Research Action Council, October 2013, page 3.

⁹³ Ibid, page 5.

⁹⁴ Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, “Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup,” August 2014.

⁹⁵ Ibid.

Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless."⁹⁶

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

"The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods."⁹⁷

6. Joseph Cortright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impresa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by *Governing Magazine* in February 2015.

In his commentary, Cortright states that:

"There's precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as "gentrifying." If there were displacement, you'd expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as "gentrifying" in 2013 than there were in 2000. *Governing's* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after "gentrifying," these neighborhoods still have higher poverty rates, on average, than the national average.

Careful academic studies of gentrifying neighborhoods, by Columbia's Lance Freeman and the University of Colorado's Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don't improve. The University of Washington's Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs."⁹⁸

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

"Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.

And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods."⁹⁹

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

"Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

⁹⁹ Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying.”¹⁰⁰

In further discussing study findings, Florida cites that “Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations.” This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see <http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/>). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida’s, summarizes Karen Chapple of the Urban Displacement Project’s findings as follows, demonstrating the complex relationship between gentrification and displacement:

“Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement.”¹⁰¹

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California’s Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that “As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color.”¹⁰² Thus,

¹⁰⁰ Ibid.

¹⁰¹ See <http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/>.

¹⁰² University of California, Berkeley, “Urban Displacement Project,” December 2015, page 1.

the Urban Displacement Project “analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk.”¹⁰³

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.¹⁰⁴ The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area’s affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing “naturally occurring” affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.¹⁰⁵

Notably, this paper identifies “exclusionary displacement” as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement’s relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, “most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well.”¹⁰⁶ However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid, page 2.

¹⁰⁶ Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.
- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.
- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco’s Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: “Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective.”¹⁰⁷

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2016

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley’s Institute of Governmental Studies. The study’s findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- “At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.

¹⁰⁷ Ibid, page 4.

- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.
- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."¹⁰⁸

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

"As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."¹⁰⁹

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current

¹⁰⁸ Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

¹⁰⁹ Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

“Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents.”

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

“This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.

We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O’Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).

When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among

these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations.”¹¹⁰

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.¹¹¹ He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.¹¹² However, he cites that there is near empirical consensus that “mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods.”¹¹³ In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.¹¹⁴

¹¹⁰ Ibid, pages 42 and 43.

¹¹¹ Derek Hyra, “Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy,” November 2016, page 170.

¹¹² Ibid, page 171.

¹¹³ Ibid.

¹¹⁴ Ibid, page 173.

From: [BOS Legislation. \(BOS\)](#)
To: design@factory1.com; Mark H. Loper
Cc: [GIVNER, JON \(CAT\)](#); [STACY, KATE \(CAT\)](#); [JENSEN, KRISTEN \(CAT\)](#); [Rahaim, John \(CPC\)](#); [Sanchez, Scott \(CPC\)](#); [Gibson, Lisa \(CPC\)](#); [Jain, Devyani \(CPC\)](#); [Lynch, Laura \(CPC\)](#); [Sider, Dan \(CPC\)](#); [Rodgers, AnMarie \(CPC\)](#); [Starr, Aaron \(CPC\)](#); [Ionin, Jonas \(CPC\)](#); [Horner, Justin \(CPC\)](#); [Samonsky, Ella \(CPC\)](#); [Range, Jessica \(CPC\)](#); [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [BOS-Supervisors](#); [BOS-Legislative Aides](#); [BOS Legislation. \(BOS\)](#)
Subject: APPEAL RESPONSE BRIEF: Appeal of CEQA Exemption Determination - 2750-19th Street - Appeal Hearing on October 30, 2018
Date: Friday, October 19, 2018 9:51:06 AM
Attachments: [image001.png](#)

Good morning,

Please find linked below an appeal response brief received by the Office of the Clerk of the Board from Mark Loper, of Reuben, Junius & Rose, LLP, representing the Project Sponsor, regarding the Exemption Determination Appeal for the proposed project at 2750-19th Street.

[Appeal Response Brief - October 19, 2018](#)

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on October 30, 2018.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 180956](#)

Regards,

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REUBEN, JUNIUS & ROSE, LLP

Mark Loper
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October 19, 2018

Delivered Via Email and Messenger

President Malia Cohen and Supervisors
San Francisco Board of Supervisors
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Re: 2750 19th Street
Opposition to Appeal of the Community Plan Evaluation (“CPE”)
Planning Department Case No. 2014.0999ENV
Our File No.: 7829.11

Dear President Cohen and Supervisors:

This office represents MT Ventures (“Sponsor”) which proposes a six-story mixed-income building with 60 units and 10,000 square feet of ground-floor PDR that will be occupied by the current tenant (the “Project”). The Project will add much-needed housing across income levels while preserving 100% of the existing PDR use area with brand-new space, with the PDR space set to be reoccupied at completion by the current tenant.

As detailed in the Planning Department’s response to the appeal of the Community Plan Evaluation (“CPE”), the CPE itself, and other technical studies prepared for the Project and other similarly-situated Mission housing projects appealed on CEQA grounds to this Board, substantial evidence demonstrates that the City’s use of a CPE for the Project is proper, and the appeal is without merit under CEQA. Appellant’s contentions relate to the Eastern Neighborhoods Plan itself, and not necessarily CEQA, much less this specific Project. It is summarily improper to misuse the CEQA process to revisit an entitlement approval.

Appellant raises no Project-specific grounds to overturn the CPE. Denial is consistent with past precedent when an Eastern Neighborhoods project has no unique environmental effects. In contrast, upholding the appeal would threaten over a thousand housing units¹ proposed or recently approved that would be expected to rely on the Eastern Neighborhoods Plan EIR.

¹ Based on the Planning Department’s Development Pipeline Report for 2nd Quarter 2018 and public documents.

A. Project Benefits and Changes Since 2014

The Project was first proposed in June 2014, more than four years ago. In the last four years, the Project was put on hold by the Planning Department as the Mission Moratorium was proposed and eventually disapproved by San Francisco voters. A number of new impact fees have been established since then, affordability rates have increased, and the cost of construction has skyrocketed.

In the past four and a half years, the Project sponsor has engaged many community groups, by holding dozens of one-on-one and group meetings with key stakeholders spanning arts, non-profits, members of the public sector, local businesses, and area neighbors. The Project sponsor solicited feedback, listened to concerns, and made significant changes in response to these meetings and to community concerns and goals articulated in the Mission Action Plan 2020, including: providing on-site affordable units; reducing car parking by 45% and increasing bike parking; agreeing to commission a mural on the side of the building prepared by a Mission artist; preserving the existing brick façade; and perhaps most importantly eliminating ground floor retail and arranging for the existing PDR tenant—a furniture and upholstery company—to relocate and eventually return to the Property and operate out of a brand new PDR space in the new building. The Project is not required to provide any PDR, and yet is committing to a 1-to-1 replacement and to zero retail on the ground floor. 10,000 square feet of new PDR space is unprecedented in a mixed-use project of this size with only ground-floor commercial space.

In the intervening four years, construction costs have increased tremendously, raising stakes on sponsors to ensure that approved projects can receive financing and actually be built. As noted in a recent *San Francisco Chronicle* article, it is increasingly difficult to build moderate-sized residential projects in the current economic climate.² At least two other projects in the Mission are currently for sale, and it appears only two of the housing projects approved in the Mission in the last four years are actually under construction—2000 Bryant and 1726 Mission.

Under this completely changed development landscape, the Project still provides numerous benefits to this portion of the Mission and the City at large, including:

1. **Retaining an existing PDR business and temporary relocation assistance.** The Project retains the existing furniture and upholstery PDR business at the property, and provides temporary relocation assistance during construction. The business will occupy all 10,000 square feet of ground floor PDR space in the project. The Project is not required to provide any new PDR, and the Sponsor volunteered to change the programming of the entire ground floor commercial space from retail to PDR at the request of community groups. PDR retention meets a significant number of citywide and Mission-specific policies and goals, including Mission Area Plan Objectives 1.1, 6.1, and Policies 1.1.1, 1.1.2, 1.2.2, and 6.1.3, as well as MAP 2020 Objective 1.7.

² “SF residential projects languish as rising costs force developers to cash out,” *San Francisco Chronicle*, August 27, 2018.

2. **On-site affordability.** The Project initially proposed to satisfy its inclusionary housing requirement by paying the in-lieu fee to MOH. After multiple rounds of conversations with the neighborhood, the sponsor has modified its method of compliance and increased its commitment above the required amount. Specifically, the sponsor has elected to satisfy its affordable housing obligation by providing BMR units entirely on-site to the required 17.5%, with all of those units provided at 55% AMI. In addition, the sponsor has committed to increasing the amount of BMR housing provided to 20%, with the additional 2.5% provided at 150% AMI. On-site affordability meets a significant number of policies and goals, including General Plan Policies 1.1, 1.10, 4.1, and 4.4; and Mission Area Plan Policies 2.1.1, 2.1.2.
3. **Local hire framework.** A local hire program that meets or exceeds the requirements normally applied to development on formerly-public sites (i.e. on former redevelopment parcels) to ensure the economic impact of construction benefits local, emerging businesses. While this program has been rolled out effectively in those projects, Sponsor is not aware of another fully private sector project adopting this framework. 50% Local Business Enterprise participation for professional service dollars with an equal commitment for construction spend and workforce hiring. Targeted outreach, featuring local advertising and community forums. This community benefit is consistent with General Plan Objective 3; and Mission Area Plan Policy 6.2.1.
4. **Arts programming.** A new 375 square foot mural on 19th Street (roughly 17 feet high by 22 feet long) to be conceived, designed, and built by local Mission artists. Additionally, the Project sponsor is partnering with schools on visible design-build opportunities throughout the Project site, including bike racks and fixtures in the ground floor courtyard to create student opportunities to participate. The Project's arts programming furthers Mission Area Plan Policy 3.2.8.
5. **School program.** The Sponsor has begun an innovative, multi-year program at Mission High School focused on introducing participating students to land use, construction, and real estate issues. Topics include: Architecture and Engineering, Finance, Legal, Marketing, Construction and related fields. The Sponsor's participating team members (including A/E, legal, marketing, finance, and construction firms) will develop a meaningful curriculum and guest lecture. Program curriculum includes guest speakers, site tours and inspections, case studies and related educational and career development opportunities.
6. **Impact fees.** In addition to its on-site inclusionary units, the Project will pay fees that will go towards a significant number of community benefits programs, including childcare; parks; transportation and other public infrastructure; and public schools.
7. **Less Car Parking, More Bike Spaces.** The Project is allowed a maximum of 45 parking spaces. In response to neighborhood feedback, the sponsor reduced parking to 24 off-street spaces, and is voluntarily providing two car-share spaces. In addition, the Project is

providing 84 protected bike parking spaces and 13 publicly-accessible street spaces, a total of 30 more spaces than what's required. The Project's approach to parking furthers General Plan Policies 1.3, 2.2, 12.1, 14.8, 28.1, 28.3, 34.1; and Mission Area Plan Policies 4.7.2 and 4.8.1.

B. Appellant Does Not Raise Any Project-Specific CEQA Issues

Appellant does not allege any defects with the CPE specific to the Project itself. Instead, its arguments relate solely to the Eastern Neighborhoods plan. The CPE comprehensively details that there are no "peculiar" impacts caused by the Project. On this ground alone, the appeal should be rejected.³

It is noteworthy that the preliminary statement of appeal only mentions the Project by address once, when it identifies what project it is appealing. At no point does the statement discuss any details about the Project, such as its size, location, number of residential units, ground floor PDR space, or basement bike and car parking. Someone reading the appeal without any context would be forgiven for not being able to determine anything about the Project other than its street address. The appeal's arguments appear to be borrowed wholesale from past appeals of new housing projects in the Eastern Neighborhoods—both mixed income and 100% affordable. Simply, it makes no attempt to identify any Project-specific environmental impacts that were not discussed or were inadequately evaluated in the CPE.⁴

Projects consistent with development density established by an area plan EIR such as the Eastern Neighborhoods Plan EIR (the "PEIR") are not allowed to undergo additional environmental review except as necessary to determine if project-specific effects not identified in the PEIR exist.⁵ CEQA "mandates" that projects consistent with development density established through an area plan EIR "shall not" require additional environmental review except as necessary to identify effects that are "peculiar to the project" or its site (emphasis added).⁶

The Project's CPE included background documents or technical reports relating to preservation; noise (ensuring the PDR space will not disrupt residents); transportation; general plan and zoning consistency; archeology; greenhouse gas; shadow; geotechnical; soils; and subsurface hazards. Performing these studies is consistent with CEQA law for projects consistent with existing zoning.⁷ All of these studies, and the additional analysis on each environmental topic

³ CEQA Guidelines, Section 15183(a).

⁴ As noted in a recent law review article discussing CEQA lawsuits and California's housing crisis, "Housing can be built, and it is politically supported by majorities of existing residents, including those who are protective of the character, services, and property values in their community across the country. However, CEQA lawsuits provide California's anti-housing holdouts—the political minority of as few as one anonymous party—with a uniquely effective litigation tool to simply say 'no' to change." *California Environmental Quality Act Lawsuits and California's Housing Crisis*, Hastings Environmental Law Journal, Winter 2018, pg. 41.

⁵ CEQA Guidelines, Section 15183(a).

⁶ Id.

⁷ Id. at (b).

included in the CPE checklist, confirm that the Project qualifies for a CPE because there are no peculiar impacts to the parcel or the project.^{8 9}

The Project is subject to three mitigation measures: protecting archeological resources in the event any are uncovered during excavation or construction activities; developing and implementing a set of site-specific noise attenuation measures during construction; and removing and properly disposing of any potential hazardous materials that exist on-site.¹⁰ The Project will also comply with generally-applicable city regulations to minimize construction impacts. These include a project-specific site-mitigation plan approved by the Department of Public Health; compliance with the San Francisco Noise Ordinance, which imposes a number of restrictions on construction noise; compliance with the San Francisco Dust Control Ordinance, which minimizes exhaust emissions; and a Greenhouse Gas Emissions checklist confirming compliance with a wide range of local and state regulations minimizing GHG emissions.

Appellant's argument appears to be a critique of new mixed-income housing development generally, regardless of context. Under CEQA, "economic or social effects of a project shall not be treated as significant effects on the environment."¹¹ "CEQA requires decisions be informed and balanced, but it 'must not be subverted into an instrument for the ... delay of social [or] economic development or advancement.'"¹² Simply, the potential loss of community character is not a cognizable environmental effect under CEQA. In Preserve Poway v. City of Poway, 245 Cal.App.4th 560 (2016), community members protested vigorously against the conversion of a horse ranch into new housing, eventually appealing the CEQA clearance document after the housing project was approved on the grounds that it disrupted Poway's "community character." While recognizing that community character is an important political and policy issue, the Court of Appeal concluded that it is not an environmental issue under CEQA.¹³

C. Overturning the Project's CEQA Clearance Could Jeopardize Future Housing Production in the Plan Area

Appellant's overarching issue is with the Eastern Neighborhoods plan in general, and the production of new housing specifically. To the extent any connection can be drawn between the appeal's CEQA arguments and the Project itself, it is that the PEIR is stale and cannot be used for any housing project within the Plan area. As the Planning Department explains in detail in its brief, there is no merit to this claim.¹⁴ Just as importantly, CEQA clearances for pending or approved but not yet constructed projects in the Eastern Neighborhoods will be threatened or significantly delayed if the appeal is upheld.

⁸ Id. at (c).

⁹ Rather than recite the detailed conclusions of each study, the sponsor directs readers to the 47-page CPE Checklist and background studies. The CPE is attached as **Exhibit A**.

¹⁰ 2750 19th Street Community Plan Evaluation, Mitigation Monitoring and Reporting Program, attached as **Exhibit B**.

¹¹ CEQA Guideline 15131(a)).

¹² Preserve Poway v. City of Poway, 245 Cal.App.4th 560, 581-582 (2016).

¹³ Poway, 245 Cal.App.4th at 566.

¹⁴ Rather than restate arguments set out in the Planning Department's response, we incorporate it by reference.

The PEIR is a key component to streamlining construction of hundreds if not thousands of housing units in the Eastern Neighborhoods Plan area. These proposed or approved units are in both mixed-income projects like the Project and 100% affordable projects.

For example, at least two pending and four recently-approved affordable housing projects relied on, or are expected to rely on, the PEIR for their CEQA clearance, totaling 708 BMR units. These include:

1. 2205 Mission Street, 48 units, CPE pending;
2. 681 Florida Street, 130 units, CPE pending;
3. 1990 Folsom, 143 units, infill exemption based on EN EIR issued May 16, 2018;
4. 1950 Mission Street, 157 affordable units, CPE issued July 6, 2017;
5. 2060 Folsom Street, 136 affordable units, CPE issued June 10, 2016;
6. 1296 Shotwell Street, 94 units, CEQA clearance issued November 11, 2016, CEQA appeal upheld by Board of Supervisors, February 2017.

In addition, we estimate that 19 proposed or recently approved but not constructed Eastern Neighborhoods housing projects would be jeopardized, potentially affecting approximately 1,103 housing units that could include 245 affordable units. A table listing the projects we identified using the San Francisco Planning Department's Development Pipeline Report for Q2 2018 (<http://sf-planning.org/pipeline-report>) and the San Francisco Property Information Map is included as Appendix A.

C. This Board Should Follow Past Practice Denying Requests to Overturn the Eastern Neighborhoods EIR

This appeal mirrors a number of CEQA-based objections to housing projects in the Eastern Neighborhoods filed in recent years, which tend to repeat the same arguments about the PEIR¹⁵. Three recent examples provide clear precedent for the Board to reject this appeal because it does not raise any germane CEQA issues.

1. 901 16th Street/1200 17th Street

Late last year, in October 2017, the San Francisco Superior Court in Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco upheld an Eastern Neighborhoods CPE and focused EIR in a lawsuit filed by opponents of the 901 16th Street/1200 17th Street project at the base of Potrero Hill. The Board of Supervisors previously affirmed the CEQA clearance document unanimously, in July of 2016.¹⁶ Relevant to the Project, the opponents of that project claimed that the Eastern Neighborhoods PEIR is outdated, that residential growth has outpaced the PEIR's forecasts, and that cumulative impacts—and in particular traffic—were inadequately analyzed.

¹⁵ These include, but are not limited to, 901 16th Street, 1296 Shotwell, 1515 South Van Ness, 1726 Mission Street, 2000-2070 Bryant, 2675 Folsom, and 2918 Mission.

¹⁶ Board of Supervisors Motion No. M16-097, attached as Exhibit C.

The Superior Court rejected each of these grounds. The Eastern Neighborhoods PEIR does not have an expiration date or chronological limits; instead, a CPE is appropriate if impacts were addressed in the Plan-level EIR, such as the PEIR.¹⁷ Exceeding growth forecasts—or presenting evidence that growth forecasts may eventually be exceeded at some indeterminate point in the future—does not render the PEIR or a CPE based on the PEIR moot. Instead, the appellants were required to point to evidence that this exceedance will actually cause or contribute to significant environmental effects that were not addressed as significant impacts in the PEIR.¹⁸ There was none in the record, and so this argument failed.

Here, Appellant has similarly not identified any evidence showing new or more significant environmental impacts due to growth projections, much less any that the Project would make a considerable contribution to. Simply pointing out that development patterns in the Eastern Neighborhood produce somewhat more housing and less non-residential use than originally projected is insufficient to invalidate the CPE.

2. 1296 Shotwell Street

In February 2017, the Board unanimously rejected the appeal of a 9-story, 69,500 square foot, 94-unit density bonus project at 1296 Shotwell Street in the Mission that demolished an approximately 11,000 square foot PDR building and did not provide any replacement PDR space.

Like Appellant here, that project's opponent claimed the PEIR was “woefully out of date”, and that an Eastern Neighborhoods CPE could not be used to address cumulative conditions, transportation and circulation, socioeconomic impacts, land use, aesthetics, and significance findings.¹⁹

In rejecting that appeal, this Board made findings that the density bonus project at 1296 Shotwell was eligible for a CPE. Its potential environmental effects were properly analyzed in the PEIR, and the appeal did not identify new or substantially greater effects than the PEIR. This Board rejected all other Eastern Neighborhoods-specific grounds for overturning the CPE, including indirect impacts allegedly caused by gentrification such as cumulative growth impacts, transportation impacts, community benefits delivery, and inconsistency with the Mission Area Plan.²⁰

The Project is smaller, shorter, has fewer dwelling units, provides 1-to-1 PDR replacement, and has an agreement to temporarily relocate the existing PDR tenant while construction is ongoing. Although 1296 Shotwell was a 100% affordable project and the Project is mixed-income, affordability alone is not a CEQA issue. There is no evidence in the record that a mixed-income residential project, as opposed to a 100% affordable project, results in heightened impacts to the physical environment such as health and safety, construction impacts, or transportation.

¹⁷ Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 21.

¹⁸ Id. at pgs. 24-25.

¹⁹ 1296 Shotwell Appeal, attached as **Exhibit D**.

²⁰ Board of Supervisors Motion No. M17-019, attached as **Exhibit E**.

3. 2918 Mission Street

Most recently, in June of this year the Board of Supervisors considered an appeal for a density bonus project at 2918 Mission Street. This Project was grandfathered from paying the inclusionary housing fee on its density bonus units, and its sponsor declined to make any project changes requested by its neighbors. That project also cast shadow on two adjacent schoolyards, one to the south and one to the west of the project. The appellant to that Project raised both Project-specific CEQA issues relating to shadow on the schoolyards, and the same Eastern Neighborhoods objections made by Appellant.

In reversing the CPE, the Board unanimously concluded that the project's CPE was "adequate in all respects" except for its analysis of the Project's unique shadow effects, rejecting that appeal's claims about inadequacy of the PEIR or the use of the CPE process for infill residential projects. (emphasis added) ²¹

As noted above, Appellant does not claim that the Project at issue in this appeal causes or could cause unique environmental impacts. Its arguments are wholly related to the Eastern Neighborhoods PEIR and tiering project-specific review off of that plan-level EIR. These arguments have been consistently rejected by this Board—even when it overturns CPEs for Project-specific reasons. This Board confirmed just four months ago that the PEIR and corresponding CPEs for infill residential projects are adequate with regards to general CEQA issues such as cumulative impacts, growth projections, and impacts on transportation and community character. That analysis should apply equally to the Project: because Appellant does not—and cannot—allege unique Project-specific impacts, the CPE is "adequate in all respects" and the appeal should be rejected.

E. Conclusion

Appellant raises no arguments that the Project itself causes any CEQA impact that exceeds or was not identified in the Eastern Neighborhoods EIR. This Board has consistently rejected attempts to invalidate the entire Eastern Neighborhoods rezoning through a Project-specific CEQA appeal. This Project's CEQA document is adequate in all respects. In addition, the Project itself has been modified significantly since it was first proposed, and provides a significant range of community benefits, including on-site affordability, 1-to-1 PDR replacement, temporary relocation of the existing PDR tenant, and a local LBE and SBE program. We ask you to deny the appeal.

Thank you.

²¹ Board of Supervisors Motion No. M18-094, attached as Exhibit F.

Sincerely,

REUBEN, JUNIUS & ROSE, LLP

A handwritten signature in blue ink, appearing to read "M Loper", is positioned above the printed name.

Mark Loper

Appendix A – Proposed or Recently-Approved Eastern Neighborhoods Housing Projects

Below is a chart that lists all proposed or recently-approved housing projects in the Eastern Neighborhoods Area Plan, including the total number of proposed units and the proposed or required number of affordable units for each project. Many projects' inclusionary housing compliance method has not yet been selected, so the number of affordable units is described as "potential" and is a best estimate based on zoning and information provided in the projects' PPA letters. This list was compiled using information from the San Francisco Planning Department's Development Pipeline Report for Q2 2018 (<http://sf-planning.org/pipeline-report>) and from the San Francisco Property Information Map, and represents an estimate only based on available public records. Two 100% affordable projects are highlighted below in blue.

ADDRESS	TOTAL UNITS	POTENTIAL AFFORDABLE UNITS	STATUS
600 20th St	21	3	Approved by Commission 6/14/18
1052-1060 Folsom St & 190-194 Russ St	63	15 affordable and replacement of 4 rent controlled units	Under review
1145 Mission St	25	4	Under review/ on hold
2918 Mission St.	75	8	Approved by Commission, 10/4/18
1500-1528 15th St	188	26	Under review
2205 Mission St	48	48	Under review/ on hold
3001 24 th St	45	45	Under review/ on hold
344 14th St / 1463 Stevenson St	45	7	Under review
1721 15th St	24	3	Under review
3230 & 3236 24th St	17	Paying affordable housing fee	No Commission approval required
2300 Harrison St	24	3	Under review
975 Bryant St	185	30	Approved by Commission 10/5/17

828 Brannan St	60	11	Under review
262 7th St	95	12	Under review
1245 Folsom St	37	7	Under review
1075 Folsom Street	48	12	Under review
280 7th St	20	2	LPA approved by Commission 7/26/18
351 12th St	50	6	Under review
222 Dore St	33	3	Under review
TOTAL:	1,103	245	

Exhibit A



SAN FRANCISCO PLANNING DEPARTMENT

REVISED Certificate of Determination Community Plan Evaluation

Case No.: 2014.0999ENV
Project Address: 2750 19th Street
Zoning: UMU (Urban Mixed Use) Zoning District
68-X Height and Bulk District
Block/Lot: 4023/004A
Lot Size: 15,000 square feet
Plan Area: Eastern Neighborhoods Area Plan, Mission Subarea
Project Sponsor: Steve Perry, Perry Architects 415-806-1203
Staff Contact: Justin Horner, justin.horner@sfgov.org 415-575-9023

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THIS COMMUNITY PLAN EVALUATION (CPE) SUPERSEDES THE CPE THAT WAS PUBLISHED ON NOVEMBER 21, 2017. FOLLOWING PUBLICATION OF THE PREVIOUS CPE, THE PROPOSED PROJECT WAS REVISED.

PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site is on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built between 1880 and 1914, totaling 10,935 sf of Production, Distribution and Repair (PDR) uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

(Continued on next page.)

CEQA DETERMINATION

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

DETERMINATION

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



Lisa Gibson
Environmental Review Officer

5/30/18

Date

cc: Steve Perry, Project Sponsor; Supervisor Malia Cohen, District 10; Ella Samonsky, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

This determination evaluates the potential project-specific environmental effects of the 2750 19th Street project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR).² Project-specific studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 2750 19th Street.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{3,4}

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

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

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other

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

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

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

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

topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned to UMU (Urban Mixed Use) District. The UMU District is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Evaluation (CPE) Checklist, under Land Use. The 2750 19th Street site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with building up to 68 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 2750 19th Street is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 2750 19th Street project and identified the mitigation measures applicable to the 2750 19th Street project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{6,7} Therefore, no further CEQA evaluation for the 2750 19th Street project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Determination and accompanying project-specific initial study comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The 15,000-square-foot (sf) project site is on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built in 1907, totaling 10,935 sf of Production, Distribution and Repair uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

The project vicinity is a mix of residential, industrial and commercial uses. The industrial and commercial businesses in the project vicinity are mostly housed in one- and two-story structures. The residential buildings range from two to five stories in height.

Immediately adjacent to the north of the project site is a two-story, approximately 25-foot-tall commercial building constructed in 1964. Immediately adjacent to the project site to the east is a one-story, approximately 20-foot-tall commercial building constructed in 1908. At the northwest intersection of

⁶ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 2750 19th Street, March 23, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.0999ENV.

⁷ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 2750 19th Street, February 22, 2016.

Bryant and 19 streets, which is across the street to the west of the project site, are three residential properties: a two-story, approximately 25-foot-tall building built in 1907, a three-story, approximately 40-foot-tall building built in 1900, and a two-story, approximately 22-foot-tall building built in 1907. A portion of a two-story, approximately 30-foot-tall industrial building built in 1934 is located across Bryant Street from the project site. Across 19th Street, to the south of the project site, is a four-story, approximately 60-foot-tall mixed-use residential building constructed in 1919.

The project site is served by transit lines (Muni lines 8, 9, 9R, 14X, 27, and 33) and bicycle facilities (there are bike lanes on 17th, 23rd, Folsom and Harrison streets). Zoning districts in the vicinity of the project site are UMU, PDR-1-G (Production, Distribution and Repair-1-General) and RH-2 (Residential-Housing-Two Family). Height and bulk districts in the project vicinity include 40-X, 58-X, 65-X, and 68-X.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 2750 19th Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 2750 19th Street project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The proposed project would include displacement of approximately 11,000 of existing PDR use. The proposed project, which includes 10,000 square feet of PDR uses, would result in a net loss of 1,000 square feet of PDR uses. However, the net loss of approximately 1,000 square feet of PDR building space would not constitute a cumulatively considerable contribution to the significant and unavoidable land use impact identified in the Eastern Neighborhoods PEIR. Additionally, as discussed in the CPE initial study, the proposed project would not impact a historical resource, and therefore would not contribute to the significant and unavoidable historic architectural resources impact identified in the PEIR. The proposed project would not generate cumulatively considerable new transit trips, and would therefore not contribute to the significant and unavoidable transportation impacts identified in the PEIR. As the shadow analysis contained in the CPE initial study describes, the proposed project would not cast substantial new shadow that would negatively affect the use and enjoyment of a recreational resource, and would therefore not contribute to the significant and unavoidable shadow impacts described in the Eastern Neighborhoods PEIR.

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

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability to Project	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Not Applicable: pile driving not proposed	N/A
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to Project Mitigation Measure 2: Construction Noise.
F-3: Interior Noise Levels	Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code	N/A
F-5: Siting of Noise-Generating Uses	Applicable for Project: includes PDR, a use that would generate noise at a level that could increase the ambient noise level in the project vicinity.	Project sponsor prepared an acoustic study consistent with Mitigation Measure F-5. Acoustic study found that the project would not exceed applicable standards in the Noise Ordinance.
F-6: Open Space in Noisy Environments	Not Applicable: CEQA no longer requires the consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels	N/A
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: proposed project does not meet BAAQMD screening levels and is not located in Air Pollution Exposure Zone (APEZ).	N/A
G-2: Air Quality for Sensitive Land	Not Applicable: superseded by applicable Article 38	N/A

Mitigation Measure	Applicability to Project	Compliance
Uses	requirements	
G-3: Siting of Uses that Emit DPM	Not Applicable: the proposed uses are not expected to emit substantial levels of DPM	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: proposed project would not include a backup diesel generator or other use that emits TACs	N/A
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: The project site is not located in an area with a previous archeological study.	N/A
J-2: Properties with no Previous Studies	Applicable: The project site is located in an area with no previous archeological study.	Project Mitigation Measure 1: Archeological Resources agreed to by project sponsor.
J-3: Mission Dolores Archeological District	Not Applicable: The project site is not located in the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: Proposed project includes demolition of an existing building.	Project Mitigation Measure 3: Hazardous Building Materials agreed to by project sponsor.
E. Transportation		

Mitigation Measure	Applicability to Project	Compliance
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-4: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-5: Enhanced Transit Funding	Not Applicable: plan level mitigation by SFMTA	N/A
E-6: Transit Corridor Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: plan level mitigation by SFMTA	N/A
E-11: Transportation Demand Management	Not Applicable: plan level mitigation by SFMTA	N/A

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

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on December 3, 2015 to adjacent occupants and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Commenters expressed concerns about

potential shadow impacts, traffic impacts, and air quality impacts from vehicle emissions, and potential wind effects. The Community Plan Evaluation checklist for the proposed project includes analysis of these potential impacts and found that the proposed project would not result in any new, or more severe, impacts in these resource areas that were not disclosed in the Eastern Neighborhoods EIR. There were also comments that were not related to CEQA, including concerns about the physical size of the project, the proposed project's impacts on nearby property values, and the project's compliance with Mission Area Plan policies and objectives. The proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in effects on the environment that are peculiar to the project, or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

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

⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.0999ENV.

EXHIBIT 1:
MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures Adopted as Conditions of Approval and Proposed Improvement Measures)

1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>J. Archeological Resources</p> <p><i>Mitigation Measure 1 Archeological Monitoring</i></p> <p>Based on the reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p>	Project sponsor.	Prior to issuance of site permits.	Project sponsor shall retain archeological consultant to undertake archeological monitoring program in consultation with ERO.	Complete when Project sponsor retains qualified archeological consultant.
<p><i>Consultation with Descendant Communities:</i> On discovery of an archeological investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.</p> <p><i>Archeological monitoring program (AMP).</i> The archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archeological resources and to their depositional context; The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), 	Project Sponsor	Prior to the start of renovation/conservation activities.	Planning Department, in consultation with DPH.	Considered complete upon submittal to Planning confirming compliance with this measure.

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<p>of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource;</p> <ul style="list-style-type: none"> The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits; The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis 	<p>The archaeological consultant, Project Sponsor and project contractor.</p>	<p>Monitoring of soils disturbing activities.</p>	<p>Archaeological consultant to monitor soils disturbing activities specified in AMP and immediately notify the ERO of any encountered archaeological resource.</p>	<p>Considered complete upon completion of AMP.</p>
<p>If an intact archaeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile driving activity may affect an archaeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, present the findings of this assessment to the ERO.</p>	<p>ERO, archaeological consultant, and Project Sponsor.</p>	<p>Following discovery of significant archaeological resource that could be adversely affected by project.</p>	<p>Redesign of project to avoid adverse effect or undertaking of archaeological data recovery program.</p>	<p>Considered complete upon avoidance of adverse effect</p>
<p>If the ERO in consultation with the archaeological consultant determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or</p> <p>B) An archaeological data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> <p>If an archaeological data recovery program is required by the ERO, the archaeological data recovery program shall be conducted in accord with an archaeological data recovery plan (ADRP). The project archaeological</p>	<p>Archaeological consultant in consultation with</p>	<p>After determination by ERO that an</p>	<p>Archaeological consultant to prepare an ADRP in</p>	<p>Considered complete upon approval of ADRP by ERO.</p>

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1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p>	ERO	archaeological data recovery program is required	consultation with ERO	
<p>The scope of the ADRP shall include the following elements</p> <ul style="list-style-type: none"> ▪ Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. ▪ Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. ▪ Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. ▪ Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. ▪ Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. ▪ Final Report. Description of proposed report format and distribution of results. ▪ Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. 	Archaeological consultant or medical examiner	Discovery of human remains	Notification of County/City Coroner and, as warranted,	Considered complete on finding by ERO that all State laws regarding
<p>Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification</p>				

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1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p>			notification of NAHC.	human remains/burial objects have been adhered to, consulted with MLD is completed as warranted, and that sufficient opportunity has been provided to the archaeological consultant for scientific/historical analysis of remains/funerary objects.
<p>Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.</p>	Archeological consultant	Following completion of cataloguing, analysis, and interpretation of recovered archeological data.	Preparation of FARR	FARR is complete on review and approval of ERO
<p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic</p>	Archeological consultant	Following completion and approval of FARR by ERO	Distribution of FARR after consultation with ERO	Complete on certification to ERO that copies of FARR have been distributed

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1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>				
<p>F. Noise</p> <p>Mitigation Measure 2: Construction Noise</p> <p>The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:</p> <ul style="list-style-type: none"> • Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; • Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; • Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses; • Monitor the effectiveness of noise attenuation measures by taking noise measurements; and • Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed. 	<p>Project Sponsor along with Project Contractor.</p>	<p>During construction</p>	<p>Project sponsor to provide Planning Department with monthly reports during construction period.</p>	<p>Considered complete upon receipt of final monitoring report at completion of construction.</p>
<p>L. Hazardous Materials</p> <p>Mitigation Measure 3: Hazardous Building Materials</p> <p>The project sponsor shall ensure that any equipment containing polychlorinated biphenyl (PCBs) or Di(2-ethylhexyl) phthalate (DEPH), such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.</p>	<p>Project Sponsor</p>	<p>Prior to the start of renovation/construction activities.</p>	<p>Planning Department, in consultation with DPH.</p>	<p>Considered complete upon submittal to Planning confirming compliance with this measure.</p>



SAN FRANCISCO PLANNING DEPARTMENT

REVISED Initial Study – Community Plan Evaluation

Case No.: 2014.0999ENV
Project Address: 2750 19th Street
Zoning: UMU (Urban Mixed Use) Zoning District
68-X Height and Bulk District
Block/Lot: 4023/004A
Lot Size: 15,000 square feet
Plan Area: Eastern Neighborhoods Area Plan, Mission Subarea
Project Sponsor: Steve Perry, Perry Architects 415-806-1203
Staff Contact: Justin Horner, justin.horner@sfgov.org 415-575-9023

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Information:
415.558.6377

THIS COMMUNITY PLAN EVALUATION (CPE) SUPERSEDES THE CPE THAT WAS PUBLISHED ON NOVEMBER 21, 2017. FOLLOWING PUBLICATION OF THE PREVIOUS CPE, THE PROPOSED PROJECT WAS REVISED.

PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site (Assessor's Block 4023, Lot 004A) is located on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood (Figure 1). The project site is currently developed with three, one-story, 22-foot-tall industrial buildings built between 1880 and 1914, totaling 10,935 sf of Production, Distribution and Repair (PDR) uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

The proposed project would include the demolition of the three existing industrial buildings, retention of the principal two-story façade along 19th and Bryant streets, and construction of a six-story, 68-foot-tall (77-foot, 7-inch tall with rooftop equipment) mixed use building with approximately 10,000 square feet of PDR space, 60 residential units (35 one-bedroom units and 25 two-bedroom units) above and bicycle and vehicle parking in a basement (Figures 2-8). The proposed project would include 3,200 sf of common open space on the second floor and a 4,800 sf roof deck. The residential lobby entrance would be located on Bryant Street and basement vehicle parking entry would be located on 19th Street. The proposed project would include 60 Class 1 bicycle parking spaces in the basement, three Class 2 bicycle parking spaces along 19th Street, and 26 vehicle parking spaces in the basement.¹ The proposed project would remove an existing curb cut on Bryant Street and would retain an existing 10-foot curb cut off of 19th Street that would be used for the proposed garage entrance. Construction of the project would require approximately 8,533 cubic yards of excavation to a depth of approximately 15 feet and would last approximately 18 months. The proposed project would be built upon a mat-slab foundation with a series of inter-connected, reinforced concrete footings.

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

The proposed 2750 19th Street project would require the following approvals:

Actions by the Planning Commission

- Large Project Authorization (LPA)

Actions by Other Agencies

- Demolition Permit (Department of Building Inspection)
- Site/Building Permit (Department of Building Inspection)
- Maher Program compliance (Department of Public Health)

The granting of the Large Project Authorization (LPA) shall be the Approval Action for the proposed project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

EVALUATION OF ENVIRONMENTAL EFFECTS

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

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

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

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

The proposed project would include construction of a 68-foot-tall mixed use residential building with PDR space on the ground floor. As discussed below in this initial study, the proposed project would not result in new, significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR.

FIGURE 1. PROJECT VICINITY



FIGURE 2. PROPOSED BASEMENT LEVEL

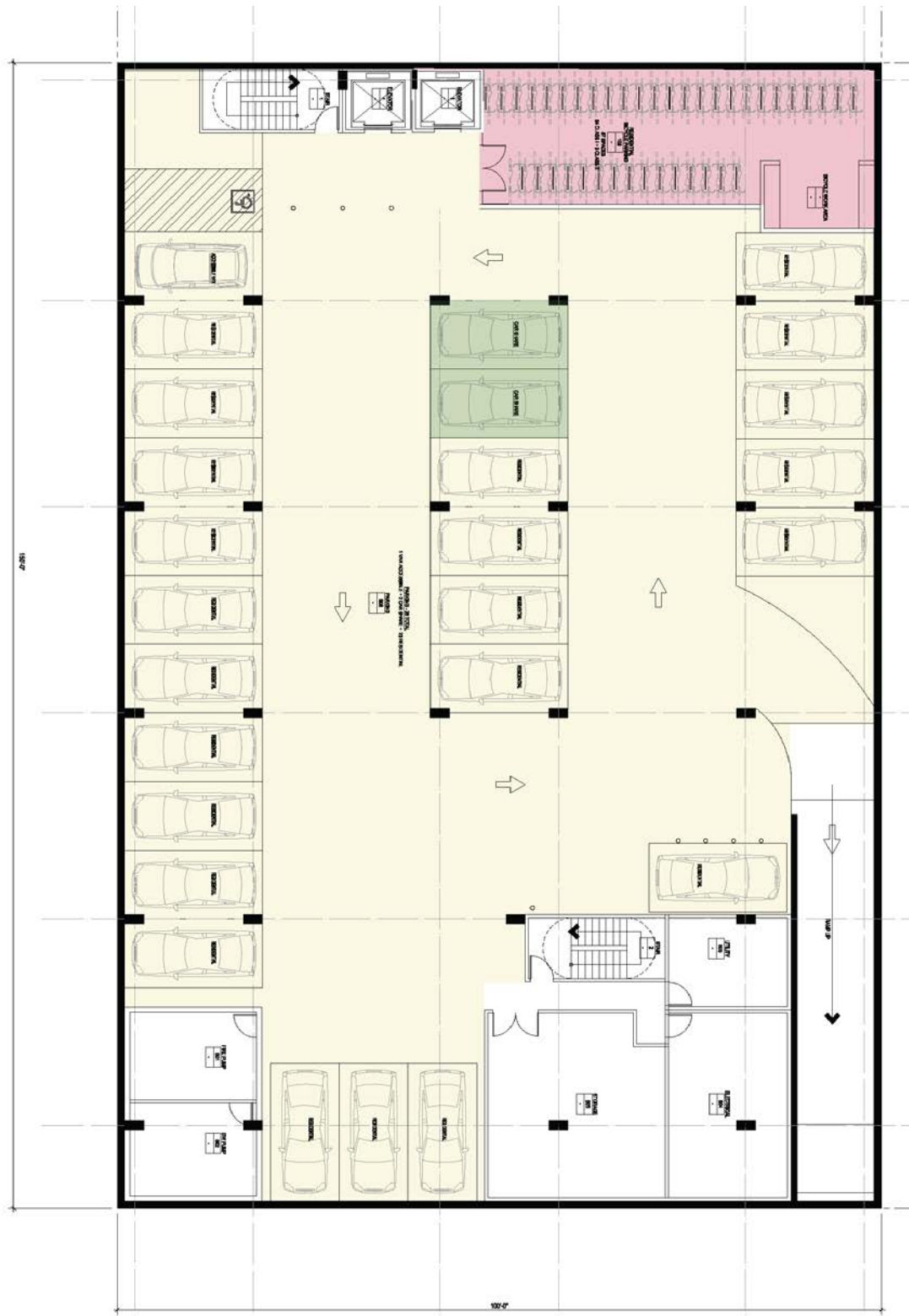


FIGURE 3: PROPOSED GROUND FLOOR

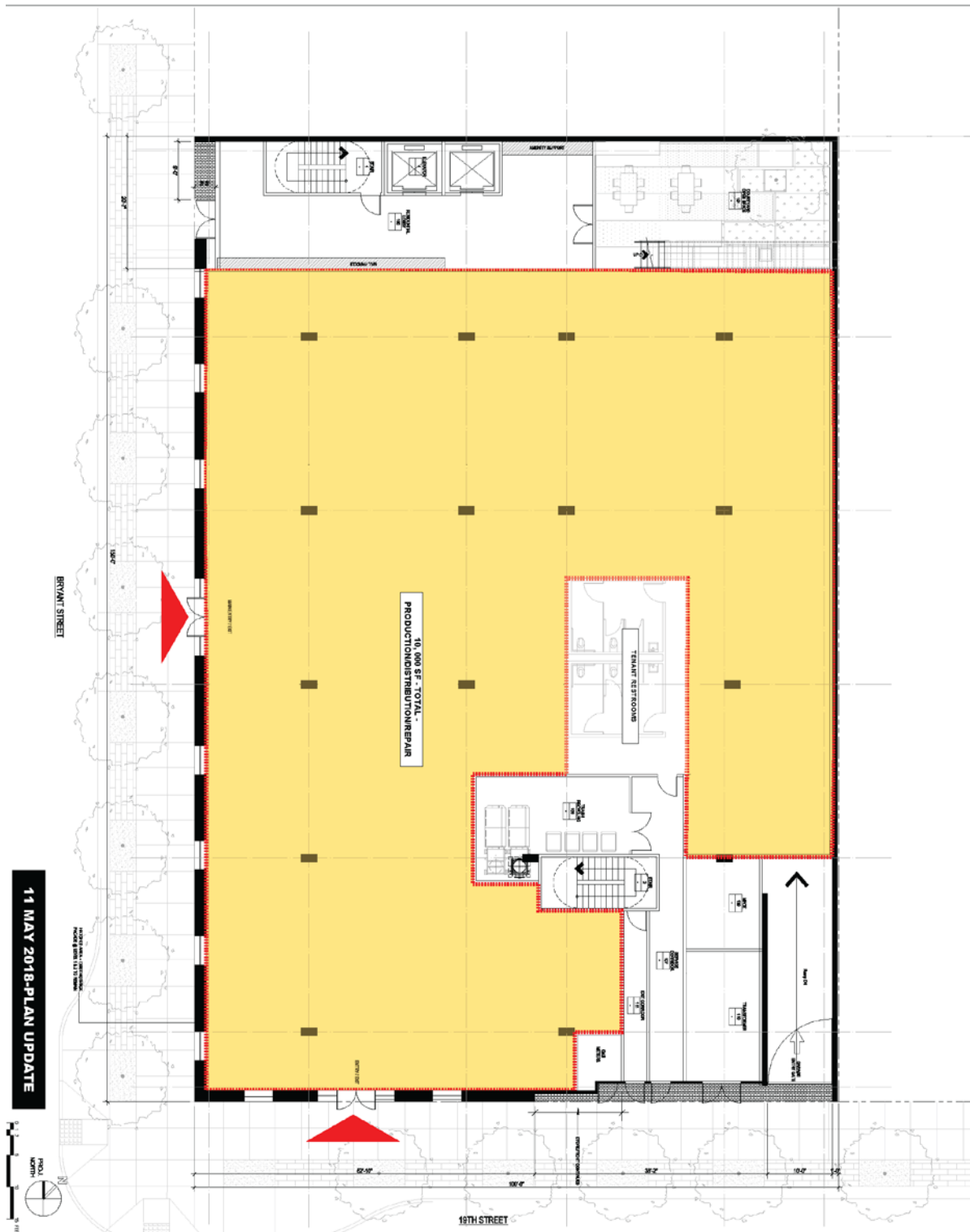


FIGURE 4. PROPOSED SECOND FLOOR

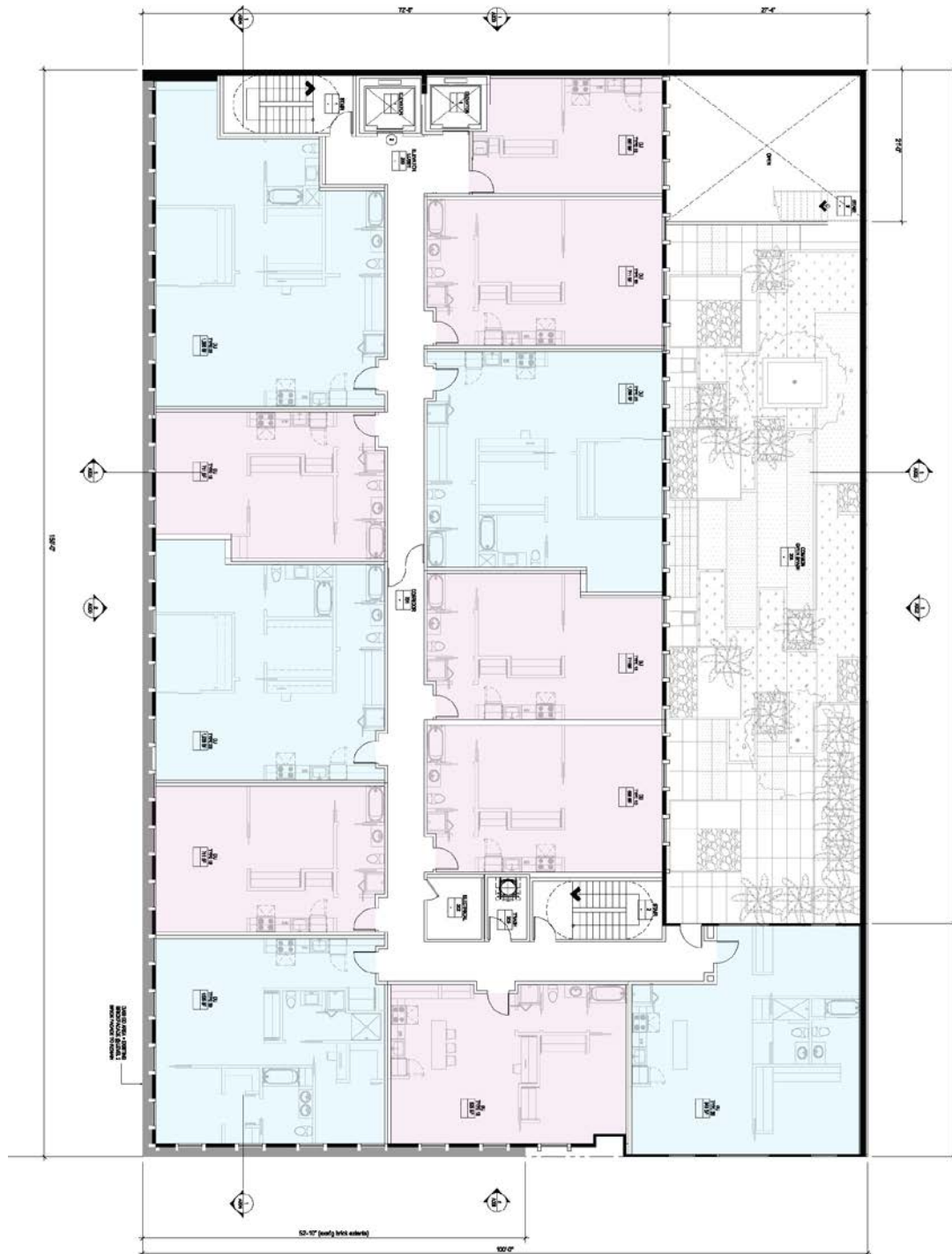


FIGURE 5: PROPOSED THIRD THROUGH SIXTH FLOORS



The architectural site plan for 'Korpus 1' shows a long, narrow residential building with a central corridor and multiple units. Each unit has a private terrace. The building is surrounded by a green landscape with trees and paths. The plan includes dimensions, orientation, and a legend.

Legend:

- 1. Kuchnia (Kitchen)
- 2. Salon (Living Room)
- 3. Sypialnia (Bedroom)
- 4. Łazienka (Bathroom)
- 5. Pokój (Room)
- 6. Kuchnia (Kitchen)
- 7. Salon (Living Room)
- 8. Sypialnia (Bedroom)
- 9. Łazienka (Bathroom)
- 10. Pokój (Room)
- 11. Kuchnia (Kitchen)
- 12. Salon (Living Room)
- 13. Sypialnia (Bedroom)
- 14. Łazienka (Bathroom)
- 15. Pokój (Room)
- 16. Kuchnia (Kitchen)
- 17. Salon (Living Room)
- 18. Sypialnia (Bedroom)
- 19. Łazienka (Bathroom)
- 20. Pokój (Room)
- 21. Kuchnia (Kitchen)
- 22. Salon (Living Room)
- 23. Sypialnia (Bedroom)
- 24. Łazienka (Bathroom)
- 25. Pokój (Room)
- 26. Kuchnia (Kitchen)
- 27. Salon (Living Room)
- 28. Sypialnia (Bedroom)
- 29. Łazienka (Bathroom)
- 30. Pokój (Room)
- 31. Kuchnia (Kitchen)
- 32. Salon (Living Room)
- 33. Sypialnia (Bedroom)
- 34. Łazienka (Bathroom)
- 35. Pokój (Room)
- 36. Kuchnia (Kitchen)
- 37. Salon (Living Room)
- 38. Sypialnia (Bedroom)
- 39. Łazienka (Bathroom)
- 40. Pokój (Room)
- 41. Kuchnia (Kitchen)
- 42. Salon (Living Room)
- 43. Sypialnia (Bedroom)
- 44. Łazienka (Bathroom)
- 45. Pokój (Room)
- 46. Kuchnia (Kitchen)
- 47. Salon (Living Room)
- 48. Sypialnia (Bedroom)
- 49. Łazienka (Bathroom)
- 50. Pokój (Room)
- 51. Kuchnia (Kitchen)
- 52. Salon (Living Room)
- 53. Sypialnia (Bedroom)
- 54. Łazienka (Bathroom)
- 55. Pokój (Room)
- 56. Kuchnia (Kitchen)
- 57. Salon (Living Room)
- 58. Sypialnia (Bedroom)
- 59. Łazienka (Bathroom)
- 60. Pokój (Room)
- 61. Kuchnia (Kitchen)
- 62. Salon (Living Room)
- 63. Sypialnia (Bedroom)
- 64. Łazienka (Bathroom)
- 65. Pokój (Room)
- 66. Kuchnia (Kitchen)
- 67. Salon (Living Room)
- 68. Sypialnia (Bedroom)
- 69. Łazienka (Bathroom)
- 70. Pokój (Room)
- 71. Kuchnia (Kitchen)
- 72. Salon (Living Room)
- 73. Sypialnia (Bedroom)
- 74. Łazienka (Bathroom)
- 75. Pokój (Room)
- 76. Kuchnia (Kitchen)
- 77. Salon (Living Room)
- 78. Sypialnia (Bedroom)
- 79. Łazienka (Bathroom)
- 80. Pokój (Room)
- 81. Kuchnia (Kitchen)
- 82. Salon (Living Room)
- 83. Sypialnia (Bedroom)
- 84. Łazienka (Bathroom)
- 85. Pokój (Room)
- 86. Kuchnia (Kitchen)
- 87. Salon (Living Room)
- 88. Sypialnia (Bedroom)
- 89. Łazienka (Bathroom)
- 90. Pokój (Room)
- 91. Kuchnia (Kitchen)
- 92. Salon (Living Room)
- 93. Sypialnia (Bedroom)
- 94. Łazienka (Bathroom)
- 95. Pokój (Room)
- 96. Kuchnia (Kitchen)
- 97. Salon (Living Room)
- 98. Sypialnia (Bedroom)
- 99. Łazienka (Bathroom)
- 100. Pokój (Room)

FIGURE 7. PROPOSED WEST ELEVATION (BRYANT STREET)

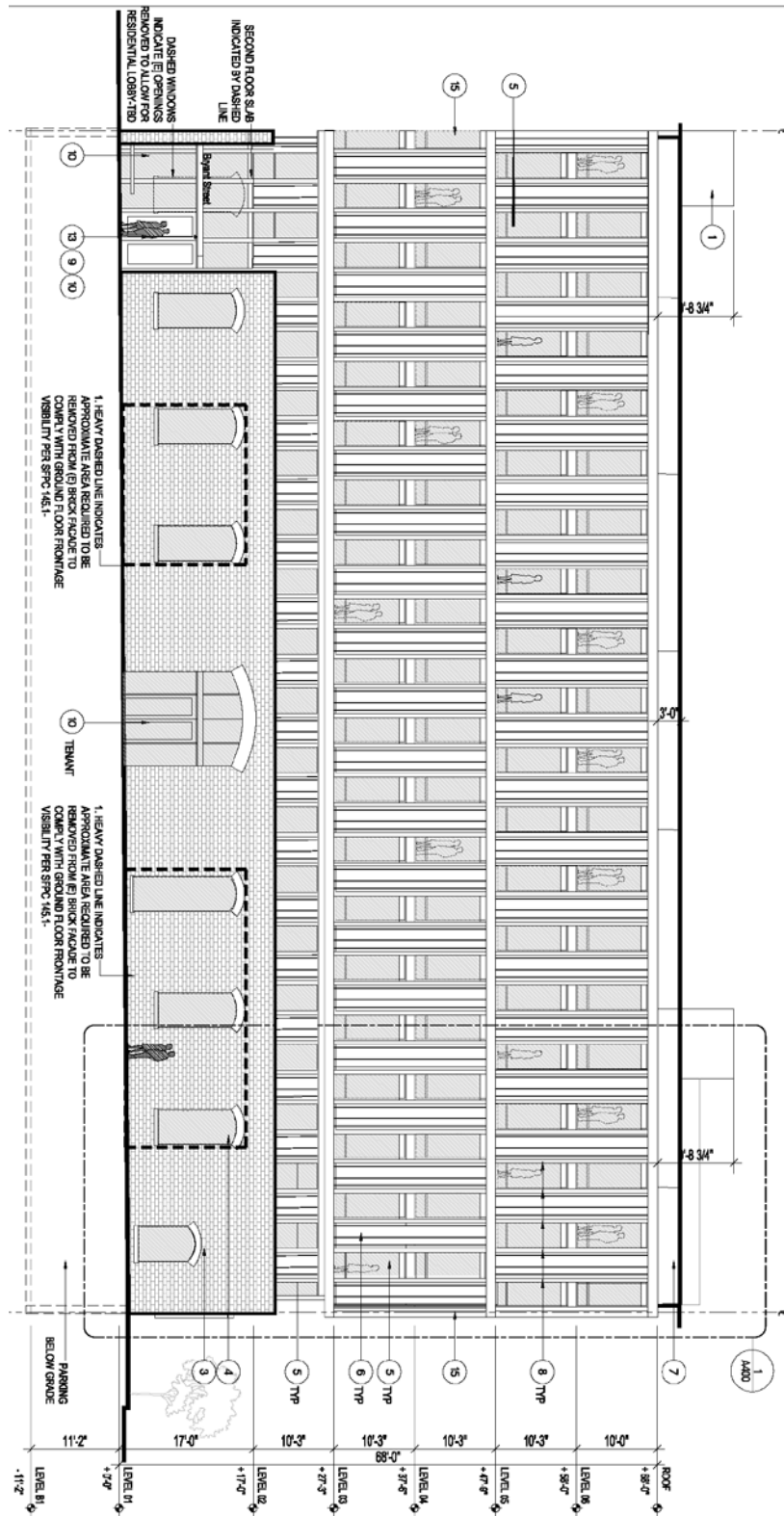
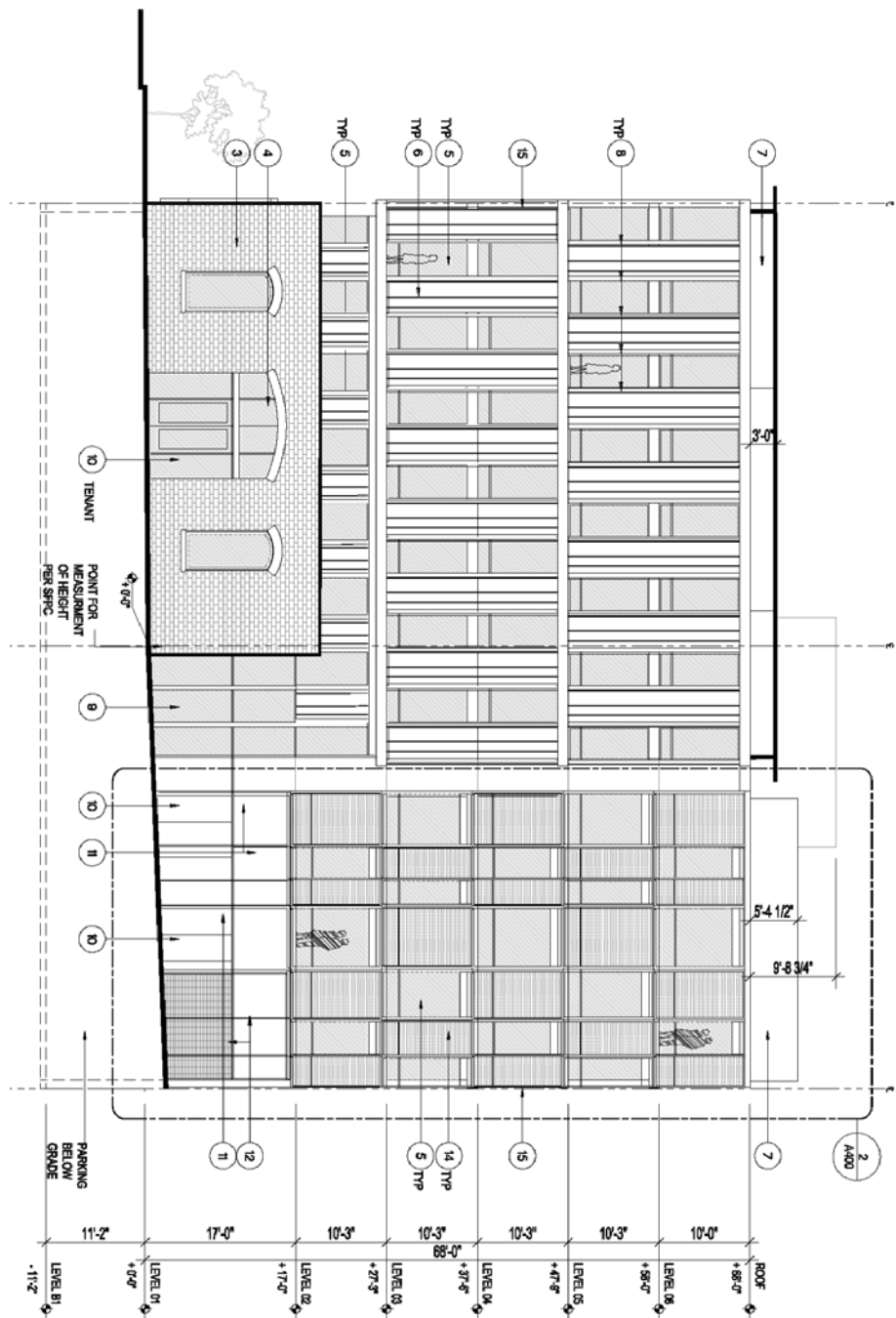


FIGURE 8. PROPOSED SOUTH ELEVATION (19TH STREET)



CHANGES IN THE REGULATORY ENVIRONMENT

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

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014.
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled (VMT) analysis, effective March 2016 (see “CEQA Section 21099” heading below).
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 14, 2016 through January 14, 2018.
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka “Muni Forward”) adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, and the Transportation Sustainability Program (see initial study Transportation section).
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses near Places of Entertainment effective June 2015 (see initial study Noise section).
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see initial study Air Quality section).
- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see initial study Recreation section).
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see initial study Utilities and Service Systems section).
- Article 22A of the Health Code amendments effective August 2013 (see initial study Hazardous Materials section).

Aesthetics and Parking

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

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

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

Automobile Delay and Vehicle Miles Traveled

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

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

³ San Francisco Planning Department. Eligibility Checklist: CEQA Section 21099 – Modernization of Transportation Analysis for 2750 19th Street, September 8, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400 as part of Case File No. 2014.0999E.

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

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

The Eastern Neighborhoods PEIR analyzed a range of potential rezoning options and considered the effects of losing between approximately 520,000 to 4,930,000 square feet of PDR space in the plan area throughout the lifetime of the plan (year 2025). This was compared to an estimated loss of approximately 4,620,000 square feet of PDR space in the plan area under the No Project scenario. Within the Mission subarea, the Eastern Neighborhoods PEIR considered the effects of losing up to approximately 3,370,000 square feet of PDR space through the year 2025. The Eastern Neighborhoods PEIR determined that adoption of the rezoning and area plans would result in an unavoidable significant impact on land use due to the cumulative loss of PDR space. This impact was addressed in a *statement of overriding considerations* with CEQA findings and adopted as part of the Eastern Neighborhoods Rezoning and Areas Plans approval on January 19, 2009.

The proposed project would include 10,000 square feet of ground-floor PDR uses. The proposed project would result in the net a loss of approximately 1,000 square feet of PDR building space. The loss of 1,000 square feet under the proposed project represents approximately 0.03 percent of the 3,370,000 square feet of PDR loss identified in the PEIR in the Mission, and thus would not contribute considerably to the significant cumulative land use impact related to loss of PDR uses that was identified in the Eastern Neighborhoods PEIR.

The project site is located in the UMU District, which is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area, and the proposed project is consistent with the development density established for the site under the Eastern Neighborhoods Rezoning and Area Plans. As stated above, the PEIR acknowledges that the loss of PDR space resulting from development under the adopted rezoning and area plans would have a significant and unavoidable cumulative impact on land use. The proposed loss of up to 1,000 square feet of existing PDR uses would not result in new or more severe impacts than were disclosed in the PEIR. As such, the project's contribution to this cumulative impact does not require any additional environmental review beyond that provided in the Eastern Neighborhoods PEIR and this project-specific initial study.

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

The Citywide Planning and Current Planning divisions of the planning department have determined that the proposed project is permitted in the UMU District and is consistent with height, bulk, density, and land use envisioned in the Mission Area Plan. The proposed project includes 60 dwelling units, 50 percent of which are two-bedrooms units, which is consistent with Objective 1.2, which calls for maximizing development potential in keeping with neighborhood character, and Objective 2.3, which calls for development to satisfy an array of housing needs.^{5,6}

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

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

One of the objectives of the Eastern Neighborhoods area plans is to identify appropriate locations for housing in the City's industrially zoned land to meet the citywide demand for additional housing. The PEIR assessed how the rezoning actions would affect housing supply and location options for businesses in the Eastern Neighborhoods and compared these outcomes to what would otherwise be expected without the rezoning, assuming a continuation of development trends and ad hoc land use changes (such as allowing housing within industrial zones through conditional use authorization on a case-by-case basis, site-specific rezoning to permit housing, and other similar case-by-case approaches). The PEIR concluded that adoption of the rezoning and area plans: "would induce substantial growth and concentration of population in San Francisco." The PEIR states that the increase in population expected to occur as a result of the proposed rezoning and adoption of the area plans would not, in itself, result in adverse physical effects, and would serve to advance key City policy objectives, such as providing housing in appropriate locations next to Downtown and other employment generators and furthering the

⁵ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 2750 19th Street, March 23, 2017.

⁶ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 2750 19th Street, February 22, 2016.

City's transit first policies. It was anticipated that the rezoning would result in an increase in both housing development and population in all of the area plan neighborhoods. The Eastern Neighborhoods PEIR determined that the anticipated increase in population and density would not directly result in significant adverse physical effects on the environment. However, the PEIR identified significant cumulative impacts on the physical environment that would result indirectly from growth afforded under the rezoning and area plans, including impacts on land use, transportation, air quality, and noise. The PEIR contains detailed analyses of these secondary effects under each of the relevant resource topics, and identifies mitigation measures to address significant impacts where feasible.

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

Pursuant to CEQA Guidelines 15131 and 15064(e), economic and social effects such as gentrification and displacement are only considered under CEQA where these effects would cause substantial adverse physical impacts on the environment. Only where economic or social effects have resulted in adverse physical changes in the environment, such as "blight" or "urban decay" have courts upheld environmental analysis that consider such effects. But without such a connection to an adverse physical change, consideration of social or economic impacts "shall not be considered a significant effect" per CEQA Guidelines 15382. While the Eastern Neighborhoods PEIR disclosed that adoption of the Eastern Neighborhoods Rezoning and Area Plans could contribute to gentrification and displacement, it did not determine that these potential socio-economic effects would result in significant adverse physical impacts on the environment.

The proposed project includes 60 dwelling units and approximately 10,000 square feet of PDR space, which would result in approximately 165 new residents and 36 daily PDR employees.⁷ These direct effects of the proposed project on population and housing would not result in new or substantially more severe significant impacts on the physical environment beyond those identified in the Eastern Neighborhoods PEIR. The project's contribution to indirect effects on the physical environment attributable to population growth are evaluated in this initial study under land use, transportation and circulation, noise, air quality, greenhouse gas emissions, recreation, utilities and service systems, and public services.

⁷ New residents were estimated by multiplying the average household size for Census Tract 228 by the number of total units. New employees were estimated based upon employees per square foot for office (PDR is treated as office for purposes of transportation analysis) the SF Planning Department's *Transportation Impact Analysis Guidelines*.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
3. CULTURAL AND PALEONTOLOGICAL RESOURCES—Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5, including those resources listed in Article 10 or Article 11 of the San Francisco Planning Code?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Historic Architectural Resources

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

A Historic Resource Evaluation (HRE) was prepared for the proposed project.⁸ The project site contains three related industrial buildings, including the main one-story heavy timber-frame brick industrial building at the corner (built in 1880), a one-story frame building clad in horizontal rustic siding located east of the main building (built sometime between 1905 and 1914), and a one-story flat roofed frame building with recessed loading dock at the rear of the parcel (built sometime between 1905 and 1914). The main building was constructed as a warehouse for the Golden Gate Woolen Manufacturing Company, which operated the Golden Gate Woolen Mill, across 19th Street from the subject property and which occupied the entire block between 19th and 20th streets and Bryant and York streets. The Golden Gate Woolen Manufacturing Company was an early and significant contributor to the development of industrial employment, Chinese labor, and the Mission District. The subject property was used the warehouse for the mill. Of greater significance is the extant former mill building across the street at 2101 Bryant Street. The subject site included a significant “Chinese Quarters,” which housed the mill’s

⁸ Johanna Street, Historic Resource Evaluation Part I: Significance Evaluation 2750 19th Street San Francisco, August 21, 2017.

Chinese workers, but this building was demolished sometime between 1905 and 1908. The owner of the mill, Donald McLennan, was an important entrepreneur of the wool industry on the West Coast; however, the legacy of McLennan is embodied in the extant mill building across the street. The subject property is an early example of heavy timber-frame industrial architecture; however, the removal of the top floor in 1965 due to fire damage has compromised the building's integrity to an extent that it would not qualify individually for listing in the California Register of Historic Resources. The subject property is located within the boundaries of the previously-identified Northeast Mission Showplace Square Industrial Employment District, which was not adopted by the Historic Preservation Commission due to insufficient evidence to support a finding of eligibility. As part of that survey, the subject property received a California Historical Resource Status Code rating of 6L (ineligible for local listing or designation through local government review process).

Through the review of the HRE and related Planning Department records, the Department has determined that the subject property is not eligible for listing in the California Register under any criteria individually or as part of an historic district.⁹ Therefore, the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR, and no historic resource mitigation measures would apply to the proposed project.

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

Archeological Resources

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

As the project site is located in an area for which no previous archeological studies have been completed, Mitigation Measure J-2 applies to the proposed project. As the proposed project includes 15,000 sf of soil disturbance and excavation to a depth of up to 15 feet, a Preliminary Archeological Review was performed for the proposed project. Based on the reasonable potential that archeological resources may be present within the project site, **Project Mitigation Measure 1: Archeological Resources** shall apply to the proposed project to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources.¹⁰ The full text of Project Mitigation Measure 1: Archeological Resources can be found in the "Mitigation Measures" section, below.

⁹ SF Planning, Preservation Team Review Form 2750 19th Street, August 24, 2017.

¹⁰ Sf Planning Department Email, Preliminary Archeological Review 2750 19th Street, June 24, 2016.

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
4. TRANSPORTATION AND CIRCULATION—Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels, obstructions to flight, or a change in location, that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

¹¹ SF Planning, Transportation Study Determination 2750 19th Street, June 23, 2016.

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

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

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

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

Vehicle Miles Traveled (VMT) Analysis

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

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

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

projects because a tour is likely to consist of trips stopping in multiple locations, and the summarizing of tour VMT to each location would over-estimate VMT.^{12,13}

The proposed project includes 60 residential units and 10,000 square feet of PDR uses. For residential development, the existing regional average daily VMT per capita is 17.2.¹⁴ For the purposes of transportation analysis, PDR uses are treated as office development. For office development, the regional average daily work-related VMT per employee is 19.1 Average regional daily VMT for all three land uses is projected to decrease in future 2040 cumulative conditions. Refer to Table 1: Daily Vehicle Miles Traveled, which includes the transportation analysis zone (TAZ) in which the project site is located, TAZ 538.

Table 1 Daily Vehicle Miles Traveled

<u>Land Use</u>	<u>Existing</u>			<u>Cumulative 2040</u>		
	<u>Bay Area Regional Average</u>	<u>Bay Area Regional Average minus 15%</u>	<u>TAZ 538</u>	<u>Bay Area Regional Average</u>	<u>Bay Area Regional Average minus 15%</u>	<u>TAZ 538</u>
Households (Residential)	17.2	14.6	5.3	16.1	13.7	4.6
PDR Employees (Office)	19.1	16.2	9.6	17.0	14.5	8.5

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

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

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

¹⁴ Includes the VMT generated by the households in the development and averaged across the household population to determine VMT per capita.

The proposed project would include 60 dwelling units and ground-floor PDR space. Existing average VMT for residential land uses per capita for the transportation analysis zone (TAZ) in which the project site is located (538) is 5.3. This is 69 percent below the existing regional average daily VMT capita of 17.2. Future 2040 average daily VMT per capita for TAZ 538 is 4.6. This is 71 percent below the future 2040 regional average VMT per capita of 16.1. For the purposes of transportation analysis, PDR uses are treated as office uses. Existing average daily VMT per office employee for TAZ 538 is 9.6. This is 46 percent below the existing regional average daily VMT of 19.1. Future 2040 average daily VMT for office uses for TAZ 538 is 8.5. This is 50 percent below the future 2040 regional average office VMT of 17.0. Therefore, the proposed project would not cause substantial additional VMT and the impact would be less-than-significant.

Trip Generation

The proposed project would include 60 residential units and approximately 10,000 square feet of PDR uses on the ground floor. The project would also include 26 vehicle parking spaces and 60 Class 1 bicycle parking spaces in a basement level, as well as three Class 2 parking spaces along 19th Street.

Localized trip generation of the proposed project was calculated for the proposed project using a trip-based analysis and information in the *2002 Transportation Impacts Analysis Guidelines for Environmental Review* (SF Guidelines) developed by the San Francisco Planning Department.¹⁵ The proposed project would generate an estimated 706 person trips (inbound and outbound) on a weekday daily basis, consisting of 327 person trips by auto, 209 transit trips, 66 walk trips and 103 trips by other modes. During the p.m. peak hour, the proposed project would generate an estimated 106 person trips, consisting of 48 person trips by auto (42 vehicle trips accounting for vehicle occupancy data for this census tract), 33 transit trips, nine walk trips and 16 trips by other modes.

Transit

Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Plan with uncertain feasibility to address significant transit impacts. These measures are not applicable to the proposed project, as they are plan-level mitigations to be implemented by City and County agencies. In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that goes towards funding transit and complete streets. In addition, San Francisco Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).¹⁶ The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. The proposed project and would be subject to the fee. The City is also currently conducting outreach regarding Mitigation Measures E-5: Enhanced Transit Funding and Mitigation Measure E-11: Transportation Demand Management. Both the Transportation Sustainability Fee and the transportation demand management efforts are part of the Transportation Sustainability Program.¹⁷ In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7:

¹⁵ San Francisco Planning Department, Transportation Calculations for 2750 19th Street, May 29, 2018.

¹⁶ Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

¹⁷ <http://tsp.sfplanning.org>

Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing the Transit Effectiveness Project (TEP), which was approved by the SFMTA Board of Directors in March 2014. The TEP (now called Muni Forward) includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency. Examples of transit priority and pedestrian safety improvements within the Eastern Neighborhoods Plan area as part of Muni Forward include the 14 Mission Rapid Transit Project, the 22 Fillmore Extension along 16th Street to Mission Bay (expected construction between 2017 and 2020), and the Travel Time Reduction Project on Route 9 San Bruno (initiation in 2015). In addition, Muni Forward includes service improvements to various routes with the Eastern Neighborhoods Plan area; for instance the implemented new Route 55 on 16th Street.

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

The project site is located within a quarter mile of several local transit lines including Muni lines 8-Bayshore, 9-San Bruno, 9R-San Bruno Rapid, 14X-Mission Express, 27-Bryant, and 33-Ashbury/18th. The proposed project would be expected to generate 209 daily transit trips, including 33 during the p.m. peak hour. Given the wide availability of nearby transit, the addition of 33 p.m. peak hour transit trips would be accommodated by existing capacity. As such, the proposed project would not result in unacceptable levels of transit service or cause a substantial increase in delays or operating costs such that significant adverse impacts in transit service could result.

Each of the rezoning options in the Eastern Neighborhoods PEIR identified significant and unavoidable cumulative impacts relating to increases in transit ridership on Muni lines, with the Preferred Project having significant impacts on seven lines. Of those lines, the project site is located within a quarter-mile of Muni lines 27-Bryant and 33-Ashbury/18th Street.¹⁸ The proposed project would not contribute considerably to these conditions as its minor contribution of 33 p.m. peak hour transit trips would not be a substantial proportion of the overall additional transit volume generated by Eastern Neighborhood projects. The proposed project would also not contribute considerably to 2025 cumulative transit conditions and thus would not result in any significant cumulative transit impacts.

¹⁸ In the Eastern Neighborhoods PEIR, the Muni bus line 33-Stanyan was one of the lines identified with a significant and unavoidable cumulative impact. The 33-Stanyan route has been altered and is now named 33-Ashbury/18th Street

Conclusion

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

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

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

development projects.¹⁹ These mitigation measures would reduce noise impacts from construction and noisy land uses to less-than-significant levels.

Construction Noise

Eastern Neighborhoods PEIR Mitigation Measures F-1 and F-2 relate to construction noise. Mitigation Measure F-1 addresses individual projects that include pile-driving, and Mitigation Measure F-2 addresses individual projects that include particularly noisy construction procedures (including pile-driving). The proposed project would not include pile-driving, so Mitigation Measure F-1 would not apply to the proposed project. The proposed project would include construction in close proximity to sensitive receptors (residential units), so Mitigation Measure F-2 would apply to the proposed project as **Project Mitigation Measure 2: Construction Noise**. For the full text of this mitigation measure, please see the “Mitigation Measures” section below.

In addition, all construction activities for the proposed project (approximately 18 months) would be subject to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code) (Noise Ordinance). Construction noise is regulated by the Noise Ordinance. The Noise Ordinance requires construction work to be conducted in the following manner: (1) noise levels of construction equipment, other than impact tools, must not exceed 80 dBA at a distance of 100 feet from the source (the equipment generating the noise); (2) impact tools must have intake and exhaust mufflers that are approved by the Director of Public Works (PW) or the Director of the Department of Building Inspection (DBI) to best accomplish maximum noise reduction; and (3) if the noise from the construction work would exceed the ambient noise levels at the site property line by 5 dBA, the work must not be conducted between 8:00 p.m. and 7:00 a.m. unless the Director of PW authorizes a special permit for conducting the work during that period.

DBI is responsible for enforcing the Noise Ordinance for private construction projects during normal business hours (8:00 a.m. to 5:00 p.m.). The Police Department is responsible for enforcing the Noise Ordinance during all other hours. Nonetheless, during the construction period for the proposed project of approximately 18 months, occupants of the nearby properties could be disturbed by construction noise. Times may occur when noise could interfere with indoor activities in nearby residences and other businesses near the project site. The increase in noise in the project area during project construction would not be considered a significant impact of the proposed project, because the construction noise would be temporary, intermittent, and restricted in occurrence and level, as the contractor would be required to comply with the Noise Ordinance and Eastern Neighborhoods PEIR Mitigation Measures F-2 (Project Mitigation Measure 2: Construction Noise), which would reduce construction noise impacts to a less-than-significant level.

¹⁹ Eastern Neighborhoods PEIR Mitigation Measures F-3, F-4, and F-6 address the siting of sensitive land uses in noisy environments. In a decision issued on December 17, 2015, the California Supreme Court held that CEQA does not generally require an agency to consider the effects of existing environmental conditions on a proposed project's future users or residents except where a project or its residents may exacerbate existing environmental hazards (*California Building Industry Association v. Bay Area Air Quality Management District*, December 17, 2015, Case No. S213478. Available at: <http://www.courts.ca.gov/opinions/documents/S213478.PDF>). As noted above, the *Eastern Neighborhoods PEIR* determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant, and thus would not exacerbate the existing noise environment. Therefore, Eastern Neighborhoods Mitigation Measures F-3, F-4, and F-6 are not applicable. Nonetheless, for all noise sensitive uses, the general requirements for adequate interior noise levels of Mitigation Measures F-3 and F-4 are met by compliance with the acoustical standards required under the California Building Standards Code (California Code of Regulations Title 24).

Operational Noise

Eastern Neighborhoods PEIR Mitigation Measure F-5 addresses impacts related to individual projects that include uses that would be expected to generate noise levels in excess of ambient noise in the project vicinity. The proposed project includes residential uses and PDR uses at the ground floor. Noises related to residential uses are common and expected in urban areas, and are not anticipated to generate noise in excess of ambient noise in the project vicinity.

The proposed project also includes 10,000 sf of PDR uses on the ground floor. PDR uses are considered noise-generating uses. Therefore, PEIR Mitigation Measure F-5 applies to the proposed project. Pursuant to PEIR Mitigation Measure F-5, an acoustic analysis was prepared to examine the impact of the proposed PDR uses on nearby sensitive receptors (e.g. residential uses).²⁰ With regard to noise generated from residential or commercial/industrial properties, section 2909(a) and (b) of the Noise Ordinance provides limits of 5 or 8 dBA, respectively, above the ambient noise level at any point outside the property plane for residential and commercial/industrial land uses. Section 2909(d) of the Noise Ordinance limits the permitted noise level inside a residence to 45 dBA between 10 p.m. and 7 a.m. and 50 dBA between 7 a.m. and 10 p.m.²¹ According to the acoustic analysis, nighttime ambient noise is close to 45 dBA and for brief periods after midnight drops as low as 40 dBA. Noise transmission from PDR spaces to surrounding commercial properties to the north and east would be acoustically separated by buffer spaces created by other building uses and spaces within the proposed project (such as storage, bicycle parking and restrooms). For existing residential and commercial properties across 19th and Bryant streets from the proposed project, the analysis assumed worst-case noise levels of 90 and 100 dBA generated by the proposed PDR uses. The analysis found that the existing brick wall that would be retained as part of the project, the standard 1" insulated glazing on the proposed windows, and weather-sealed exterior doors on both Bryant Street and 19th Street would ensure that noises generated by PDR activities would not exceed San Francisco Police Code limits for noise at nearby sensitive receptors.

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

²⁰ Papadimos Group, *2750 19th Street Noise Mitigation Measure F-5 Analysis*, May 18, 2018.

²¹ Federal Highway Administration, *Highway Traffic Noise: Analysis and Abatement Guidance*, 2011, available at: https://www.fhwa.dot.gov/environment/noise/regulations_and_guidance/analysis_and_abatement_guidance/revguidance.pdf. Accessed August 10, 2018.

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

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

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

The Eastern Neighborhoods PEIR identified potentially significant air quality impacts resulting from construction activities and impacts to sensitive land uses²² as a result of exposure to elevated levels of diesel particulate matter (DPM) and other toxic air contaminants (TACs). The Eastern Neighborhoods PEIR identified four mitigation measures that would reduce these air quality impacts to less-than-significant levels and stated that with implementation of identified mitigation measures, the Area Plan would be consistent with the Bay Area 2005 Ozone Strategy, the applicable air quality plan at that time. All other air quality impacts were found to be less than significant.

Eastern Neighborhoods PEIR Mitigation Measure G-1 addresses air quality impacts during construction, and PEIR Mitigation Measures G-3 and G-4 address proposed uses that would emit DPM and other TACs.²³

²² The Bay Area Air Quality Management District (BAAQMD) considers sensitive receptors as: children, adults or seniors occupying or residing in: 1) residential dwellings, including apartments, houses, condominiums, 2) schools, colleges, and universities, 3) daycares, 4) hospitals, and 5) senior care facilities. BAAQMD, Recommended Methods for Screening and Modeling Local Risks and Hazards, May 2011, page 12.

²³ The Eastern Neighborhoods PEIR also includes Mitigation Measure G-2, which has been superseded by Health Code Article 38, as discussed below, and is no longer applicable.

Construction Dust Control

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

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

Criteria Air Pollutants

While the Eastern Neighborhoods PEIR determined that at a program-level the Eastern Neighborhoods Rezoning and Area Plans would not result in significant regional air quality impacts, the PEIR states that “Individual development projects undertaken in the future pursuant to the new zoning and area plans would be subject to a significance determination based on the BAAQMD’s quantitative thresholds for individual projects.”²⁴ The BAAQMD’s *CEQA Air Quality Guidelines* (Air Quality Guidelines) provide screening criteria²⁵ for determining whether a project’s criteria air pollutant emissions would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Pursuant to the Air Quality Guidelines, projects that meet the screening criteria do not have a significant impact related to criteria air pollutants. Criteria air pollutant emissions during construction and operation of the proposed project would meet the Air Quality Guidelines screening criteria. Criteria air pollutant screening criteria for construction and operations of mid-rise buildings such as the proposed project are 240 units and 494 units, respectively, 541,000 sf or 259,000 sf of light industrial (or PDR) uses, respectively, or 10,000 cubic yards of excavation. The proposed project includes 60 residential units and includes 8,553 cubic yards of excavation. Therefore, the project would not have a significant impact related to criteria air pollutants, and a detailed air quality assessment is not required.

The project includes 60 residential units and 10,000 square feet of PDR uses on the ground floor. As the criteria pollutant screening criteria for construction and operations of the light industrial (e.g. PDR space)

²⁴ San Francisco Planning Department, Eastern Neighborhood’s Rezoning and Area Plans Final Environmental Impact Report. See page 346. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=4003>. Accessed June 4, 2014.

²⁵ Bay Area Air Quality Management District, CEQA Air Quality Guidelines, updated May 2011. See pp. 3-2 to 3-3.

are 541,000 sf and 259,000 sf, respectively, the project would not have a significant impact related to air pollutants, and a detailed air quality assessment is not required.

Health Risk

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

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

Siting New Sources

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

Conclusion

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
7. GREENHOUSE GAS EMISSIONS— Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b) Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR assessed the GHG emissions that could result from rezoning of the Mission Area Plan under the three rezoning options. The Eastern Neighborhoods Rezoning Options A, B, and C are anticipated to result in GHG emissions on the order of 4.2, 4.3 and 4.5 metric tons of CO₂E²⁶ per service population,²⁷ respectively. The Eastern Neighborhoods PEIR concluded that the resulting GHG emissions from the three options analyzed in the Eastern Neighborhoods Area Plans would be less than significant. No mitigation measures were identified in the PEIR.

The BAAQMD has prepared guidelines and methodologies for analyzing GHGs. These guidelines are consistent with CEQA Guidelines Sections 15064.4 and 15183.5 which address the analysis and determination of significant impacts from a proposed project's GHG emissions and allow for projects that are consistent with an adopted GHG reduction strategy to conclude that the project's GHG impact is less than significant. San Francisco's *Strategies to Address Greenhouse Gas Emissions*²⁸ presents a comprehensive assessment of policies, programs, and ordinances that collectively represent San Francisco's GHG reduction strategy in compliance with the BAAQMD and CEQA guidelines. These GHG reduction actions have resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels,²⁹ exceeding the year 2020 reduction goals outlined in the BAAQMD's *2010 Clean Air Plan*,³⁰ Executive Order S-3-05³¹, and Assembly Bill 32 (also known as the Global Warming Solutions Act).^{32,33} In addition, San Francisco's GHG reduction goals are consistent with, or more aggressive than, the long-term goals established under Executive Orders S-3-05³⁴ and B-30-15.^{35,36} Therefore, projects that are consistent with

²⁶ CO₂E, defined as equivalent Carbon Dioxide, is a quantity that describes other greenhouse gases in terms of the amount of Carbon Dioxide that would have an equal global warming potential.

²⁷ Memorandum from Jessica Range to Environmental Planning staff, Greenhouse Gas Analyses for Community Plan Exemptions in Eastern Neighborhoods, April 20, 2010. This memorandum provides an overview of the GHG analysis conducted for the Eastern Neighborhoods PEIR and provides an analysis of the emissions using a service population (equivalent of total number of residents and employees) metric.

²⁸ San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco*, November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

²⁹ ICF International, Technical Review of the 2012 Community-wide Inventory for the City and County of San Francisco, January 21, 2015.

³⁰ Bay Area Air Quality Management District, *Clean Air Plan*, September 2010. Available at <http://www.baaqmd.gov/plans-and-climate/air-quality-plans/current-plans>, accessed March 3, 2016.

³¹ Office of the Governor, *Executive Order S-3-05*, June 1, 2005. Available at <https://www.gov.ca.gov/news.php?id=1861>, accessed March 3, 2016.

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

³³ Executive Order S-3-05, Assembly Bill 32, and the Bay Area 2010 Clean Air Plan set a target of reducing GHG emissions to below 1990 levels by year 2020.

³⁴ Executive Order S-3-05 sets forth a series of target dates by which statewide emissions of GHGs need to be progressively reduced, as follows: by 2010, reduce GHG emissions to 2000 levels (approximately 457 million MTCO₂E); by 2020, reduce emissions to 1990 levels (approximately 427 million MTCO₂E); and by 2050 reduce emissions to 80 percent below 1990 levels (approximately 85 million MTCO₂E).

San Francisco's GHG Reduction Strategy would not result in GHG emissions that would have a significant effect on the environment and would not conflict with state, regional, and local GHG reduction plans and regulations.

The proposed project would increase the intensity of use of the site by adding 60 residential units and PDR space to a parcel that currently contains three industrial buildings. Therefore, the proposed project would contribute to annual long-term increases in GHGs as a result of increased vehicle trips (mobile sources) and residential and PDR operations that result in an increase in energy use, water use, wastewater treatment, and solid waste disposal. Construction activities would also result in temporary increases in GHG emissions.

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

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

The proposed project would be required to comply with the energy efficiency requirements of the City's Green Building Code, Stormwater Management Ordinance, Irrigation ordinance, and Energy Conservation Ordinance, which would promote energy and water efficiency, thereby reducing the proposed project's energy-related GHG emissions.³⁷ Additionally, the project would be required to meet the renewable energy criteria of the Green Building Code, further reducing the project's energy-related GHG emissions.

The waste-related emissions of the proposed project would be reduced through compliance with the City's Recycling and Composting Ordinance, Construction and Demolition Debris Recovery Ordinance, and Green Building Code requirements. These regulations reduce the amount of materials sent to a landfill, reducing GHGs emitted by landfill operations. These regulations also promote reuse of materials, conserving their embodied energy³⁸ and reducing the energy required to produce new materials.

Compliance with the City's Street Tree Planting requirements would serve to increase carbon sequestration. Other regulations, including those limiting refrigerant emissions and the Wood Burning Fireplace Ordinance would reduce emissions of GHGs and black carbon, respectively. Regulations

³⁵ Office of the Governor, *Executive Order B-30-15*, April 29, 2015. Available at <https://www.gov.ca.gov/news.php?id=18938>, accessed March 3, 2016. Executive Order B-30-15 sets a state GHG emissions reduction goal of 40 percent below 1990 levels by the year 2030.

³⁶ San Francisco's GHG reduction goals are codified in Section 902 of the Environment Code and include: (i) by 2008, determine City GHG emissions for year 1990; (ii) by 2017, reduce GHG emissions by 25 percent below 1990 levels; (iii) by 2025, reduce GHG emissions by 40 percent below 1990 levels; and by 2050, reduce GHG emissions by 80 percent below 1990 levels.

³⁷ Compliance with water conservation measures reduce the energy (and GHG emissions) required to convey, pump and treat water required for the project.

³⁸ Embodied energy is the total energy required for the extraction, processing, manufacture and delivery of building materials to the building site.

requiring low-emitting finishes would reduce volatile organic compounds (VOCs).³⁹ Thus, the proposed project was determined to be consistent with San Francisco's GHG reduction strategy.⁴⁰

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
8. WIND AND SHADOW—Would the project:				
a) Alter wind in a manner that substantially affects public areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Wind

Based upon experience of the Planning Department in reviewing wind analyses and expert opinion on other projects, it is generally (but not always) the case that projects under 80 feet in height do not have the potential to generate significant wind impacts. Although the proposed 68-foot-tall building would be taller than the immediately adjacent buildings, it would be similar in height to existing buildings in the surrounding area. For the above reasons, the proposed project is not anticipated to cause significant impacts related to wind that were not identified in the Eastern Neighborhoods PEIR.

Shadow

Planning Code Section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space. Under the Eastern Neighborhoods Rezoning and Area Plans, sites surrounding parks could be redeveloped with taller buildings without triggering Section 295 of the Planning Code because certain parks are not subject to Section 295 of the Planning Code (i.e., under jurisdiction of departments other than the Recreation and Parks Department or privately owned). The Eastern Neighborhoods PEIR could not conclude if the

³⁹ While not a GHG, VOCs are precursor pollutants that form ground level ozone. Increased ground level ozone is an anticipated effect of future global warming that would result in added health effects locally. Reducing VOC emissions would reduce the anticipated local effects of global warming.

⁴⁰ San Francisco Planning Department, Greenhouse Gas Analysis: Compliance Checklist for 2750 19th Street, March 7, 2017.

rezoning and community plans would result in less-than-significant shadow impacts because the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time. Therefore, the PEIR determined shadow impacts to be significant and unavoidable. No mitigation measures were identified in the PEIR.

The proposed project would construct a 68-foot-tall building; therefore, the Planning Department prepared a preliminary shadow fan analysis to determine whether the project would have the potential to cast new shadow on nearby parks.⁴¹ The shadow fan indicated that the proposed project would not cast any new shadow on any public open spaces, including Recreation and Parks Department properties subject to Planning Code section 295 and San Francisco Unified School District properties.

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

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

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

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

⁴¹ SF Planning, *Shadow Fan for 2750 19th Street*, September 15, 2017.

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

An update of the Recreation and Open Space Element (ROSE) of the General Plan was adopted in April 2014. The amended ROSE provides a 20-year vision for open spaces in the City. It includes information and policies about accessing, acquiring, funding, and managing open spaces in San Francisco. The amended ROSE identifies areas within the Eastern Neighborhoods Plan area for acquisition and the locations where new open spaces and open space connections should be built, consistent with PEIR Improvement Measure H-2: Support for New Open Space. Two of these open spaces, Daggett Park and at 17th and Folsom, are both set to open in 2017. In addition, the amended ROSE identifies the role of both the Better Streets Plan (refer to "Transportation" section for description) and the Green Connections Network in open space and recreation. Green Connections are special streets and paths that connect people to parks, open spaces, and the waterfront, while enhancing the ecology of the street environment. Six routes identified within the Green Connections Network cross the Eastern Neighborhoods Plan area: Mission to Peaks (Route 6); Noe Valley to Central Waterfront (Route 8), a portion of which has been conceptually designed; Tenderloin to Potrero (Route 18); Downtown to Mission Bay (Route 19); Folsom, Mission Creek to McLaren (Route 20); and Shoreline (Route 24).

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

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
10. UTILITIES AND SERVICE SYSTEMS—Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supply available to serve the project from existing entitlements and resources, or require new or expanded water supply resources or entitlements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider that would serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Since certification of the PEIR, the San Francisco Public Utilities Commission (SFPUC) adopted the 2010 Urban Water Management Plan (UWMP) in June 2011. The UWMP update includes city-wide demand projections to the year 2035, compares available water supplies to meet demand and presents water demand management measures to reduce long-term water demand. Additionally, the UWMP update includes a discussion of the conservation requirement set forth in Senate Bill 7 passed in November 2009 mandating a statewide 20% reduction in per capita water use by 2020. The UWMP includes a quantification of the SFPUC's water use reduction targets and plan for meeting these objectives. The UWMP projects sufficient water supply in normal years and a supply shortfall during prolonged droughts. Plans are in place to institute varying degrees of water conservation and rationing as needed in response to severe droughts.

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

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
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11. PUBLIC SERVICES—Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any public services such as fire protection, police protection, schools, parks, or other services? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

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

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
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12. BIOLOGICAL RESOURCES—Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

The project site is located within Mission Plan area of the Eastern Neighborhoods Area Plan and therefore, does not support habitat for any candidate, sensitive or special status species. As such, implementation of the proposed project would not result in significant impacts to biological resources not identified in the Eastern Neighborhoods PEIR.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
13. GEOLOGY AND SOILS—Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Change substantially the topography or any unique geologic or physical features of the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

A geotechnical investigation was prepared for the proposed project.⁴² The investigation revealed that the project site is underlain by approximately 8.5 to 13 feet of sandy soil, and that the upper 2 to 7 feet of sandy soil beneath the existing building may have been disturbed or placed as fill during the original grading of the project site. Groundwater was encountered at the project site at depths varying from 8 to 17 feet. In 2001, the State of California, Division of Mines and Geology, released a Map of Seismic Hazard Zones for the City and County of San Francisco. The project site lies within a hazard zone indicated on this map as a site subject to potential liquefaction during seismic events. Nonetheless, the geotechnical investigation determined that liquefiable soil layers are unlikely to exist beneath 2750 19th Street because the sandy layers are either sufficiently dense or contain a large enough percentage of fines to resist liquefaction. The geotechnical investigation found that the makeup of the underlying soils anticipated at the depth of excavation (up to 15 feet below grade) required for the proposed project are suitable to support an interconnected, reinforced concrete footing foundation system for the building's proposed height. The preliminary investigation indicated that dewatering may be required during excavation, as may underpinning of adjacent structures, as the investigation supposes that the foundations of surrounding buildings would be above the depth of the proposed excavation.

⁴² Rollo and Ridley, Preliminary Geotechnical Investigation, 2750 19th Street, San Francisco, California, November 23, 2015.

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

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

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

The project site is currently developed and entirely covered with impervious surfaces. The proposed project would similarly occupy the entire lot. There would be no net change in the total amount of impervious surface with the completion of the proposed project. The proposed project would include new street trees and landscaping along the sidewalks on 19th and Bryant streets. As a result, the proposed project would not increase stormwater runoff.

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
15. HAZARDS AND HAZARDOUS MATERIALS—Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury, or death involving fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Hazardous Building Materials

The Eastern Neighborhoods PEIR determined that future development in the Plan Area may involve demolition or renovation of existing structures containing hazardous building materials. Some building materials commonly used in older buildings could present a public health risk if disturbed during an accident or during demolition or renovation of an existing building. Hazardous building materials addressed in the PEIR include asbestos, electrical equipment such as transformers and fluorescent light ballasts that contain PCBs or di (2 ethylhexyl) phthalate (DEHP), fluorescent lights containing mercury vapors, and lead-based paints. Asbestos and lead based paint may also present a health risk to existing building occupants if they are in a deteriorated condition. If removed during demolition of a building, these materials would also require special disposal procedures. The Eastern Neighborhoods PEIR identified a significant impact associated with hazardous building materials including PCBs, DEHP, and mercury and determined that that Mitigation Measure L-1: Hazardous Building Materials, as outlined below, would reduce effects to a less-than-significant level. Because the proposed project includes demolition of existing buildings, Mitigation Measure L-1 would apply to the proposed project. See full text of **Project Mitigation Measure 3: Hazardous Building Materials** in the "Mitigation Measures" section below.

Soil and Groundwater Contamination

Since certification of the PEIR, Article 22A of the Health Code, also known as the Maher Ordinance, was expanded to include properties throughout the City where there is potential to encounter hazardous materials, primarily industrial zoning districts, sites with industrial uses or underground storage tanks,

sites with historic bay fill, and sites in close proximity to freeways or underground storage tanks. The over-arching goal of the Maher Ordinance is to protect public health and safety by requiring appropriate handling, treatment, disposal and when necessary, remediation of contaminated soils that are encountered in the building construction process. Projects that disturb 50 cubic yards or more of soil that are located on sites with potentially hazardous soil or groundwater within the Eastern Neighborhoods Plan area are subject to this ordinance.

The proposed project would add residential units and PDR uses on a site with a history of the presence of hazardous materials and/or soil contamination. Therefore, the project is subject to the Maher Ordinance, which is administered and overseen by the Department of Public Health (DPH). The Maher Ordinance requires the project sponsor to retain the services of a qualified professional to prepare a Phase I Environmental Site Assessment (ESA) that meets the requirements of Health Code Section 22.A.6.

In compliance with the Maher Ordinance, the project sponsor has submitted a Maher Application to DPH and a Phase I Environmental Site Assessment has been prepared to assess the potential for site contamination.^{43, 44} The ESA found that there were no recognized environmental conditions connected with the project site, no known pending environmental regulatory actions concerning the subject property, no reportable quantities of hazardous materials stored on the premises and no hazardous materials generated on-site. The ESA did find evidence of a 1,500-gallon fuel oil tank beneath the sidewalk at the southeast corner of the building. The tank was used to store fuel for two boilers, both of which have been removed. The ESA indicates that the unknown status of this tank represents a potential environmental concern for the property.

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

Therefore, the proposed project would not result in significant impacts related to hazards or hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
16. MINERAL AND ENERGY RESOURCES—Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

⁴³ RGO Environmental, Environmental Site Assessment Report 2750 19th Street, San Francisco, California, June 11, 2014.

⁴⁴ San Francisco Department of Public Health, Maher Application for 2750 19th Street, February 17, 2017.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
c) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
17. AGRICULTURE AND FOREST RESOURCES:—Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined by Public Resources Code Section 4526)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

MITIGATION MEASURES

Project Mitigation Measure 1: Archeological Resources

Based on the reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).

Consultation with Descendant Communities: On discovery of an archeological site⁴⁵ associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group an appropriate representative⁴⁶ of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

Archeological monitoring program (AMP). The archeological monitoring program shall minimally include the following provisions:

⁴⁵ By the term "archeological site" is intended here to minimally include any archeological deposit, feature, burial, or evidence of burial.

⁴⁶ An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission and in the case of the Overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the Department archeologist.

- The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with the archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;
- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, present the findings of this assessment to the ERO.

If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:

- A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- B) An archeological data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

If an archeological data recovery program is required by the ERO, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The project archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely

affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- *Field Methods and Procedures.* Descriptions of proposed field strategies, procedures, and operations.
- *Cataloguing and Laboratory Analysis.* Description of selected cataloguing system and artifact analysis procedures.
- *Discard and Deaccession Policy.* Description of and rationale for field and post-field discard and deaccession policies.
- *Interpretive Program.* Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- *Security Measures.* Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- *Final Report.* Description of proposed report format and distribution of results.
- *Curation.* Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

Human Remains, Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The ERO shall also be immediately notified upon discovery of human remains. The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO. If no agreement is reached State regulations shall be followed including the reinternment of the human remains and associated burial objects with appropriate dignity on the property in a location not subject to further subsurface disturbance (Pub. Res. Code Sec. 5097.98).

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

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

Project Mitigation Measure 2: Construction Noise

Where environmental review of a development project undertaken subsequent to the adoption of the proposed zoning controls determines that construction noise controls are necessary due to the nature of planned construction practices and the sensitivity of proximate uses, the Planning Director shall require that the sponsors of the subsequent development project develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:

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

Project Mitigation Measure 3: Hazardous Building Materials

The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

Exhibit B



SAN FRANCISCO PLANNING DEPARTMENT

Agreement to Implement Mitigation Measure(s)

Case No.: 2014.0999ENV
Project Address: 2750 19th Street
Zoning: UMU (Urban Mixed Use) Zoning District
 68-X Height and Bulk District
Block/Lot: 4023/004A
Lot Size: 15,000 square feet
Plan Area: Eastern Neighborhoods Area Plan, Mission Subarea
Project Sponsor: Steve Perry, Perry Architects 415-806-1203
Staff Contact: Justin Horner, justin.horner@sfgov.org 415-575-9023

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
 Information:
415.558.6377

MITIGATION MEASURES

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archeological field investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

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MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO. If no agreement is reached State regulations shall be followed including the reinternment of the human remains and associated burial objects with appropriate dignity on the property in a location not subject to further subsurface disturbance (Pub. Res. Code Sec. 5097.98).

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Project Mitigation Measure 2: Construction Noise

Where environmental review of a development project undertaken subsequent to the adoption of the proposed zoning controls determines that construction noise controls are necessary due to the nature of planned construction practices and the sensitivity of proximate uses, the Planning Director shall require that the sponsors of the subsequent development project develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:

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- Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses;

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The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

DS
AV

I agree to implement the above mitigation measure(s) as a condition of project approval.

DocuSigned by:
Ani Vartanian
1A925CAE67C54A8

Property Owner or Legal Agent Signature

10/16/2017

Date

Exhibit C

1 [Affirming Final Environmental Impact Report Certification - 901-16th Street and 1200-17th
2 Street Project]

3 **Motion affirming the Planning Commission's certification of the Final Environmental**
4 **Impact Report prepared for the proposed project located at 901-16th Street and**
5 **1200-17th Street.**

6
7 WHEREAS, The proposed project is located on a 3.5-acre site consisting of four
8 parcels bounded by 16th Street to the north, Mississippi Street to the east, 17th Street to the
9 south, and residential and industrial buildings to the west; and

10 WHEREAS, The project site currently contains four existing buildings: two metal shed
11 industrial warehouse buildings (102,500 square feet), a vacant brick office building (1,240
12 square feet), and a modular office structure (5,750 square feet), and an open surface parking
13 lot that is also used for access by the University of California, San Francisco to its on-site
14 storage; and

15 WHEREAS, The proposed project would merge four lots into two lots, demolish two
16 metal shed warehouses and the modular office structure, preserve the brick office building,
17 and construct two new mixed use buildings on site; and

18 WHEREAS, The "16th Street Building" at 901-16th Street would consist of a new six-
19 story, approximately 402,943 gross square foot residential mixed-use building with 260
20 dwelling units and 20,318 gross square feet of retail on the northern lot; and

21 WHEREAS, The "17th Street Building" at 1200-17th Street would consist of a new four-
22 story, approximately 213,509 gross square foot residential mixed use building with 135
23 dwelling units and 4,650 gross square feet of retail on the southern lot, and

24 WHEREAS, The historic brick office building would be rehabilitated for retail or
25 restaurant use; and

1 WHEREAS, Combined, the two new buildings would contain a total of 395 dwelling
2 units and approximately 24,698 gross square feet of retail space, with a total of 388 vehicular
3 parking spaces, 455 off-street bicycle parking spaces, and approximately 14,669 square feet
4 of public open space, 33,149 square feet of common open space shared by project
5 occupants, and 3,114 square feet of open space private to units; and

6 WHEREAS, CEQA State Guidelines, Section 15183, provides an exemption from
7 environmental review for projects that are consistent with the development density established
8 by existing zoning, community plan, or general plan policies for which an EIR was certified,
9 except as might be necessary to examine whether there are project-specific effects which are
10 peculiar to the proposed project or its site; and

11 WHEREAS, The project site is located within the Showplace Square/Potrero Subarea
12 of the Eastern Neighborhoods Rezoning and Area Plan (Eastern Neighborhoods Plan), for
13 which a comprehensive program-level EIR was prepared and certified (Eastern
14 Neighborhoods PEIR); and

15 WHEREAS, The proposed project was initially evaluated under a Community Plan
16 Exemption (CPE) Checklist (published on February 11, 2015, and included as Appendix A to
17 the draft EIR); and

18 WHEREAS, The CPE Checklist determined that the proposed project would not result
19 in new, project-specific environmental impacts, or impacts of greater severity than were
20 already analyzed and disclosed in the Eastern Neighborhoods PEIR for the following issue
21 topics: land use and land use planning; aesthetics; population and housing; paleontological
22 and archeological resources; noise; air quality; greenhouse gas emissions; wind and shadow;
23 recreation; utilities and service systems; public services; biological resources; geology and
24 soils; hydrology and water quality; hazards and hazardous materials; mineral and energy
25 resources; and agriculture and forest resources; and

1 WHEREAS, The CPE Checklist incorporated seven Mitigation Measures from the
2 Eastern Neighborhoods PEIR to avoid impacts previously identified in the PEIR with regard to
3 archeological resources, air quality, noise, and hazardous materials; and

4 WHEREAS, The CPE Checklist further determined that a focused EIR would be
5 prepared to address potential project-specific impacts to transportation and circulation and
6 historic architectural resources that were not identified by the Eastern Neighborhoods PEIR;
7 and

8 WHEREAS, The San Francisco Planning Department, as lead agency, published and
9 circulated (with the CPE Checklist) a Notice of Preparation ("NOP") on February 11, 2015,
10 that solicited comments regarding the scope of the EIR for the proposed project; and

11 WHEREAS, The Planning Department held a public scoping meeting on March 4,
12 2015, at the Potrero Hill Neighborhood House, 953 De Haro Street, San Francisco to receive
13 comments on the scope and content of the EIR; and

14 WHEREAS, On August 12, 2015, the Planning Department published a draft EIR for
15 the proposed project; and

16 WHEREAS, On October 1, 2015, the Planning Commission held a duly noticed public
17 hearing on the draft EIR, and then prepared a Responses to Comments (RTC) document,
18 published on April 28, 2016, to address environmental issues raised by written and oral
19 comments received during the public comment period and at the public hearing for the draft
20 EIR; and

21 WHEREAS, The Planning Department prepared a Final Environmental Impact Report
22 ("FEIR") for the Project, consisting of the CPE Checklist, the DEIR, any consultations and
23 comments received during the review process, any additional information that became
24 available and the Comments and Responses document, all as required by law; and
25

1 WHEREAS, On May 12, 2016, the Planning Commission reviewed and considered the
2 FEIR and CPE and, by Motion No. 19643, found that the contents of said report and the
3 procedures through which the FEIR and CPE were prepared, publicized and reviewed
4 complied with the provisions of the California Environmental Quality Act ("CEQA"), the State
5 CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code; and

6 WHEREAS, By Motion No. 19643 the Commission found the FEIR and the CPE to be
7 adequate, accurate and objective, reflected the independent judgment and analysis of the
8 Department and the Commission and that the Comments and Responses document
9 contained no significant revisions to the DEIR, adopted findings relating to significant impacts
10 associated with the Project and certified the completion of the FEIR in compliance with CEQA
11 and the State CEQA Guidelines, and Chapter 31; and

12 WHEREAS, By letter to the Clerk of the Board of Supervisors dated June 10, 2016,
13 from Rachel Mansfield-Howlett, on behalf of Save the Hill and Grow Potrero Responsibly
14 ("Appellant") filed an appeal of the CPE and FEIR to the Board of Supervisors; and

15 WHEREAS, On July 26, 2016, this Board held a duly noticed public hearing to consider
16 the appeal of the CPE and FEIR certification filed by Appellant and, following the public
17 hearing, affirmed the exemption determination; and

18 WHEREAS, In reviewing the appeal of the exemption determination, this Board has
19 reviewed and considered the CPE and FEIR, the appeal letters, the responses to concerns
20 documents that the Planning Department prepared, the other written records before the Board
21 of Supervisors, and heard testimony and received public comment regarding the adequacy of
22 the CPE and FEIR; and

23 WHEREAS, The CPE and FEIR files and all correspondence and other documents
24 have been made available for review by this Board and the public; and
25

1 WHEREAS, These files are available for public review by appointment at the Planning
2 Department offices at 1650 Mission Street, and are part of the record before this Board by
3 reference in this Motion; now, therefore, be it

4 MOVED, That this Board of Supervisors hereby affirms the decision of the Planning
5 Commission in its Motion No. 19643 to certify the FEIR together with the CPE and finds the
6 CPE and FEIR to be complete, adequate, and objective, and reflecting the independent
7 judgment of the City and in compliance with CEQA, the State CEQA Guidelines, and Chapter
8 31.

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City and County of San Francisco

Tails

Motion: M16-097

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

File Number: 160684

Date Passed: July 26, 2016

Motion affirming the Planning Commission's certification of the Final Environmental Impact Report prepared for the proposed project located at 901-16th Street and 1200-17th Street.

July 26, 2016 Board of Supervisors - APPROVED

Ayes: 9 - Avalos, Breed, Campos, Farrell, Kim, Mar, Tang, Wiener and Yee

Noes: 1 - Peskin

Excused: 1 - Cohen

File No. 160684

I hereby certify that the foregoing Motion was APPROVED on 7/26/2016 by the Board of Supervisors of the City and County of San Francisco.

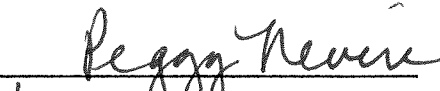

for Angela Calvillo
Clerk of the Board

Exhibit D

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

Law Office of Rose M. Zoia

50 Old Courthouse Square, Suite 401

Santa Rosa, California 95404

707.526.5894 . fax 267.381.6097

rzoia@sbcglobal.net

February 13, 2017

Honorable London Breed and San Francisco Board of Supervisors
San Francisco City Hall
1 Dr Carlton B Goodlett Pl #244
San Francisco, CA 94102

RE: 1296 Shotwell Street Project
100% Affordable Housing Bonus Project Application No. 2015-018056AHB
Board of Supervisors Hearing Date: February 14, 2017

Dear President Breed and Supervisors:

On behalf of Appellant Inner Mission Neighbors Association (Association) please accept these comments on the above-referenced project relative to the 1296 Shotwell Street project and the Planning Commission's finding that the project is exempt from the California Environmental Quality Act (CEQA).

The Association is **not** opposed to low-income senior housing on this site. The issue is the lack of environmental review for the proposed nine-story building on this site. The Planning Commission relied on a CEQA exemption that essentially says certain infill projects can forego CEQA review by relying on a prior EIR as the document which analyzed the impacts of the current infill project. The prior EIR relied on here is an out-dated Program EIR (PEIR) prepared nine (9) years ago for the Eastern Neighborhoods Rezoning and Area Plan (EN Plan). As shown below and elsewhere in these proceedings, much of the data used in the PEIR is out-of-date and has been superseded by events transpiring in the last nine (9) years. Thus, this project should receive its own review under CEQA in the form of a project-level EIR.

The Project is Not Exempt from CEQA

The Project

The proposed project is a nine-story, 69,500 gross square feet residential building with 94 dwelling units (93 affordable and one for onsite property manager) on a 11,664 square foot lot. The existing building that provides a one-story building of approximately 11,664 square feet housing PDR consisting of industrial and community spaces would be demolished. The site is bordered by 26th Street to the north, Shotwell Street to the east, Cesar Chavez Street to the south, South Van Ness Avenue to the west.

The Project requests development bonuses through the 100% Affordable Housing Bonus Program Authorization for 1) increased height above that which is principally permitted by the zoning district and 2) reduced dwelling unit exposure pursuant to Planning Code Section 140. The Project also requests an exception for the rear yard requirement pursuant to Planning Code Section 134. The project provides no off-street parking for the 150 or more future residents plus visitors, and frontage is only on 60-foot wide Shotwell Street.

The immediate neighborhood includes a four-story residential building to the east across Shotwell Street, specialist automotive repair use to the south, and a proposal for a six-story mixed-use project to the north at 1515 Van Ness Avenue along 26th Street and Shotwell Street. Other zoning districts in the vicinity include RH-2 (Residential, House, Two-Family); RH-3 (Residential, House, Three-Family); RM-1 (Residential-Mixed, Low Density); and RTO-M (Residential Transit Oriented-Mission). The tallest nearby building is one four-story building with the bulk being one and two-story buildings.

The Law

The Planning Commission relied on Public Resources Code section 21094.5 and its implementing regulation, CEQA Guidelines (14 Cal. Code Regs) section 15183.3, to find the project exempt from CEQA. Under the code and the Guideline, CEQA does not apply to the effects of an eligible infill project under two circumstances.

1. First, if an effect was addressed as a significant effect in a prior EIR for a planning level decision, then, with some exceptions, that effect need not be analyzed again for an individual infill project even when that effect was not reduced to a less than significant level in the prior EIR.

2. Second, an effect need not be analyzed, even if it was not analyzed in a prior EIR or is more significant than previously analyzed, if uniformly applicable development policies or standards, adopted by the lead agency or a city or county, apply to the infill project and would substantially mitigate that effect.

Thus, CEQA does apply when an effect of the project was not addressed as a significant effect in the prior EIR or when the project will create a significant effect and there are no uniformly applicable development policies or standards that apply to the infill project and would substantially mitigate that effect. It also applies when an effect was addressed as a significant effect in the prior EIR and substantial new information shows it will be more significant than described in the prior EIR.

The Exemption is Not Warranted

The Planning Commission approval here is based upon the woefully out-of-date PEIR prepared nine (9) years ago for the EN Plan. The PEIR's analyses can no longer be relied upon to support this project with respect to impacts in the areas of, among others, cumulative, transportation and circulation, socioeconomic impacts resulting in physical impacts, aesthetics, land use, and mandatory findings of significance. As was noted at the hearing for the 1515 Van Ness project appeal, there appears to be acknowledgment that the PEIR is no longer a valid or useful environmental analyses document.

Cumulative Impacts

The PEIR projections for housing, including this project and those in the pipeline, have been exceeded when cumulative impacts are considered, i.e., "past, present, and reasonably foreseeable probable future projects."¹ Also, significant new developments in the Eastern Neighborhoods that were not anticipated at the time the PEIR was prepared include the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Stadium, and the Armory's new "Madison Square Garden of the West" entertainment space.

¹ Guidelines, § 15355.

Similarly, the proposed project will eradicate another 11,000 square feet plus of PDR use and includes no replacement PDR space. Yet, the PEIR project description specifically states the purpose of the EN Plan was “[t]o encourage new housing while preserving sufficient lands for necessary production distribution and repair (PDR) (generally, light industrial) businesses and activities,” (PEIR, p. S-1) The EN Plan “is intended to permit housing development in some areas currently zoned for industrial use while protecting an adequate supply of land and buildings for PDR employment and businesses.” (P. S-2)

This project may contribute to these cumulative impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Transportation and Circulation

There are also substantial traffic and transportation impacts not foreseen in the PEIR. The PEIR did not analyze the impacts of a nine-story residential building with no parking other than on-street. On the other hand, the PEIR promised that

Under the existing Planning Code provisions, most new residential developments would be required to provide a minimum of one parking space per unit. Assuming the existing Code requirement, new residential development would provide a minimum of 2,871 parking spaces, which would result in a residential parking shortfall of up to 1,436 parking spaces, depending on the actual demand.

(PEIR, p. S-22) The PEIR claims that parking deficits are not an impact on the physical environment under CEQA. This is simplistic. CEQA does require analysis of any environmental impacts foreseeably resulting from a project’s parking deficit such as congestion and safety hazards.²

² *Taxpayers For Accountable School Bond Spending v. San Diego Unified School Dist.* (2013) 215 Cal.App.4th 1013; *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656.

While the PEIR presumed some increase in traffic, it did not take into account recent increases in congestion that are now recognized through a detailed analysis in the 2015 Congestion Management Program by the San Francisco County Transportation Authority. The report showed that the evening commute speed in San Francisco decreased 21% from 2013-2015. (CMP, p. 21, attached hereto) Also, the INRIX 2015 Traffic Scorecard ranked San Francisco's commute the 3rd worst in the country.
(<http://inrix.com/blog/2016/03/blog-2015-scorecard/>)

This project may contribute to transportation and transit impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not mitigate this impact.

Socioeconomic Impacts Resulting in Physical Impacts

The PEIR did not anticipate nor analyze the high concentration of low income housing in the Mission. It did not analyze or consider the potential physical impacts on the environment from the over concentration of low income housing in a particular neighborhood from increased vagrancy, blight and vandalism as well as crime.³ Although purely economic or social effects of a project are not significant effects on the environment⁴, "[e]conomic or social effects of a project may be used to determine the significance of physical changes caused by the project."⁵ That is, a physical change brought about by a project may be determined to be significant if it results in substantial adverse social or economic changes. Several reputable studies have analyzed the impacts of an over-concentration of low-income housing on communities, with the finding that mixed-income, mixed-finance developments spur benefits to the community. (See attached: Urban Institute, A Decade of Hope VI: Research Findings and Policy Challenges; see *also* attached Evidence Matters; How Does

³ For example, Bernal Dwelling is section 8 public housing and is located one block east on 26th and Folsom Streets (160 affordable units), the Gaewhiler property directly across the street is also subsidized housing (130 units), and 1515 South Van Ness contains low-income units (39 affordable units) for a total of approximately 329 units including this project, within two blocks of each other.

⁴ Guidelines, § 15131(a)

⁵ Guidelines, Sec. 15131(b)

Affordable Housing Affect Surrounding Property Values; The Impact of Affordable Housing on Communities and Households; article Civil rights complaint seeks to stop cities from concentrating low-income housing in higher poverty neighborhoods; *MEDA Proposal to the U.S. Department of Education Office of Innovation & Improvement Promise Neighborhoods Planning Grant* (Sept. 13, 2011))

As the PEIR acknowledged, “[c]hanges in land use would not directly be caused by the zoning itself, but indirectly by subsequent projects – including changes in the use of existing buildings, additions, new construction, and demolition – that could occur on individual sites within the project area after a specific zoning option is adopted.” (PEIR, p. S-6)

There has been no evaluation of the socioeconomic impacts of the project as this Board required for other developments based on the PEIR including another project on the same block, 1515 South Van Ness (Lennar), just three months ago.

The PEIR's projections for housing, including this project and those in the pipeline, have been exceeded. This project may contribute to these impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Aesthetics

The PEIR also stated that the visual character or quality of the area would not be substantially degraded. (PEIR, p. S-13) Yet, this project will substantially degrade the existing visual character of the area by imposing a monolithic building more than double the size of the next highest four-story building, and four to eight times higher than the majority of the one- and two-story surrounding buildings.

This project may contribute to aesthetic and neighborhood compatibility impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Land Use

The proposed 90-foot tall building greatly exceeds the allowable height of 65-feet and, thus, the project is inconsistent with zoning. The project exceeds the height and density analyzed under the PEIR and the impacts of a nine-story building, without parking, were not analyzed under that EIR.

The project is within the recently established Latino Cultural District and is not consistent with the Latino Cultural District. The District is characterized by low-rising buildings, and this nine-story building will tower above the existing development and be out-of-character with the existing neighborhood. Its height and architectural design conflicts with the Latino Cultural District historical buildings on Shotwell Street, which is composed of two and three story Victorian and Edwardian style homes and apartment buildings.

This project, which eliminates PDR, is also inconsistent with Mission Area Plan (MAP) Land Use Objective 1.7: "Retain the Mission's Role as an Important Location for Production, Distribution, and Repair (PDR) Activities." Objective 1.7 provides:

It is important for the health and diversity of the city's economy and population that production, distribution and repair (PDR) activities find adequate and competitive space in San Francisco. PDR jobs constitute a significant portion of all jobs in the Mission. These jobs tend to pay above average wages, provide jobs for residents of all education levels, and offer good opportunities for advancement. However, they usually lease business space and are therefore subject to displacement. This is particularly important in the Mission as average household sizes tend to be larger and incomes lower than the rest of the city. Also, half of Mission residents are foreign born with two-thirds coming from Latin America and Mexico. Half of all Mission residents are of Latino heritage. About 45 percent of Mission residents speak Spanish at home. PDR businesses provide accessible jobs to many of these residents.

(MAP, p. 10; see also pp. 11-12)

Policies to implement this objective include Policy 1.7.1:

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

(MAP, p. 12)

This project may contribute to land use impacts in significant way not analyzed in the PEIR. There are no performance standards that can apply to reduce this impact to less than significant. Appendix M of the CEQA Guidelines does not address this impact.

Mandatory Findings of Significance

CEQA requires the preparation of an EIR where there is substantial evidence in light of the whole record that the project has the potential to substantially degrade the quality of the environment, has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals, has possible environmental effects that are individually limited but cumulatively considerable, and/or the environmental effects of a project will cause substantial adverse effects on human beings, either directly or indirectly.⁶

Here, there is evidence, as described above, at the Planning Commission hearing, and will further be submitted, an EIR is required for this project.

EN Plan Community Benefits

Finally, the claimed community benefits of the EN Plan have not been fully funded, implemented, or are underperforming and the determinations and thus any findings for the proposed project that rely on the claimed benefits are not supported. Project level review is necessary to include up-to-date data and the actual community benefits that have accrued since the adoption of the 2008 NE Plan.

⁶ Guidelines, § 15065.

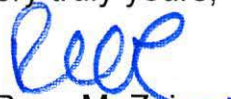
Requested Action

The City is engaging in a pattern and practice of approving residential projects in the Mission that improperly tiers off of an out-of-date PEIR instead of conducting project level environmental review. This results in the approval of projects with unexamined environmental effects to the detriment of Mission residents.

As with the 1515 Van Ness project and others, this project should, at the least, be sent back to planning with the direction to review the socioeconomic impacts of this project. In addition, an exemption is not proper and review of this project must be based on updated information including a project EIR. The Association asks this Board to deny the exemption, and the project, and require an EIR on a project-level including a socioeconomic analysis.

Thank you for your close attention to this matter.

Very truly yours,



Rose M. Zoia

Encl.

Exhibit E

1 [Affirming the Determination of Infill Project Environmental Review - Proposed Project at 1296
2 Shotwell Street]

3 **Motion affirming the determination by the Planning Department that a proposed infill**
4 **project at 1296 Shotwell Street is eligible for streamlined environmental review under**
5 **the California Environmental Quality Act.**

6
7 WHEREAS, On November 21, 2016, the Planning Department issued a Certificate of
8 Determination for an Infill Project under the Eastern Neighborhoods Rezoning and Area Plan
9 Final Environmental Impact Report (FEIR), finding that the proposed project located at 1296
10 Shotwell Street ("Project") is eligible for streamlined environmental review as an infill project
11 under the California Environmental Quality Act (CEQA), Public Resources Code,
12 Section 21000 et seq., (specifically, Public Resources Code, Section 21094.5), and the CEQA
13 Guidelines, 14 California Code of Regulations, Section 15000 et seq., (specifically, CEQA
14 Guidelines Section 15183.3) (Infill Determination); and

15 WHEREAS, The proposed project involves the demolition of an existing one-story
16 industrial building and construction of a 100 percent-affordable senior housing project,
17 encompassing a total of approximately 69,500 gross square feet with 94 dwelling units (93
18 affordable units plus one unit for the onsite property manager), including 20 units for formerly
19 homeless seniors; and

20 WHEREAS, By letter to the Clerk of the Board, received by the Clerk's Office on
21 December 30, 2016, J. Scott Weaver, on behalf of the Inner Mission Neighbors Association
22 (Appellant) appealed the Infill Determination, and provided a copy of Planning Commission
23 Motion No. 19804, adopted on December 1, 2016, approving a 100% Affordable Housing
24 Bonus Program Authorization under Planning Code, Sections 206 and 328, which constituted
25 the approval action for the proposed project; and

1 WHEREAS, The Planning Department's Environmental Review Officer, by
2 memorandum to the Clerk of the Board dated January 3, 2017, determined that the appeal
3 had been timely filed; and

4 WHEREAS, On February 14, 2017, this Board held a duly noticed public hearing to
5 consider the appeal of the Infill Determination filed by Appellant and, following the public
6 hearing, affirmed the Infill Determination; and

7 WHEREAS, In reviewing the appeal of the Infill Determination, this Board reviewed and
8 considered the determination, the appeal letter, the responses to the appeal documents that
9 the Planning Department prepared, the other written records before the Board of Supervisors
10 and all of the public testimony made in support of and opposed to the Infill Determination
11 appeal; and

12 WHEREAS, Following the conclusion of the public hearing, the Board of Supervisors
13 affirmed the determination that the project qualified for streamlined environmental review as
14 an infill project based on the written record before the Board of Supervisors as well as all of
15 the testimony at the public hearing in support of and opposed to the appeal; and

16 WHEREAS, The written record and oral testimony in support of and opposed to the
17 appeal and deliberation of the oral and written testimony at the public hearing before the
18 Board of Supervisors by all parties and the public in support of and opposed to the appeal of
19 the Infill Determination is in the Clerk of the Board of Supervisors File No. 170024 and is
20 incorporated in this motion as though set forth in its entirety; now, therefore, be it

21 MOVED, That the Board of Supervisors of the City and County of San Francisco
22 hereby adopts as its own and incorporates by reference in this motion, as though fully set
23 forth, the Infill Determination; and, be it

24 FURTHER MOVED, That after carefully considering the appeal of the determination,
25 including the written information submitted to the Board of Supervisors and the public

1 testimony presented to the Board of Supervisors at the hearing on the Infill Determination, this
2 Board concludes that the project is eligible for streamlined environmental review under CEQA
3 Guidelines, Section 15183.3 and Public Resources Code, Section 21094.5 because the
4 project site has been previously developed and is located in an urban area, the Project
5 satisfies the performance standards provided in Appendix M of the CEQA Guidelines, and the
6 Project is consistent with the Sustainable Communities Strategy; and, be it

7 FURTHER MOVED, That this Board finds that the effects of the proposed infill project
8 were analyzed in the Eastern Neighborhoods FEIR, and no new information shows that the
9 significant adverse environmental effects of the infill project are substantially greater than
10 those described FEIR, the proposed project would not cause any significant effects on the
11 environment that either have not already been analyzed in the FEIR or that are substantially
12 greater than previously analyzed and disclosed, or that uniformly applicable development
13 policies would not substantially mitigate potential significant impacts; and, be it

14 FURTHER MOVED, That the Board of Supervisors finds that based on the whole
15 record before it there are no substantial project changes, no substantial changes in project
16 circumstances, and no new information of substantial importance that would change the
17 conclusions set forth in the Infill Determination by the Planning Department that the proposed
18 project is eligible for streamlined environmental review; and, be it

19 FURTHER MOVED, That this Board finds that, as set forth in Planning Commission
20 Motion No. 19804, the project sponsor will undertake feasible mitigation measures specified in
21 the Eastern Neighborhoods FEIR to mitigate project-related significant impacts.
22
23
24
25



City and County of San Francisco

Tails

Motion: M17-018

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

File Number: 170025

Date Passed: February 14, 2017

Motion affirming the determination by the Planning Department that a proposed infill project at 1296 Shotwell Street is eligible for streamlined environmental review under the California Environmental Quality Act.

February 14, 2017 Board of Supervisors - APPROVED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170025

I hereby certify that the foregoing Motion was APPROVED on 2/14/2017 by the Board of Supervisors of the City and County of San Francisco.

A handwritten signature in black ink, appearing to read "Angela Calvillo", written over a horizontal line.
Angela Calvillo
Clerk of the Board

Exhibit F

1 [Findings Reversing the Community Plan Evaluation - 2918-2924 Mission Street]

2
3 **Motion adopting findings to reverse the determination by the Planning Department that**
4 **a proposed project at 2918-2924 Mission Street requires no further environmental**
5 **review under a Community Plan Evaluation.**
6

7 WHEREAS, On August 30, 2017, the Planning Department issued a Community Plan
8 Evaluation ("environmental determination"), pursuant to the California Environmental Quality
9 Act (CEQA), the CEQA Guidelines, 14 California Code of Regulations, Sections 15000 et
10 seq., and Chapter 31 of the San Francisco Administrative Code, finding that the proposed
11 project at 2918-2924 Mission Street ("Project") is consistent with the development density
12 established by zoning, community plan, and general plan policies in the Eastern
13 Neighborhoods Rezoning and Area Plans for the project site, for which a Program
14 Environmental Impact Report (the "PEIR") was certified; and

15 WHEREAS, The proposed project consists of merging three lots into a single 11,653-
16 square foot (sf) lot, demolishing the existing building, and constructing an eight-story, 85-foot-
17 tall, approximately 67,300 sf building containing 75 dwelling units (18 studio, 27 one-bedroom,
18 and 30 two-bedroom units) with ground floor retail, providing a 44-foot-long white loading zone
19 in front of the lobby and removing the existing parking lot curb cut, providing a bicycle storage
20 room with 76 class 1 bicycle spaces accessible through the lobby area and from Osage Alley,
21 providing six street trees and seven bicycle racks (14 class 2 bicycle parking spaces) on
22 Mission Street, and providing open space in the form of common terraces on the second floor
23 and rooftop of approximately 1,050 sf and 5,750 sf, respectively, and approximately 1,100 sf
24 of private decks; and
25

1 WHEREAS, On November 30, 2017, the Planning Commission approved a conditional
2 use authorization for the proposed Project, by Motion No. 20066; and

3 WHEREAS, By letter to the Clerk of the Board, received by the Clerk's Office on
4 January 2, 2018, J. Scott Weaver, West Bay Law, on behalf of Calle 24 Latino Cultural District
5 Council ("Appellant"), appealed the environmental determination; and

6 WHEREAS, The Environmental Review Officer, by memorandum to the Clerk of the
7 Board dated January 4, 2018, determined that the appeal had been timely filed; and

8 WHEREAS, Shortly before the February 13, 2018 hearing, the Planning Department
9 received new information indicating the potential for the existing building on the project site at
10 2918-2922 Mission Street to be considered a historic resource for its association with the
11 Mission Coalition of Organizations during the late 1960s and early 1970s; and

12 WHEREAS, This information was not considered in the initial study for the Project, and
13 the Planning Department determined that additional research was required to assess whether
14 the proposed Project would result in a significant impact to a historic resource that is peculiar
15 to the project or its site and that was not disclosed as a significant effect in the Eastern
16 Neighborhoods PEIR, and requested a continuance of the Board of Supervisors hearing on
17 the appeal, with the concurrence of the Project Sponsor and Appellant; and

18 WHEREAS, On February 13, 2018, the Board of Supervisors opened a hearing on the
19 appeal of the environmental determination and received no public comment on the proposed
20 continuance, and voted to continue the hearing to June 19, 2018, to allow additional time for
21 the Department to prepare an analysis of the potential effects of the Project on historic
22 resources; and

23 WHEREAS, The Planning Department prepared a Historic Resource Evaluation and
24 found that, although the 2918-2922 Mission Street building is significant under the California
25 Register of Historical Resources ("California Register") Criterion 1 for events, it lacks sufficient

1 integrity to convey its identified historic significance under Criterion 1 and, therefore, is not
2 eligible for listing in the California Register, and determined that the building is not a historic
3 resource as defined under CEQA Guidelines, Section 15064.5; and

4 WHEREAS, This Board held a duly noticed public hearing on the appeal of the
5 environmental determination on June 19, 2018; and

6 WHEREAS, Under Public Resources Code, Section 21083.3 and CEQA Guidelines,
7 Section 15183, this Board evaluates the adequacy of the environmental determination by
8 examining environmental effects that are peculiar to the project, were not analyzed as
9 significant effects in the Eastern Neighborhoods PEIR, and are potentially significant on-site
10 or off-site impacts; and

11 WHEREAS, This Board heard extensive testimony on the effect of the Project on the
12 neighboring San Francisco Unified School District school, the Zaida T. Rodriguez Early
13 Education School (the "School"), including shadow impacts on the outdoor play areas, and
14 construction impacts such as air quality and noise impacts; and

15 WHEREAS, The Planning Department conducts a detailed shadow analysis for public
16 parks under the jurisdiction of the San Francisco Recreation and Parks Department, but does
17 not always provide the same detailed review of shadow impacts on open spaces that are not
18 publicly accessible, such as some school yards, as they are only accessible to the students,
19 faculty, and staff associated with the school, although the Planning Department has
20 conducted review of shadow impacts on some outdoor play areas on school sites; and

21 WHEREAS, Over 40 public schools citywide are currently enrolled in the San Francisco
22 Shared Schoolyard Project, which is a partnership between the City and the San Francisco
23 Unified School District that allows public access to schoolyards during weekends and on
24 school holidays, and
25

1 WHEREAS, Schoolyards that are enrolled in the Shared Schoolyard Project are
2 considered to be publicly accessible, and participating schoolyards are included as public
3 open spaces within the shadow analysis for CEQA review in San Francisco, but because the
4 School is not a participating schoolyard, the Planning Department did not conduct the shadow
5 analysis for the School and did not evaluate whether shadows on the School would be
6 considered a potentially significant on-site or offsite environmental impact peculiar to the
7 project; and

8 WHEREAS, The Project Sponsor conducted some shadow analysis to evaluate the
9 potential shadow impacts on the School's two outdoor play areas, and found that the Project
10 would cast shadow on the School's Bartlett Street play area for durations ranging from 143
11 minutes to 273 minutes each morning throughout the year, but did not conduct a more
12 detailed site-specific analysis to assess conditions on this play area; and

13 WHEREAS, The website for the San Francisco Shared Schoolyard Project provides
14 that the Shared Schoolyard Project is "working to enroll all of San Francisco's public schools
15 so that every child and family in San Francisco can have a clean and safe place to play and
16 gather on the weekends," so that the School could become enrolled as a Shared Schoolyard
17 Project at some time in the near future; and

18 WHEREAS, This Board and the public expressed strong concerns about the potential
19 detrimental health impacts on very young schoolchildren in need of sunlight on their play
20 areas during the school day; and

21 WHEREAS, Even if the School is not part of the Shared Schoolyard Project currently or
22 does not become part of the Project in the near future, the shadow impacts on a public school
23 site are important impacts to be considered as part of the CEQA analysis; and

24 WHEREAS, In reviewing the appeal of the environmental determination, this Board
25 reviewed and considered the environmental determination, the appeal letter, the responses to

1 the appeal documents that the Planning Department prepared, the other written and public
2 records before the Board of Supervisors and all of the public testimony made in support of
3 and opposed to the appeal; and

4 WHEREAS, Following the conclusion of the public hearing, in Motion M18-091, the
5 Board of Supervisors unanimously reversed the determination that the project did not require
6 further environmental review, subject to the adoption of written findings of the Board in
7 support of such determination based on the record before the Board of Supervisors as well as
8 all of the testimony at the public hearing in support of and opposed to the appeal; and

9 WHEREAS, The written and public record and oral testimony in support of and
10 opposed to the appeal and the deliberation at the public hearing before the Board of
11 Supervisors related to the appeal of the environmental determination is in the Clerk of the
12 Board of Supervisors File No. 180019 and is incorporated in this motion as though set forth in
13 its entirety; now, therefore, be it

14 MOVED, That this Board reverses the determination by the Planning Department that
15 the Project does not require additional environmental review because there are environmental
16 effects that are peculiar to the Project and were not analyzed as significant effects in the
17 Eastern Neighborhoods PEIR, and these effects are potentially significant off-site impacts;
18 and, be it

19 FURTHER MOVED, That this Board finds the environmental analysis of the Project to
20 be adequate in all respects except for the shadow analysis on the School's outdoor play areas
21 and directs the Planning Department to conduct further, more detailed, shadow analysis on
22 these play areas to accurately assess the shadow impacts on these areas.



City and County of San Francisco

Tails

Motion: M18-094

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

File Number: 180718

Date Passed: July 10, 2018

Motion adopting findings to reverse the determination by the Planning Department that a proposed project at 2918-2924 Mission Street requires no further environmental review under a Community Plan Evaluation.


July 10, 2018 Board of Supervisors - APPROVED

Ayes: 10 - Cohen, Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee

Absent: 1 - Safai

File No. 180718

I hereby certify that the foregoing Motion was APPROVED on 7/10/2018 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

From: [BOS Legislation. \(BOS\)](#)
To: design@factory1.com; [Mark H. Loper](#)
Cc: [GIVNER, JON \(CAT\)](#); [STACY, KATE \(CAT\)](#); [JENSEN, KRISTEN \(CAT\)](#); [Rahaim, John \(CPC\)](#); [Sanchez, Scott \(CPC\)](#); [Gibson, Lisa \(CPC\)](#); [Jain, Devyani \(CPC\)](#); [Lynch, Laura \(CPC\)](#); [Sider, Dan \(CPC\)](#); [Rodgers, AnMarie \(CPC\)](#); [Starr, Aaron \(CPC\)](#); [Ionin, Jonas \(CPC\)](#); [Horner, Justin \(CPC\)](#); [Samonsky, Ella \(CPC\)](#); [Range, Jessica \(CPC\)](#); [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [BOS-Supervisors](#); [BOS-Legislative Aides](#); [BOS Legislation. \(BOS\)](#)
Subject: SUPPLEMENTAL APPEAL RESPONSE: Appeal of CEQA Exemption Determination - 2750-19th Street - Appeal Hearing on October 30, 2018
Date: Friday, October 19, 2018 11:56:20 AM
Attachments: [image001.png](#)

Greetings,

Please find linked below an appeal response brief received by the Office of the Clerk of the Board from the appellants, Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction, regarding the Exemption Determination Appeal for the proposed project at 2750-19th Street.

[Supplemental Appeal Response - October 18, 2018](#)

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on October 30, 2018.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 180956](#)

Regards,

Lisa Lew
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

October 18, 2018

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

**RE: Case No. 2014-001400ENX 2750 19th Street
Appeal of the August 23, 2018 Planning Commission Decision**

Dear Members of the Board Supervisors:

Please accept this submission on on behalf of Our Mission No Eviction in respect to its appeal of the proposed project at **2750 19th Street**.

Summary

When The Eastern Neighborhoods EIR (PEIR) was prepared in 2008, it had no way to predict the extraordinary changes coming to the Eastern Neighborhoods and the Mission District. It had no way to predict the hyper-gentrification, the rapid increase in the cost of market rate housing, the unprecedented development, the massive displacement, the creation of the TNC model and the cultural shift to near absolute use of delivery services by high income earners, for shopping and services. While it was anticipated that this PEIR would be sufficient for the timeframe for which it was created, no cumulative impacts or projections were made beyond what was studied, and actuals have now exceeded what was predicted.

When the Mission Area Plan was created it relied heavily on this PEIR data. This area plan identified community benefits to offset the harmful impacts of gentrification, identified fees to implement them and defined planning parameters to protect the Mission community was outdated shortly after it's creation.

The PEIR assumed the construction of up to 2054 new units in the Mission between 2008-2025 and yet at least 3,409 units (including BMR units) are in the pipeline as of Q4 2017, with just over half of the defined time period of the Mission Area Plan elapsing thus far.

¹ These PIER assumptions have fallen woefully short of actuals and did not come close to foreseeing the unprecedented rate of market-rate development in the Mission. With housing development assumptions this far from reality, the mitigations of the Mission Area Plan are no longer appropriate or acceptable for use. The number of pipeline units is more than twice the

¹ See exhibit A page 18, Mission Projects, Units built, entitled or in the pipeline 2008 -Q2 2018

number of “preferred project” units recommended in the Mission Area Plan for the Mission District - 1,696. And yet we still have 7 years left on this Area Plan’s 17-year timeframe.²

The PEIR has been proven an unreliable tool to assess CEQA impacts for the Mission. Without current, accurate assessments, the proposed mitigations of the Mission Area Plan to offset direct and indirect harms of gentrification and the changed physical environment in this working-class neighborhood have proven to be inadequate.

The Community Plan Evaluation (CPE) for this project was based on this outdated PEIR and did not include a cumulative impact analysis of this and other projects built, entitled or in the pipeline for the Mission. Without a proper and thorough evaluation, the CEQA approval by the Planning Commission did not include the required evaluation of cumulative environmental impacts for which it was intended.

2750 19th Street - Proposed Project

The project sponsor has proposed to construct a 60-unit six story building with approximately 10,000 square feet of first floor Production, Distribution and Repair (PDR) use. 17.5% of the housing units will be affordable as required by Section 415. Another unit at 150% AMI - \$124,350 (1 person), \$142,050 (2 person), \$159,850 (3 person) - has been added.³ It is in the Mission District across the street from a 196 unit project currently under construction. Within 600 feet of this project is another Large Authorization project at 2300 Harrison Street.

The only environmental review for the project consisted of a Community Plan Evaluation (CPE)⁴ that tiered off of the 2008 Eastern Neighborhoods Plan EIR.⁵ The fact that it tiered off of the PEIR without performing additional, independent evaluation renders the findings of the CPE incomplete.

PEIR Tiering Practice

CEQA allows broader EIRS, such as area plan EIRS, to address cumulative impacts, leaving the CPE of an individual project to focus on project specific impacts. (CEQA Guidelines Section 15152). This process, called “tiering”, relies on the effectiveness of the environmental analysis and integrity of the underlying EIR. However, if the underlying EIR is flawed, outdated or missing valuable areas of environmental study, it is not longer a viable tool for evaluating cumulative CEQA impacts.

² See exhibit A page 22, Residential Pipeline, Completed and Entitled Housing units 2007 to 2014

³ https://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2018%20AMI-IncomeLimits-HMFA_04-06-18.pdf

⁴ [2014.0999ENV-CPE-CatEx](https://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2018%20AMI-IncomeLimits-HMFA_04-06-18.pdf)

⁵ http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-FN_Final-EIR_Part-3_Land-Use_Plans.pdf

New Information Affecting Environmental Analysis

Substantial new information affecting environmental analysis has become available. When new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. ([CEQA Guidelines Section 15183](#)) Numerous changes have take place on the ground since the adoption of the Eastern Neighborhoods EIR that require significant analysis of cumulative effects and can not be addressed on a project by project basis through a CPE. These new conditions include:

1. **An Unanticipated Rapid Pace of Development.** The PEIR was prepared in the midst of the the “great recession” and did not project the steep increases in housing prices that has been especially exacerbated by the increase in high paying jobs that have come to San Francisco. As a result, development has accelerated at a faster pace than anticipated by the PEIR. Original growth projections of the PEIR have already been exceeded and it’s original growth projections have proven to be wholly inaccurate.
 - Major unforeseen development projects in the Eastern Neighborhoods such as the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Stadium, and the new Central SOMA plan were not in consideration in the PEIR.
 - The assumptions of population growth of the PEIR were based on a projection of 835,000 by the year 2025 requiring the construction of an additional 17,000 housing units city wide.⁶ As of 2014Q4, 20,455 housing units had been built.⁷ Between 2015 and 2018Q2 an additional 16,654 had been produced, bringing the total housing units actually produced to 37,109 units. On top of the number of actual units produced, an additional 18,646 were entitled.⁸ The most current published Commerce and Industry Inventory (2016) sets the population at 866,000, well above projections and likely even higher at the point in time two years later.⁹
 - The PEIR evaluated potential CEQA impacts of forecasted housing unit growth for the Mission under a “no project” scenario, providing three different options.¹⁰ Option C anticipated the most growth and projected the largest housing production but did not evaluate environmental impacts where growth was greater than what was stated in Option C. The Mission is now well above its projected growth numbers. **We cannot know the exact issues related to**

⁶ http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-FN_Final-EIR_Part-3_Land-Use_Plans.pdf, Page 30

⁷ See Exhibit A page 22, Residential Pipeline, Completed and Entitled Housing units 2007 to 2014

⁸ See Exhibit A page 23, Residential Pipeline, Entitled Housing Units 2018 Q2

⁹ <http://www.sfoxaminer.com/sf-job-growth-steadily-climbs-housing-demand-cant-keep/>

¹⁰ See Exhibit A page 20, PEIR Forecast Growth and Rezoning Options

cumulative impacts resulting from unanticipated rapid pace of development because they have not been studied.

2. **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted and will continue to result in a substantial increase in the rate of automobile ownership and TNC use in the Mission. It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts, even in transit rich areas such as the Mission. The TNC “ride-share” phenomena, increased frequency of (amazon, online retail, meal, grocery) deliveries and the implementation of Mission Street “red lanes” have resulted in significantly changed traffic patterns.

- Defined by the California Public Utilities Commission in 2013, the advent of Transit Network Company ride-hails occurred several years after the PEIR was created and the Eastern Neighborhoods Area Plan was adopted.¹¹ According to a recent report from the San Francisco County Transportation Authority, half of the City’s traffic congestion and traffic delays measured from 2010-2016 is attributable to the rise of ride-hails. The other half of the congestion in this same study was attributed to the traffic increases from the 70,000 new residents added during the 2010-2016 time period.¹²
- Additionally, the rise in “displacement commutes” of Mission families driving back long distances to their jobs and children’s schools in San Francisco, as well as the plethora of new Silicon Valley “reverse commutes” were not anticipated and have significantly changed the traffic picture. A recent INRIX Global Traffic Scorecard shows that *in 2017 San Francisco driving now ranked 5th most congested city in the world*, with its average driver spending 79 hours a year stuck in traffic at a cost of \$10.6 billion per year.¹³ Although a traffic study was done for this project, it did not contain any cumulative analysis and based its Mode Share Projections on 2011-2014 projections.

We cannot know the exact issues related to cumulative impacts on traffic and circulation because they have not been studied.

3. **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** The 2018Q2 Residential Pipeline Report states that San Francisco has exceeded its 2015-2022 RHNA housing production goals of 28,869 units and has built or entitled 218.9% of the RHNA Goals for above moderate income housing

¹¹ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K112/77112285.PDF>

¹² <http://www.sfexaminer.com/study-half-sfs-increase-traffic-congestion-due-uber-lyft/>

¹³ <http://inrix.com/press-releases/scorecard-2017/>

(greater than 120% AMI). According to Housing Balance Report No. 7, Table 2 Projected Housing Balance Calculation, 2018Q2, Districts 9 and 10 continue low income housing production (D9 13.6%, D10 17.4%) that is well below targets, even if one equates housing rehabilitation with housing production.¹⁴ This has led to the hyper-gentrification and transformation of the Mission. In addition to the inequity that this overbuild of luxury housing has created, it has environmental implications relative to traffic, congestion, land use, health and safety. **We cannot know the exact issues related to cumulative impacts resulting from the disproportionate construction of market rate units as compared with affordable units because they have not been studied.**

4. **Tech Shuttle Gentrification and Displacement Impacts.** The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint but also from the perspective of demand for housing in proximity to these new shuttle stops. The desire by high-earning tech employees to move to areas within a few blocks of a free ride to work has exacerbated the already high demand for housing. The majority of tech workers who utilized shuttles, more than 80%, walk to their stop. Without the shuttle service, 40% of commuting tech workers in San Francisco would move closer to their offices outside the city.¹⁵ Placed disproportionately in the Mission, these shuttle stops contribute to both property speculation and eviction. From 2011-2013 69% of no-fault evictions occurred within a four block radius of tech bus stops.¹⁶ **We cannot know the exact issues related to cumulative impacts on tech shuttle gentrification and displacement because they have not been studied.**

5. **State of Advanced Gentrification in the Mission and Disproportionate Community Benefits.** Rapid speculative growth, increase in the cost of living and a rise in the cost of housing that has followed the glut of high income earners moving into the Mission, has led to hyper-gentrification.

- Hyper-gentrification has led to the displacement of long-time residents, the loss of much of the industrial sector, loss of Latinx “mom and pop” businesses, nonprofits and artists.¹⁷ The San Francisco Analyst has reported that the Mission has lost 27% of its Latinos and 26% of its families with children since 2000. The PEIR made no mention of this exodus, nor the changes to the physical environment that would accompany it, and had it observed this phenomenon of hyper-gentrification as it was occurring, one would hope that it would have advocated for more protective measures.

¹⁴ See Exhibit A page 25, Housing Balance Report No. 7, 1 July 2008- 30 June 2018

¹⁵ <http://docs.trb.org/prp/15-1692.pdf> page 12

¹⁶ <http://www.antievictionmappingproject.net/techbusevictions.html> 3905

¹⁷ https://www.urbandisplacement.org/sites/default/files/images/case_studies_on_gentrification_and_displacement- full_report.pdf, page 24

- The protective measures provided by community benefits to mitigate the direct and indirect harms of gentrification have not kept pace with anticipated needs created by rapid development. Benefits such as infrastructure, pedestrian/bicycle safety, open space and affordable housing production have not met the pace of demand. Impact fees designed to offset the cost of providing these benefits have been set lower than the actual impact created, resulting in an inability for the needs created by new development to be addressed. The ENCAC Response to EN Monitoring Report details numerous unmet needs resulting from rapid development including the inadequacy of impact fees in addressing increasing infrastructure requirements.¹⁸

The impact fees required to offset the cost of providing community benefits has not been projected because cumulative impacts of hyper-gentrification and the necessary level of community benefits to mitigate the direct and indirect harm has not been studied.

Conclusion

CEQA requires a cumulative environmental analysis based on current and reasonably anticipated circumstances. Because there have been numerous changes on the ground, substantial new information has become available and their resulting impacts have yet to be studied, San Francisco has fallen short of its CEQA obligation to inform of and recommend mitigation measures that would ease these impacts. This results in the approval of projects that have unexamined environmental effects and insufficient mitigation measures, to the detriment of Mission residents.

Area plans, community benefits analysis, and socio-economic analysis are reliant on the analysis of cumulative environmental impacts. The Planning Department should be requested to study these cumulative impacts resulting from this new information so that the City and Eastern Neighborhood communities can move forward to 2025 armed with the data necessary to make informed decisions. If projects are going to be allowed to tier their CPEs on the PEIR, it is imperative that the PEIR is up to date and contains accurate projections that reflect the new realities that did not exist at the time of its creation.

Eastern Neighborhoods communities deserve better analysis and their lives depend on it.

Sincerely,

Larisa Pedroncelli
Kelly Hill
Members, Our Mission No Eviction

EXHIBIT LIST

- A-2 October 20, 2017 Letter to San Francisco Planning Commission, J. Scott Weaver
- A-8 October 25, 2017 Letter to San Francisco Planning Commission, J. Scott Weaver
- A-14 November 29, 2017 Letter to San Francisco Planning Commission, J. Scott Weaver
- A-18 Mission Projects, Units built, entitled or in the pipeline 2008 -Q4 2018
- A-20 PEIR Forecast Growth and Rezoning Options
- A-22 Residential Pipeline, Completed and Entitled Housing units 2007 to 2014
- A-23 Residential Pipeline, Entitled Housing Units 2018 Q2
- A-25 Housing Balance Report No. 7, 1 July 2008- 30 June 2018
- A-56 2016 ENCAC Response to the EN Monitoring Reports (2011-2015)
- A-66 Certificate of Determination, Community Plan Elevation, 2014-001400ENX 2750 19th Street

EXHIBIT A

West Bay Law
Law Office of J. Scott Weaver

October 20, 2017

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

Re: 2750 19th Street, 2014-001400ENX

Dear Commissioners,

Community representatives from United to Save the Mission, La Raza Centro Legal, Calle 24 Latino Cultural District and Pacific Felt Factory have met with representatives for the project sponsor on two occasions. Unfortunately, the project sponsors are unwilling to budge on what we conclude is a very bad project for the Mission. Accordingly, we are requesting that you exercise your discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns set forth below:

No On-Site Affordable Housing – Despite community opposition to the contrary, the developer has decided not to put affordable housing on site. In a community that has seen an unprecedented flight of its residents, affordable housing is at a premium. The above organizations strongly feel that on-site affordable housing is much more preferable to payment of *in lieu* fees. Two reasons support this position: 1) Urgently needed affordable housing gets built right away and 2) On-site affordable housing mitigates against the gentrifying impacts that a 100% luxury development would have. This preference was expressed in no uncertain terms at a meeting in early August. The developers took two months to schedule a second meeting had not moved on their *in lieu* position.

No PDR Replacement – The site is zoned UMU consisting of over 10,000 square feet. It is operated by J.F. Fitzgerald Furniture company which custom makes and upholsters (and reupholsters) furniture. The company provides well paid jobs for 35 individuals. As of October 19th, the developers had not taken any measures to assist their employees if, and when the building is demolished. Instead, the developer has chosen to devote 7,500 square feet to unspecified retail uses.

Community members have expressed concern about the use of the retail space and who it is likely to serve. To address these concerns, we have suggested alternatives which have been

Planning Commissioners,
San Francisco Planning Commission
October 20, 2017
Page Two

agreed to by developers of other projects. The developers of this project have been unresponsive on this issue.

45 Parking Spaces – The project sponsor proposes 45 parking spaces for a 60 unit building (75%). We believe that this will have a further gentrifying impact on the community because it will attract higher income tenants (or owners). The subject site is in a transit rich location and such parking is both unnecessary and unreasonable. In the immediate vicinity are numerous public transit lines. The 27 Bryant stops in front of the building. The 12 Folsom and 33 Ashbury are two blocks away, the 22 Fillmore and 55 16th Street are three blocks away, and the Mission Street busses, four blocks away. BART is a 15-minute walk. The developer has not agreed to reduce parking.

No Commitment to Hiring Union Labor – The project sponsor has refused to commit to union labor for the construction of the project. With respect to union labor, local hire, and training, the sponsor has failed to nail anything down, and, instead, has provided non-specific platitudes regarding community benefits.

Developer Commitment to Wall Street, Not the Community – The project is driven behind the scenes by Rubicon Point Partners, LLC who have "partnered" with the owners. Their Notice of Agreement (with the nominal owners) is on file with the San Francisco Recorder's Office. It seems the owners have been out of the loop with respect to this development as they have been unable to provide meaningful answers to concerns raised by community members. Rubicon has direct ties with numerous wall street investment houses. You can find out more about them at <http://rubiconpointpartners.com/our-investments/>; Here's a clip from their website:

"Our experience is based on an institutional track record of former principals of Goldman Sachs, Rockwood Capital, Roland Berger, 365 Main, Inc., and the United States Treasury Department. Our real estate investment experience lies in 5 million square feet of investment, development, and management"

These Wall Street connections explain their uncaring and tone-deaf attitude towards the community. One cannot now expect that any vague, unspecified promises that they may make would result in any accountability when the time comes to deliver on them.

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

In evaluating the desirability of the proposed project, the Commission should evaluate it in light of its inconsistency with the objectives of the Eastern Neighborhoods and Mission Plans. Eastern Neighborhoods Plan contain the following objectives:

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

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

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

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

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

Mission-wide goals include:

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

In light of these goals, the Commission must consider; 1) the proposed project's removal of 10,000 square feet of PDR, 2) the provision of 60 luxury units as against no affordable housing on site 3) excessive parking, and 4) the merits, or lack of merits of the exemptions that the applicant is seeking.

Planning Commissioners,
San Francisco Planning Commission
October 20, 2017
Page Four

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

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

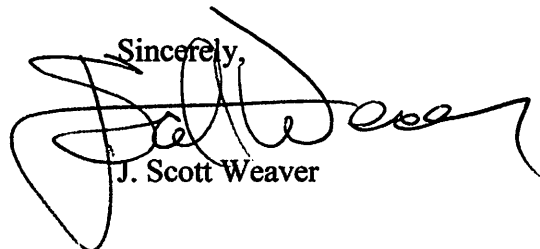
Likewise, the stated purpose of the MAP 2020 Planning Process is to “retain low to moderate income residents and community-serving businesses (including Production, Distribution, and Repair) artists and nonprofits in order to strengthen and preserve the socioeconomic diversity of the Mission neighborhoods”.

The cumulative impacts of this and other predominantly luxury development projects create a result 180 degrees opposite the purposes of Interim Controls and the MAP 2020 process.

There are a Number of Failings in the CEQA Evaluation of the Proposed Project

The Department made a CEQA Determination of Exemption on October 17, 2017. I have not been able to yet give the determination a more detailed review and will provide further comment on this issue prior to the hearing. As a threshold observation, we note that the Department still refuses to undertake a meaningful environmental evaluation if only because the cumulative total of units built, entitled or in the pipeline (a minimum of 3,465 units) whereas the PEIR evaluated a maximum of 2,054 units, with a “preferred project” of 1,692. (See Attachment). This result not only confirms the inadequacy of the underlying EIR, but demonstrates flaws in the Eastern Neighborhood Plan’s ability to predict the outcomes of its policies.

For the above reasons, it is respectfully requested that the Commission exercise its discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns raised herein.

Sincerely,

J. Scott Weaver

JSW:sme

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

3418 26 th Street	13 units	
80 Julian Street	8 units	
411 Valencia Street	16 units	
490 South Van Ness	72 (add	+ 15 units*
3240 18 th Street	16 units	
1875 Mission Street	38 units	
1501 15 th St	40 units	
480 Potrero	84 units	
2550-58 Mission	114 units	
1450 15 th Street	23 units	
346 Potrero	72 units	
1785 15 th Street	8 units	
1801-63 Mission Street	54 units	
2600 Harrison Street	20 units	
1924 Mission Street	12 units	
600 South Van Ness	27 units	
2000-2070 Bryant	254 subtract	- 60 units*
2000-2070 Bryant (affordable)	add	+130 units*
1298 Valencia Street	35 units	
1198 Valencia Street	52 units	
1050 Valencia Street	16 units	
1979 Mission Street	331 units	
2675 Folsom Street	117 units	
1900 Mission Street	11 units	
2750 19 th Street	60 units	
1515 South Van Ness	160 subtract	-3 units*
3140 16 th Street	28 units	
2799 24 th Street	8 units	
2435 16 th Street	53 units	
3357-59 26 th Street	8 units	
1726-30 Mission Street	36 add	+4 units*
3314 Cesar Chavez	52 units	
1798 Bryant Street	131 units	
2918-24 Mission Street	38 add	+37 units*
793 South Van Ness	54 add	+19 units*
953 Treat	8 units	
3620 Cesar Chavez	28 units	

344 14 th /1463 Stevenson	45 units	
1950 Mission Street	157 units	
1296 Shotwell	96 units	
Subtotal	2,451 units	
Adjustment*	+142 units	
TOTAL		2,593 units

Mission Projects completed since 2008 not included in total above.

1880 Mission Street/ 1600 15 th Street (Vara)	202 units	
380 14 th Street	29 units	
411 Valencia Street	16 units	
Subtotal		247 units

Current Mission Pipeline Projects Not included above.

235 Valencia Street	50 units	
1500 15 th Street/398 Valencia	184 units	
3700 20 th Street	25 units	
3420 18 th Street	16 units	
2632 Mission Street	16 units	
606 Capp Street	20 units	
2100 Mission Street	29 units	
2070 Folsom Street	127 units	
1990 Folsom Street	158 units	
Subtotal		625 units

GRAND TOTAL **3,465 units**

Proposed project approved in 2008 1,696 units

Number studied under EIR project options:

Option A – 762

Option B – 1,118

Option C – 2,054

* Adjustments to project size made after February 23, 2016

West Bay Law
Law Office of J. Scott Weaver

October 25, 2017

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

Re: 2750 19th Street, 2014-001400ENX

Dear Commissioners,

This is the second of two letters to you regarding the proposed project at 2750 19th Street.

This letter is with respect to the failure of the Department to properly analyze the cumulative impacts of this project. The Letter of Determination and the Community Plan Checklist erroneously concluded that there would be no significant impacts of the project that were not evaluated in the Eastern Neighborhoods Plan EIR (PEIR), either individually or cumulatively. The assumptions upon which the PEIR is based are now outdated and therefore the PEIR does not, and cannot be relied on to accurately evaluate the cumulative impacts of the project. The PEIR examined a cumulative production of 2054 housing units for the Mission during the period 2008 to 2025. Currently, there are over 3,569 units that have been constructed, entitled, or are in the pipeline (See Attachment). Since the Letter of Determination relied entirely on the validity of PEIR, it could not have possibly have evaluated cumulative impacts. Furthermore, as described below, there have been other new developments on the ground that the PEIR did not envision when it was prepared.

CEQA Requires a Cumulative Impact Analysis of Projects.

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

connection with past projects, the effects of other current projects, and effects of probable future projects.” *Citizens to Preserve the Ojai v County of Ventura* (1985) 176 Cal.App.3d 421 stated that “unstated cumulative impacts impedes meaningful public discussion and skews the decision maker’s perspective concerning the environmental consequences of a project, the necessity for mitigation measures and the appropriateness of project approval.” Here, the impacts are clearly “unstated”.

The environmental assessment of this project consisted largely of a CPE for the proposed project which was dependent solely on the 2008 Eastern Neighborhoods Plan EIR (PEIR). The PEIR envisioned a scenario of up to 2054 units in the Mission over a 19 year period. We are about half way through this period and are exceeding production by a factor of 75%. The PEIR evaluated significant impacts and proposed mitigation of those significant impacts. It would be mistaken to assume that those significant impacts would not become more significant, and would not require additional mitigations, yet the PEIR does just that. It would also be mistaken to assume that other impacts, which may not have been identified as significant in the PEIR, would not be significant now given the substantial increase in the number of units. Again, the evaluation here does just that.

We cannot know exactly what issues these cumulative impacts on traffic and circulation would entail because they have not been studied. It stands to reason, however, that, with the addition of almost twice as many units, in half the time anticipated would have implications as to traffic and circulation, if only because there would be more people transporting themselves. Likewise more units would implicate greenhouse gas emissions, land use, noise, and the need for more recreation and open space.

Simply put, neither the CPE nor the PEIR provide adequate information regarding potential cumulative impacts in this highly concentrated area. As a result, mitigation measures that would ease these impacts have not been put in place.

CPE Reliance on the PEIR is Improper Because Substantial New Information Affecting Environmental Analysis has Become Available.

At least part of the reason for the disconnect between the goals and the outcomes of the Eastern Neighborhood Plan is that there have been numerous changes on the ground that have direct, indirect and cumulative impacts on the environment. When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). The situation on the ground has changed substantially since the PEIR was prepared in 2008 in the following ways:

- **An Unanticipated Rapid Pace of Development.** The PEIR was prepared in the midst of the “great recession” and did not project the steep increases in housing prices that we have witnessed during the past eight years. This has been especially exacerbated by the increase in high paying jobs that have come to the City. This has resulted in a construction explosion. As a result, the cumulative total of units built, approved, and under review in the pipeline (3,569 as of June 30, 2017). This exceeds the highest number of units contemplated in the Plan EIR for the Mission (2,056). The PEIR projected this production to take place over a much longer period of time - 2008 to 2025. Development has therefore accelerated at a pace higher than that anticipated in the PEIR. Because of the unexpectedly rapid pace of development, community benefits, including improvements to the Mission’s traffic, transportation, open space, and recreation infrastructures have been unable to keep pace (ENCAC Response to Monitoring Report - The report also noted that transportation impacts hurt businesses). The PEIR clearly did not anticipate this pace of development. nor the needs to step up mitigation measures.
- **Changed Transportation Patterns.** In addition to the cumulative concentration of traffic, the project area will experience unforeseen changes in traffic patterns that have not yet been evaluated. These include the “ride share” phenomena, increased frequency of “amazon” deliveries, and the existence of “red lanes” which both confuse traffic and make it harder to exit from on-site parking. Although there was a traffic study done for this project, it did not contain any cumulative analysis and based its Mode Share Projections on 2011-2014 projections.¹ (Discussed further below)
- **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** One cannot reasonably assert that “we are not building enough housing”. The 2017Q1 Residential Pipeline Report states that, only two years in, San Francisco has exceeded its 2015 to 2022 housing production goals, and has built or entitled 217% of the RHNA Goals for above moderate income housing (greater than 120% AMI). Moderate and low income production is well below targets – even if one equates housing rehabilitation with housing production – which these figures seem to indicate. These figures do not include an additional 22,680 units from the large projects at Hunters Point, Treasure Island, and ParkMerced. Put another way, approximately 70% of the housing built or entitled serve the top thirds of the population, while two thirds of the population
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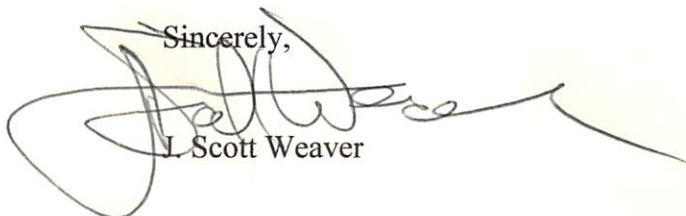
- ¹ The memo also admits that there were potential safety issues for vehicles exiting the garage (page 20) as well as potential conflicts crossing red lanes (although no mitigation was proposed).

- compete for 30% of the housing. This has implications with respect to the manner in which the City – especially the affected areas – are transformed. In addition to the injustice, the transformation impacts of the overbuild of luxury housing has environmental implications relative to traffic, congestion, land use, and health and safety.
- **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted, and will result, in a substantial increase in the rate of automobile ownership and “ride sharing” in the Mission. Between 2000 to 2013, the number of households with automobiles increased from 37% to 64% - or 9,172 automobiles in 2000 to 16,435 in 2013. At the same time AMI increased from \$50,676 to \$75,269. It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts – even in transit rich areas such as the Mission. The displacement of Mission residents has resulted in, and will result in, long reverse commutes to places of employment, children’s schools, and social services that are not available in outlying areas. These reverse commutes further exacerbate traffic congestion and create greenhouse gas emissions not contemplated in the PEIR.
- **Tech Shuttle Gentrification and Displacement Impacts.** The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such, we have high-earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no-fault evictions. <http://www.antievictionmappingproject.net/techbusevictions.html>

Conclusion

CEQA requires a cumulative environmental analysis based on the circumstances on the ground as they are and as they are reasonably anticipated. The Eastern Neighborhoods PEIR is the wrong vehicle to assess these cumulative impacts. Without such assessment, the City has fallen short of its CEQA obligation to inform as to significant environmental impacts and adequate mitigations.

Sincerely,



J. Scott Weaver

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

3418 26 th Street	13 units	
80 Julian Street	8 units	
411 Valencia Street	16 units	
490 South Van Ness	72 (add	+ 15 units*
3240 18 th Street	16 units	
1875 Mission Street	38 units	
1501 15 th St	40 units	
480 Potrero	84 units	
2550-58 Mission	114 units	
1450 15 th Street	23 units	
346 Potrero	72 units	
1785 15 th Street	8 units	
1801-63 Mission Street	54 units	
2600 Harrison Street	20 units	
1924 Mission Street	12 units	
600 South Van Ness	27 units	
2000-2070 Bryant	254 subtract	- 60 units*
2000-2070 Bryant (affordable)	add	+130 units*
1298 Valencia Street	35 units	
1198 Valencia Street	52 units	
1050 Valencia Street	16 units	
1979 Mission Street	331 units	
2675 Folsom Street	117 units	
1900 Mission Street	11 units	
2750 19 th Street	60 units	
1515 South Van Ness	160 subtract	-3 units*
3140 16 th Street	28 units	
2799 24 th Street	8 units	
2435 16 th Street	53 units	
3357-59 26 th Street	8 units	
1726-30 Mission Street	36 add	+4 units*
3314 Cesar Chavez	52 units	
1798 Bryant Street	131 units	
2918-24 Mission Street	38 add	+37 units*
793 South Van Ness	54 add	+19 units*
953 Treat	8 units	
3620 Cesar Chavez	28 units	

344 14 th /1463 Stevenson	45 units	
1950 Mission Street	157 units	
1296 Shotwell	96 units	
Subtotal	2,451 units	
Adjustment*	+142 units	
TOTAL		2,593 units

Mission Projects completed since 2008 not included in total above.

1880 Mission Street/ 1600 15 th Street (Vara)	202 units	
380 14 th Street	29 units	
411 Valencia Street	16 units	
Subtotal		247 units

Current Mission Pipeline Projects Not included above.

235 Valencia Street	50 units	
1500 15 th Street/398 Valencia	184 units	
3700 20 th Street	25 units	
3420 18 th Street	16 units	
2632 Mission Street	16 units	
606 Capp Street	20 units	
2100 Mission Street	29 units	
2070 Folsom Street	127 units	
1990 Folsom Street	158 units	
Subtotal		625 units
GRAND TOTAL		3,465 units

Proposed project approved in 2008 1,696 units

Number studied under EIR project options:

Option A – 762

Option B – 1,118

Option C – 2,054

* Adjustments to project size made after February 23, 2016

West Bay Law
Law Office of J. Scott Weaver

November 29, 2017

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

Re: 2750 19th Street, 2014-001400ENX

Dear Commissioners,

Community representatives from United to Save the Mission, La Raza Centro Legal, Calle 24 Latino Cultural District and Pacific Felt Factory have continued to meet with representatives for the project sponsor. We have, unfortunately, been unable to come to agreement on two issues of importance to the community's anti-gentrification efforts. These issues pertain to affordability and use of the ground floor commercial space. Accordingly, we are requesting that you exercise your discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns set forth below:

Affordable Housing – The project sponsors originally proposed to pay an in lieu fee instead of on-site affordable housing. The current proposal is for the minimum required affordable units on site, plus one additional affordable unit (20%). We cannot accept that level of affordability for a project of this size. One of our demands has been for four additional affordable unit to make a total of 25%. While we are not comfortable with a 75% luxury project in a rapidly gentrifying area, we believe it is reasonable demand given the realities on the ground.

Use of Commercial Space – We have serious concerns about the use of the ground floor commercial space. The 10,000 ground floor space has traditionally been used for PDR. Currently, the space is used by J.F. Fitzgerald Furniture Company which custom makes and upholsters (and reupholsters) furniture. The proposed project will include 7,500 square feet of commercial space. Since the property is zoned UMU, this space may be put to broad uses. We would like to see preservation of PDR uses or, uses as trade shops. The developers have not agreed to this and have proposed "flexible uses".

While we have remained open to non-PDR uses, we have consistently expressed concerns about the potential gentrifying impacts of high end commercial space. To blunt these impacts, we have requested that the developers make concessions that would ensure use by local concerns that have reasonable price points. Again, the developers have not agreed to any mitigation. The developers have proposed use of approximately 2,500 square feet as a “culinary business/restaurant accelerator in partnership with a community-based organization.” Any change of such use would require notification “akin to Planning Code Section 312”. While we would applaud such an arrangement, the developers have not guaranteed any duration of such an arrangement, nor assurances that rents will be affordable.

In short, the proposed project does not even attempt mitigate the impacts of high end restaurants and other retail concerns coming into the neighborhood.

No Commitment to Hiring Union Labor – The project sponsor has refused to commit to union labor for the construction of the project. With respect to union labor, local hire, and training, the sponsor has failed to nail anything down, and, instead, has provided non-specific platitudes regarding community benefits.

Developer Commitment to Wall Street, Not the Community – The project is driven behind the scenes by Rubicon Point Partners, LLC who have "partnered" with the owners. Their Notice of Agreement (with the nominal owners) is on file with the San Francisco Recorder's Office. It seems the owners have been out of the loop with respect to this development as they have been unable to provide meaningful answers to concerns raised by community members. Rubicon has direct ties with numerous wall street investment houses. You can find out more about them at <http://rubiconpointpartners.com/our-investments/>; Here's a clip from their website:

"Our experience is based on an institutional track record of former principals of Goldman Sachs, Rockwood Capital, Roland Berger, 365 Main, Inc., and the United States Treasury Department. Our real estate investment experience lies in 5 million square feet of investment, development, and management"

These Wall Street connections explain their uncaring and tone-deaf attitude towards the community. One cannot now expect that any vague, unspecified promises that they may make would result in any accountability when the time comes to deliver on them.

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

In evaluating the desirability of the proposed project, the Commission should evaluate it in light of its inconsistency with the objectives of the Eastern Neighborhoods and Mission Plans. Eastern Neighborhoods Plan contain the following objectives:

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

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

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

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

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

Mission-wide goals include:

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

In light of these goals, the Commission must consider; 1) the proposed project's removal of 10,000 square feet of PDR, 2) the provision of 80% luxury units as against only 20% affordable housing on site 3) excessive parking, and 4) the merits, or lack of merits of the exemptions that the applicant is seeking.

Planning Commissioners,
San Francisco Planning Commission
November 29, 2017
Page Four

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

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

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

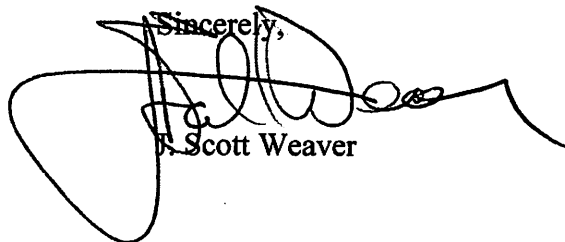
The cumulative impacts of this and other predominantly luxury development projects create a result 180 degrees opposite the purposes of Interim Controls and the MAP 2020 process.

There are a Number of Failings in the CEQA Evaluation of the Proposed Project

The Department made a CEQA Determination of Exemption on October 17, 2017. I submitted the CEQA critique on October 21, prior to the first hearing on this matter. As a threshold observation, we note that the Department still refuses to undertake a meaningful environmental evaluation if only because the cumulative total of units built, entitled or in the pipeline (a minimum of 3,562 units) whereas the PEIR evaluated a maximum of 2,054 units, with a “preferred project” of 1,692. This result not only confirms the inadequacy of the underlying EIR, but demonstrates flaws in the Eastern Neighborhood Plan’s ability to predict the outcomes of its policies.

For the above reasons, it is respectfully requested that the Commission exercise its discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns raised herein.

Sincerely,



J. Scott Weaver

JSW:sme

Mission Projects 2008-Q-4 2017

3418 26 th Street	13 units (built)
80 Julian Street	8 units (built)
411 Valencia Street	16 units (built)
490 South Van Ness	87 units
3420 18 th Street	16 units (built)
1875 Mission Street	38 units (built)
1501 15 th St	40 units (built)
480 Potrero	84 units (built)
2550-58 Mission	114 units (built)
1450 15 th Street	23 units (built)
346 Potrero	72 units (built)
1785 15 th Street	8 units (built)
1801-63 Mission Street	54 units (entitled)
2600 Harrison Street	20 units (entitled)
1924 Mission Street	12 units (entitled)
600 South Van Ness	27 units (built)
2000-2070 Bryant	194 units (entitled)
2000-2070 Bryant (affordable)	130 units (entitled)
1298 Valencia Street	35 units (entitled)
1198 Valencia Street	52 units (built)
1050 Valencia Street	16 units (built)
1979 Mission Street	331 units
2675 Folsom Street	117 units (entitled)
1900 Mission Street	11 units (entitled)
2750 19 th Street	60 units (entitled)
1515 South Van Ness	157 units (entitled)
2799 24 th Street	4 units
2435 16 th Street	53 units (entitled)
3357-59 26 th Street	7 units
1726-30 Mission Street	40 units (entitled)
2100 Mission Street	29 units (entitled)
3314 Cesar Chavez	52 units
1798 Bryant Street	131 units
2918-24 Mission Street	75 units (entitled)
793 South Van Ness	73 units (entitled)
953 Treat	8 units (entitled)
3620 Cesar Chavez	28 units (entitled)
344 14 th /1463 Stevenson	45 units

1950 Mission Street	157 units (entitled)
1296 Shotwell	96 units (entitled)
899 Valencia	18 units (built)
3500 19 th Street	17 units (built)
1880 Mission Street/1600 15 th Street	202 units (built)
1721 15 th Street	23 units
3230-36 24 th street	21 units
198 valencia	24 units (entitled)
235 Valencia Street	50 units (entitled)
1500 15 th Street	184 units
3420 18 th Street	16 units (built)
2632 Mission Street	16 units
606 Capp Street	20 units (entitled)
2070 Folsom Street	127 units (entitled)
1990 Folsom Street	<u>158 units</u>

Total Built	780 units
Total entitled	1,495 units
Units in Pipeline	1,134 units

GRAND TOTAL

3,409 units

Preferred project approved in 2008 EIR, 1,696 units

Number studied under EIR project options:

- Option A – 762
- Option B – 1,118
- Option C – 2,054

This information was provided through Planning Department Data, including the Development Pipeline Q-4, 2017 and SF Property Information Map.

Excluded are:

- 1) Most projects with fewer than 10 units.
- 2) Projects entering pipeline after 1/1/18
- 3) Projects built that were not included in current pipeline report.

Table 2: Forecast Growth by Rezoning Option

2025 Totals	Eastern Neighborhoods				Subtotal	Rest of City	Total
	Mission	Showplace Sq./ Potrero Hill	Eastern SoMa	Central Waterfront			
Baseline (2000)							
Housing Units	13,309	5,539	5,818	798	25,464	304,239	329,703
Household Population	41,788	13,501	10,211	1,704	67,204	689,763	756,967
PDR Jobs	12,071	6,966	6,579	6,851	32,467	63,080	95,547
Non-PDR Jobs	11,038	13,769	11,013	4,368	40,188	498,700	538,888
Total Jobs	23,109	20,735	17,592	11,219	72,655	561,780	634,435
2025 No-Project							
Housing Units	13,729	6,190	7,399	1,017	28,335	320,446	348,781
Household Population	43,906	14,293	13,276	2,014	73,489	725,728	799,217
PDR Jobs	11,086	5,280	5,514	7,211	29,091	74,226	103,317
Non-PDR Jobs	13,922	19,376	15,251	4,669	53,218	607,619	660,837
Total Jobs	25,008	24,656	20,765	11,880	82,309	681,845	764,154
Option A							
Housing Units	14,091	7,833	8,112	4,443	34,479	332,607	367,086
Household Population	45,116	16,911	14,049	8,314	84,390	752,100	836,490
PDR Jobs	11,210	7,718	5,357	7,175	31,460	74,757	106,218
Non-PDR Jobs	13,291	18,736	14,215	4,672	50,914	609,305	660,218
Total Jobs	24,500	26,454	19,572	11,847	82,374	684,062	766,436
Option B							
Housing Units	14,427	8,174	8,326	1,922	32,849	333,362	366,211
Household Population	46,089	17,550	14,410	3,632	81,681	752,767	834,448
PDR Jobs	11,038	5,176	5,099	7,038	28,351	72,064	100,415
Non-PDR Jobs	14,125	19,374	15,649	4,653	53,801	606,720	660,522
Total Jobs	25,162	24,550	20,748	11,691	82,152	678,784	760,936
Option C							
Housing Units	15,363	9,430	8,901	1,628	35,322	330,998	366,320
Household Population	48,865	20,360	15,388	3,079	87,692	747,058	834,750
PDR Jobs	5,602	5,063	5,122	7,211	22,998	73,265	96,263
Non-PDR Jobs	22,637	18,699	16,278	4,580	62,195	600,861	663,056
Total Jobs	28,239	23,762	21,400	11,791	85,193	674,126	759,319

SOURCE: San Francisco Planning Department, 2005.

Table 2: Forecast Growth by Rezoning Option (continued)

Change: Difference between 2025 Totals and Baseline(2000) Totals

	Eastern Neighborhoods					Subtotal	Rest of City	Total
	Mission	Showplace Sq./ Potrero Hill	East SoMa	Central Waterfront				
2025 No Project								
Housing Units	420	651	1,581	219	2,871	16,207	19,078	
Household Population	2,118	792	3,065	310	6,285	35,965	42,250	
PDR Jobs	-985	-1,686	-1,065	360	-3,376	11,146	7,770	
Non-PDR Jobs	2,884	5,607	4,238	301	13,030	108,919	121,949	
Total Jobs	1,899	3,921	3,173	661	9,654	120,065	129,719	
Option A								
Housing Units	782	2,294	2,294	3,645	9,015	28,368	37,383	
Household Population	3,328	3,410	3,838	6,610	17,186	62,337	79,523	
PDR Jobs	-861	752	-1,222	324	-1,007	11,677	10,671	
Non-PDR Jobs	2,253	4,967	3,202	304	10,726	110,605	121,330	
Total Jobs	1,391	5,719	1,980	628	9,719	122,282	132,001	
Option B								
Housing Units	1,118	2,635	2,508	1,124	7,385	29,123	36,508	
Household Population	4,301	4,049	4,199	1,928	14,477	63,004	77,481	
PDR Jobs	-1,033	-1,790	-1,480	187	-4,116	8,984	4,868	
Non-PDR Jobs	3,087	5,605	4,636	285	13,613	108,020	121,634	
Total Jobs	2,053	3,815	3,156	472	9,497	117,004	126,501	
Option C								
Housing Units	2,054	3,891	3,083	830	9,858	26,759	36,617	
Household Population	7,077	6,859	5,177	1,375	20,488	57,295	77,783	
PDR Jobs	-6,469	-1,903	-1,457	360	-9,469	10,185	716	
Non-PDR Jobs	11,599	4,930	5,265	212	22,007	102,161	124,168	
Total Jobs	5,130	3,027	3,808	572	12,538	112,346	124,884	

SOURCE: San Francisco Planning Department, 2005



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE COMPLETED AND ENTITLED HOUSING UNITS 2007 to 2014

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

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

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

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

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

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

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SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE ENTITLED HOUSING UNITS 2018 Q2

San Francisco reports actual production in its progress towards meeting its Regional Housing Need Assessment (RHNA) goals. These figures are submitted annually on April to the State Department of Housing and Community Development. The following table shows actual production – i.e. built units – through the second quarter of 2018.

Progress Towards Meeting 2022 RHNA Production Goals, as of 2018 Q2

	Total RHNA Housing Goals, 2015 - 2022	Pro-Rated RHNA Housing Goals, 2015 - 2018 Q2	Actual Production, 2015 - 2018 Q2	Actual Production, 2015 - 2018 Q2 as % of Total RHNA Housing Goals	Actual Production as % of 2015 - 2018 Q2 Pro-Rated RHNA Housing Goals
TOTAL	28,869	12,630	16,654	57.7%	
Very Low Income	6,234	2,727	2,799	44.9%	102.6%
Low Income	4,639	2,030	1,292	27.9%	63.7%
Moderate Income	5,460	2,389	760	13.9%	31.8%
Above Moderate	12,536	5,485	11,803	94.2%	215.2%

Administrative Code 10E.4 (b)(1) calls for a summary of data on the total number of units at various stages of the housing production process and how completed and pipeline projects compare with San Francisco's RHNA production goals. The table below presents a summary of completed units and development projects in the current residential pipeline to the second quarter of 2018 (Q2).

Summary of Completed and Entitled Units, as of 2018 Q2, As Required by Administrative Code 10E.4(b)(1)

	RHNA Housing Goals, 2015 - 2022	Actual Production, 2015 - 2018 Q2	Total Entitled by Planning, 2018 Q2*	Actual Production and Entitled, 2018 Q2*	Actual Production and Entitled, as % of Total RHNA Housing Goals
TOTAL	28,869	16,654	18,646	35,300	122.3%
Very Low Income	6,234	2,799	202	3,001	48.1%
Low Income	4,639	1,292	1,424	2,716	58.5%
Moderate Income	5,460	760	577	1,337	24.5%
TBD Affordable			803	803	
Above Moderate	12,536	11,803	15,640	27,443	218.9%

* This column does not include seven entitled major multi-phased development projects that are not expected to be fully completed within this current RHNA reporting period. These projects have a total of 26,920 net new units, including about 6,380 net affordable units (24% affordable). However, phases of these projects are included when applications for building permits are filed and proceed along the development pipeline.

Memo

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The residential pipeline for the purposes of this report only includes entitled projects. The following table shows entitled units at various stages of development but are not yet built. Units under construction and projects with active building permits are likely to be completed within the RHNA reporting period. Typical duration from filing of building permit to building completion typically ranges from two to four years, depending on the size and complexity of the project. The current eight year RHNA period ends in 2022.

Entitled Units, 2018 Q2

	Entitled by Planning, No Permits Filed*	Entitled, Building Permit Filed	Building Permit Approved or Issued	Under Construction	Total Entitled by Planning*
TOTAL	3,142	4,855	6,558	7,078	21,633
Very Low Income	-	-	94	108	202
Low Income	150	32	463	779	1,424
Moderate Income	15	179	118	265	577
TBD	56	120	115	512	803
Above Moderate	2,921	4,524	5,768	5,414	18,627

* This column does not include seven entitled major development projects that are not expected to be fully completed within this current RHNA reporting period. These projects have a total of 25,790 net new units, including about 5,490 net affordable units (23% affordable). However, phases of these projects are included when applications for building permits are filed and proceed along the development pipeline.

The State Department of Housing and Community Development (HCD) determines these RHNA goals that San Francisco's Housing Element must address. The RHNA total is the minimum number of housing units that a region or jurisdiction must plan for in each RHNA reporting period. The total number of entitled units is tracked by the San Francisco Planning Department and is updated quarterly in coordination with the *Quarterly Pipeline Report*. Subsidized housing units – including moderate and low income units – as well as inclusionary units are tracked by the Mayor's Office of Housing; these are also updated quarterly.



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: 20 September 2018
TO: City Planning Commission
FROM: John Rahaim, Director of Planning
RE: HOUSING BALANCE REPORT No. 7
1 July 2008 – 30 June 2018

STAFF CONTACT: Teresa Ojeda, 415 558 6251

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SUMMARY

This report is submitted in compliance with Ordinance No. 53-15 requiring the Planning Department to monitor and report on the housing balance between new market rate and new affordable housing production. One of the stated purposes of the Housing Balance is "to ensure that data on meeting affordable housing targets Citywide and within neighborhoods informs the approval process for new housing development." This report is the seventh in the series and covers the ten-year period from 1 July 2008 through 30 June 2018.

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

In the 2008 Q3 -2018 Q2 Housing Balance Period, about 24% of net new housing produced was affordable. By comparison, the expanded Citywide Cumulative Housing Balance is 26%, although this varies by districts. Distribution of the expanded Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from -277% (District 4) to 72% (District 5). This variation, especially with negative housing balances, is due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts.

The Projected Housing Balance Citywide is 16%. Three major development projects were identified in the ordinance for exclusion in the projected housing balance calculations until site permits are obtained. Remaining phases for these three projects will add up to over 21,570 net units, including some 4,920 affordable units; this would increase the projected housing balance to 20% if included in the calculations.

BACKGROUND

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

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

Specifically, the *Housing Balance Report* will supplement tracking performance toward meeting the goals set by the City's *Housing Element* and Proposition K. Housing production targets in the City's *Housing Element*, adopted in April 2015, calls for 28,870 new units built between 2015 and 2022, 57%¹ of which should be affordable. As mandated by law, the City provides the State Department of Housing and Community Development an annual progress report.² In November 2014, San Francisco's voters endorsed Proposition K, which set as city policy a goal to help construct or rehabilitate at least 30,000 homes by 2020, at least 33% of which will be affordable to low- and moderate-income households. In addition, Mayor Ed Lee set a similar goal of creating 30,000 new and rehabilitated homes by 2020, pledging at least 30% of these to be permanently affordable to low-income families as well as working, middle income families.³

This *Housing Balance Report* was prepared from data gathered from previously published sources including the Planning Department's annual *Housing Inventory* and quarterly *Pipeline Report* data,

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

² Printed annual progress reports submitted by all California jurisdictions can be accessed here – <http://www.hcd.ca.gov/community-development/housing-element/annual-progress-reports/index.php> -- or by calling HCD at 916-263-2911 for the latest reports as many jurisdictions now file reports online.

³ For more information on and tracking of 30K by 2020, see <http://sfmayor.org/housing-for-residents> .

San Francisco Rent Board data, and the Mayor’s Office of Housing and Community Development’s *Weekly Dashboard*.

CUMULATIVE HOUSING BALANCE CALCULATION

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

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

The first “Housing Balance Period” is a ten-year period starting with the first quarter of 2005 through the last quarter of 2014. Subsequent housing balance reports will cover the 10 years preceding the most recent quarter. This report covers July 2008 (Q3) through June 2018 (Q2).

Table 1A below shows the Cumulative Housing Balance for 10-year reporting period (2008 Q3 – 2018 Q2) is 18% Citywide. With the addition of RAD units, the expanded Cumulative Housing Balance is 26% (Table 1B). In 2016, the Board of Supervisors revised the ordinance to include Owner Move-Ins (OMIs) in the Housing Balance calculation. Although OMIs were not specifically called out by in the original Ordinance in the calculation of the Housing Balance, these were included in earlier reports because this type of no-fault eviction results in the loss of rent controlled units either permanently or for a period of time.

Table 1A
Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Cumulative Housing Balance
BoS District 1	170	5	(527)	4	336	155	-70.9%
BoS District 2	45	24	(319)	2	875	189	-23.3%
BoS District 3	209	6	(313)	6	931	244	-7.8%
BoS District 4	-	-	(462)	7	28	136	-277.4%
BoS District 5	601	293	(359)	162	1,443	646	33.4%
BoS District 6	3,406	1,137	(146)	1,122	16,613	6,260	24.1%
BoS District 7	99	-	(236)	-	553	1,101	-8.3%
BoS District 8	244	28	(605)	90	1,413	328	-14.0%
BoS District 9	210	406	(606)	406	948	919	22.3%
BoS District 10	1,565	-	(295)	1,351	4,694	3,341	32.6%
BoS District 11	28	21	(395)	9	161	317	-70.5%
TOTALS	6,577	1,920	(4,263)	3,159	27,995	13,636	17.8%

Table 1B below shows the Expanded Cumulative Housing Balances for Board of Supervisor Districts ranging from -277% (District 4) to 72% (District 5). Negative balances in Districts 1 (-42%), 7 (-2%), and 11 (-77%) resulted from the larger numbers of units removed from protected status relative to the net new affordable housing and net new housing units built in those districts.

Table 1B
Expanded Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program and Hope SF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Expanded Cumulative Housing Balance
BoS District 1	170	5	144	(527)	4	336	155	-41.5%
BoS District 2	45	24	251	(319)	2	875	189	0.3%
BoS District 3	209	6	577	(313)	6	931	244	41.3%
BoS District 4	-	-	-	(462)	7	28	136	-277.4%
BoS District 5	601	293	806	(359)	162	1,443	646	71.9%
BoS District 6	3,406	1,137	561	(146)	1,122	16,613	6,260	26.6%
BoS District 7	99	-	110	(236)	-	553	1,101	-1.6%
BoS District 8	244	28	330	(605)	90	1,413	328	5.0%
BoS District 9	210	406	268	(606)	406	948	919	36.6%
BoS District 10	1,565	-	436	(295)	1,351	4,694	3,341	38.0%
BoS District 11	28	21	-	(395)	9	161	317	-70.5%
TOTALS	6,577	1,920	3,483	(4,263)	3,159	27,995	13,636	26.1%

PROJECTED HOUSING BALANCE

Table 2 below summarizes residential projects that have received entitlements from the Planning Commission or the Planning Department but have not yet received a site or building permit. Overall projected housing balance at the end of the second quarter of 2018 is 16%. This balance is expected to change as several major projects have yet to declare how their affordable housing requirements will be met. In addition, three entitled major development projects – Treasure Island, ParkMerced, and Hunters Point – are not included in the accounting until applications for building permits are filed or issued as specified in the ordinance. Remaining phases from these three projects will yield an additional 21,570 net new units; 23% (or 4,920 units) would be affordable to low and moderate income households.

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

Table 2
Projected Housing Balance Calculation, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	-	3	0.0%
BoS District 2	-	-	-	-	-	40	0.0%
BoS District 3	-	-	8	178	186	267	69.7%
BoS District 4	-	-	-	-	-	2	0.0%
BoS District 5	-	-	12	3	15	479	3.1%
BoS District 6	-	179	98	47	324	3,030	10.7%
BoS District 7	-	-	-	-	-	40	0.0%
BoS District 8	-	-	3	-	3	44	6.8%
BoS District 9	-	-	46	6	52	382	13.6%
BoS District 10	-	718	79	810	1,607	9,234	17.4%
BoS District 11	-	-	-	-	-	-	0.0%
TOTALS	-	897	246	1,044	2,187	13,521	16.2%

CUMULATIVE HOUSING BALANCE ELEMENTS

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

Affordable Housing and Net New Housing Production

Table 3 below shows housing production between 2008 Q3 and 2018 Q2. This ten-year period resulted in a net addition of almost 28,000 units to the City's housing stock, including almost 6,580 affordable units (or about 24%). A majority (59%) of net new housing units and affordable

units built in the ten-year reporting period were in District 6 (over 16,310 and 3,400 respectively). District 10 follows with over 4,690 net new units, including 1,565 affordable units.

The table below also shows that almost 24% of net new units built between 2008 Q3 and 2018 Q2 were affordable units, mostly (52%) in District 6. While District 1 saw modest gains in net new units built, half of these were affordable (51%).

Table 3
New Housing Production by Affordability, 2008 Q3 – 2018 Q2

BoS District	Very Low	Low	Moderate	Middle	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	170	-	-	-	170	336	50.6%
BoS District 2	-	-	45	-	45	875	5.1%
BoS District 3	161	2	46	-	209	931	22.4%
BoS District 4	-	-	-	-	-	28	0.0%
BoS District 5	335	183	83	-	601	1,443	41.6%
BoS District 6	1,620	1,258	505	23	3,406	16,613	20.5%
BoS District 7	70	29	-	-	99	553	17.9%
BoS District 8	131	92	21	-	244	1,413	17.3%
BoS District 9	138	40	32	-	210	948	22.2%
BoS District 10	671	559	335	-	1,565	4,694	33.3%
BoS District 11	-	7	21	-	28	161	17.4%
TOTAL	3,296	2,170	1,088	23	6,577	27,995	23.5%

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

Acquisition and Rehabilitation of Affordable Housing Units

Table 4a below lists the number of units that have been rehabilitated and/or acquired between 2008 Q3 and 2018 Q2 to ensure permanent affordability. These are mostly single-room occupancy hotel units that are affordable to extremely very low and very low income households.

Table 4a
Acquisitions and Rehabilitation of Affordable Housing, 2008 Q3 – 2017 Q2

BoS District	No. of Buildings	No. of Units
BoS District 2	1	24
BoS District 5	2	290
BoS District 6	12	1,085
BoS District 9	2	319
TOTALS	17	1,718

Small Sites Program

The San Francisco Small Sites Program (SSP) is an initiative of the Mayor's Office of Housing and Community Development (MOHCD) to acquire small rent-controlled buildings (with four to 25 units) where tenants are at risk of eviction through the Ellis Act or owner move-ins. Since its inception in 2014, some 26 buildings with 202 units have been acquired, as shown in Table 4b.

Table 4b
Small Sites Program, 2014-2018 Q2

BoS District	No. of Buildings	No. of Units
BoS District 1	1	5
Bos District 3	1	6
BoS District 5	1	3
BoS District 6	4	52
BoS District 8	6	28
BoS District 9	12	87
BoS District 11	1	21
TOTALS	26	202

RAD Program

The San Francisco Housing Authority's Rental Assistance Demonstration (RAD) program preserves at risk public and assisted housing projects. According to the Mayor's Office, RAD Phase I transferred 1,425 units to developers in December 2015. An additional 2,058 units were transferred as Phase II in 2016.

Table 5
RAD Affordable Units, 2015-2018 Q2

BoS District	No of Buildings	No of Units
BoS District 1	2	144
BoS District 2	3	251
BoS District 3	4	577
BoS District 5	7	806
BoS District 6	4	561
BoS District 7	1	110
BoS District 8	4	330
BoS District 9	2	268
BoS District 10	2	436
BoS District 11	-	-
TOTALS	29	3,483

Units Removed From Protected Status

San Francisco's Residential Rent Stabilization and Arbitration Ordinance protects tenants and preserves affordability of about 175,000 rental units by limiting annual rent increases. Landlords can, however, terminate tenants' leases through no-fault evictions including condo conversion, owner move-in, Ellis Act, demolition, and other reasons that are not the tenants' fault. The Housing Balance calculation takes into account units permanently withdrawn from rent stabilization as loss of affordable housing. The following no-fault evictions affect the supply of rent controlled units by removing units from the rental market: condo conversion, demolition, Ellis Act, and owner move-ins (OMIs). It should be noted that initially, OMIs were not specifically called out by the Ordinance to be included in the calculation. However, because owner move-ins have the effect of the losing rent controlled units either permanently or for a substantial period of time, these numbers are included in the Housing Balance calculation as intended by the legislation's sponsors. Some of these OMI units may return to being rentals and will still fall under the rent control ordinance. On 14 November 2016, the Board of Supervisors amended Planning Code Section 103 to include OMIs as part of the housing balance calculation.

Table 6 below shows the distribution of no-fault eviction notices issued between July 2008 and June 2018. Eviction notices have been commonly used as proxy for evictions. Owner Move-In and Ellis Out notices made up the majority of no fault evictions (59% and 30% respectively). Distribution of these no-fault eviction notices is almost evenly dispersed, with Districts 9 and 8 leading (both with 14%).

Table 6
Units Removed from Protected Status, 2008 Q3 – 2018 Q2

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	2	22	152	351	527
BoS District 2	18	10	89	202	319
BoS District 3	7	10	176	120	313
BoS District 4	-	74	81	307	462
BoS District 5	15	16	97	231	359
BoS District 6	1	75	57	13	146
BoS District 7	-	31	56	149	236
BoS District 8	21	31	228	325	605
BoS District 9	5	50	213	338	606
BoS District 10	2	26	52	215	295
BoS District 11		68	56	271	395
TOTALS	71	413	1,257	2,522	4,263

Entitled and Permitted Units

Table 7 lists the number of units that have received entitlements from the Planning Commission or the Planning Department. These pipeline projects have also received site permits from the Department of Building Inspection and most are under construction as of the final quarter of 2017. Over half of these units are being built in or will be built in District 6 (52%). Twenty percent of units that have received Planning entitlements and site permits from the DBI will be affordable.

Table 7
Permitted Units, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	-	4	155	2.6%
BoS District 2	-	2	-	-	2	189	1.1%
BoS District 3	-	-	6	-	6	244	2.5%
BoS District 4	-	-	7	-	7	136	5.1%
BoS District 5	-	112	50	-	162	646	25.1%
BoS District 6	-	793	244	85	1,122	6,260	17.9%
BoS District 7	-	-	-	-	-	1,101	0.0%
BoS District 8	-	85	5	-	90	328	27.4%
BoS District 9	-	378	28	-	406	919	44.2%
BoS District 10	-	670	681	-	1,351	3,341	40.4%
BoS District 11	-	-	9	-	9	317	2.8%
TOTALS	-	2,040	1,034	85	3,159	13,636	23.2%

PERIODIC REPORTING AND ONLINE ACCESS

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

ANNUAL HEARING

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

APPENDIX A
Ordinance 53-15

	AMENDED IN COMMITTEE 4/6/15	ORDINANCE NO. 53-15
1	[Planning Code - City Housing Balance Monitoring and Reporting]	
2		
3	Ordinance amending the Planning Code to require the Planning Department to monitor	
4	the balance between new market rate housing and new affordable housing, and publish	
5	a bi-annual Housing Balance Report; requiring an annual hearing at the Board of	
6	Supervisors on strategies for achieving and maintaining the required housing balance	
7	in accordance with San Francisco's housing production goals; and making	
8	environmental findings, Planning Code, Section 302 findings, and findings of	
9	consistency with the General Plan, and the eight priority policies of Planning Code,	
10	Section 101.1.	
11		
12	NOTE: Unchanged Code text and uncodified text are in plain Arial font.	
13	Additions to Codes are in <u>single-underline italics Times New Roman font</u> .	
14	Deletions to Codes are in strikethrough italics Times New Roman font .	
15	Board amendment additions are in <u>double-underlined Arial font</u> .	
16	Board amendment deletions are in strikethrough Arial font .	
17	Asterisks (* * * *) indicate the omission of unchanged Code	
18	subsections or parts of tables.	
19		
20	Be it ordained by the People of the City and County of San Francisco:	
21		
22	Section 1. Findings.	
23	(a) The Planning Department has determined that the actions contemplated in this	
24	ordinance comply with the California Environmental Quality Act (California Public Resources	
25	Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of	
	Supervisors in File No. 150029 and is incorporated herein by reference. The Board of	
	Supervisors affirms this determination.	
	(b) On March 19, 2015, the Planning Commission, in Resolution No. 19337, adopted	
	findings that the actions contemplated in this ordinance are consistent, on balance, with the	
	Supervisor Kim	
	BOARD OF SUPERVISORS	
		Page 1

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

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

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

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

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

22 **(b) Findings.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (d) **Bi-annual Housing Balance Reports.** Within 30 days of the effective date of this
10 Section 103 By June 1, 2015, the Planning Department shall calculate the Cumulative and Projected
11 Housing Balance for the most recent two quarters City-wide, by Supervisorial District, Plan Area, and
12 by neighborhood Planning Districts, as defined in the annual Housing Inventory, and publish it as an
13 easily visible and accessible page devoted to Housing Balance and Monitoring and Reporting on the
14 Planning Department's website. By ~~August~~ September 1st and ~~February~~ March 1st of each year, the
15 Planning Department shall publish and update the Housing Balance Report, and present this report at
16 an informational hearing to the Planning Commission and Board of Supervisors, as well as to any
17 relevant body with geographic purview over a plan area upon request, along with the other quarterly
18 reporting requirements of Administrative Code Chapter 10E.4. The annual report to the Board of
19 Supervisors shall be accepted by resolution of the Board, which resolution shall be introduced
20 by the Planning Department. The Housing Balance Report shall also be incorporated into the
21 Annual Planning Commission Housing Hearing and Annual Report to the Board of Supervisors
22 required in Administrative Code Chapter 10E.4.

23 (e) **Annual Hearing by Board of Supervisors.**

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

Supervisor Kim
BOARD OF SUPERVISORS

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

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

Supervisor Kim
BOARD OF SUPERVISORS

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

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

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

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

18 By: 
19 MARLENA BYRNE
Deputy City Attorney

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Supervisor Kim
BOARD OF SUPERVISORS

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City and County of San Francisco
Tails
Ordinance

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

File Number: 150029

Date Passed: April 21, 2015

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

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

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

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

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

April 21, 2015 Board of Supervisors - FINALLY PASSED

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

File No. 150029

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


Angela Calvillo
Clerk of the Board


Mayor


Date Approved

APPENDIX B

CUMULATIVE HOUSING BALANCE REPORT No 7 TABLES BY PLANNING DISTRICTS

Table 1A

Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance
1 Richmond	219	5	(599)	4	567	166	-50.6%
2 Marina	1	24	(186)	-	215	141	-45.2%
3 Northeast	197	6	(330)	2	783	200	-12.7%
4 Downtown	1,685	851	(120)	371	5,996	2,561	32.6%
5 Western Addition	513	293	(182)	136	1,513	374	40.3%
6 Buena Vista	199	5	(225)	111	1,028	413	6.2%
7 Central	110	-	(340)	5	430	125	-40.5%
8 Mission	344	403	(543)	559	1,527	2,204	20.5%
9 South of Market	2,091	262	(134)	1,376	13,110	4,749	20.1%
10 South Bayshore	1,091	-	(104)	579	1,966	1,069	51.6%
11 Bernal Heights	-	50	(187)	-	51	45	-142.7%
12 South Central	11	21	(466)	9	135	324	-92.6%
13 Ingleside	116	-	(198)	-	551	1,089	-5.0%
14 Inner Sunset	-	-	(188)	-	98	42	-134.3%
15 Outer Sunset	-	-	(461)	7	25	134	-285.5%
TOTALS	6,577	1,920	(4,263)	3,159	27,995	13,636	17.8%

Table 1B

Expanded Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program & HopeSF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Expanded Cumulative Housing Balance
1 Richmond	219	5	144	(599)	4	567	166	-31.0%
2 Marina	1	24	138	(186)	-	215	141	-6.5%
3 Northeast	197	6	577	(330)	2	783	200	46.0%
4 Downtown	1,685	851	285	(120)	371	5,996	2,561	35.9%
5 Western Addition	513	293	919	(182)	136	1,513	374	89.0%
6 Buena Vista	199	5	132	(225)	111	1,028	413	15.4%
7 Central	110	-	107	(340)	5	430	125	-21.3%
8 Mission	344	403	91	(543)	559	1,527	2,204	22.9%
9 South of Market	2,091	262	276	(134)	1,376	13,110	4,749	21.7%
10 South Bayshore	1,091	-	436	(104)	579	1,966	1,069	66.0%
11 Bernal Heights	-	50	268	(187)	-	51	45	136.5%
12 South Central	11	21	-	(466)	9	135	324	-92.6%
13 Ingleside	116	-	-	(198)	-	551	1089	-5.0%
14 Inner Sunset	-	-	110	(188)	-	98	42	-55.7%
15 Outer Sunset	-	-	-	(461)	7	25	134	-285.5%
TOTALS	6,577	1,920	3,483	(4,263)	3,159	27,995	13,636	26.1%

Table 2
Projected Housing Balance Calculation, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	3	0.0%
2 Marina	-	-	-	-	-	36	0.0%
3 Northeast	-	-	8	178	186	265	70.2%
4 Downtown	-	60	73	-	133	1,578	8.4%
5 Western Addition	-	-	-	3	3	264	1.1%
6 Buena Vista	-	-	15	-	15	242	6.2%
7 Central	-	-	-	-	-	12	0.0%
8 Mission	-	107	46	6	159	968	16.4%
9 South of Market	-	423	32	689	1,144	4,565	25.1%
10 South Bayshore	-	-	72	168	240	4,935	4.9%
11 Bernal Heights	-	-	-	-	-	2	0.0%
12 South Central	-	307	-	-	307	608	50.5%
13 Ingleside	-	-	-	-	-	8	0.0%
14 Inner Sunset	-	-	-	-	-	33	0.0%
15 Outer Sunset	-	-	-	-	-	2	0.0%
TOTALS	-	897	246	1,044	2,187	13,521	16.2%

Table 3
New Housing Production by Affordability, 2008 Q3 – 2018 Q2

Planning Districts	Very Low	Low	Moderate	Middle Income	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	207	12	-	-	219	567	38.6%
2 Marina	-	-	1	-	1	215	0.5%
3 Northeast	161	2	34	-	197	783	25.2%
4 Downtown	954	481	227	23	1,685	5,996	28.1%
5 Western Addition	266	171	76	-	513	1,513	33.9%
6 Buena Vista	71	74	54	-	199	1,028	19.4%
7 Central	92	18	-	-	110	430	25.6%
8 Mission	214	62	68	-	344	1,527	22.5%
9 South of Market	590	1,000	501	-	2,091	13,110	15.9%
10 South Bayshore	671	314	106	-	1,091	1,966	55.5%
11 Bernal Heights	-	-	-	-	-	51	0.0%
12 South Central	-	7	4	-	11	135	8.1%
13 Ingleside	70	29	17	-	116	551	21.1%
14 Inner Sunset	-	-	-	-	-	98	0.0%
15 Outer Sunset	-	-	-	-	-	25	0.0%
TOTALS	3,296	2,170	1,088	23	6,577	27,995	23.5%

Table 4a
Acquisitions and Rehabilitation of
Affordable Housing, 2008 Q3 – 2018 Q2

Planning District	No. of Buildings	No. of Units
2 Marina	1	24
4 Downtown	6	826
5 Western Addition	2	290
8 Mission	2	319
9 South of Market	6	259
TOTALS	17	1,718

Table 4b
Small Sites Program Acquisitions, 2014 Q1 – 2018 Q2

Planning District	No. of Buildings	No. of Units
1 Richmond	1	5
3 Northeast	1	6
4 Downtown	2	25
5 Western Addition	1	3
6 Buena Vista	1	5
8 Mission	11	84
9 South of Market	1	3
11 Bernal Heights	2	50
12 South Central	1	21
TOTALS	21	202

Table 5
RAD Affordable Units, 2015 Q1 – 2018 Q2

Planning District	No of Buildings	No of Units
1 Richmond	2	144
2 Marina	2	138
3 Northeast	4	577
4 Downtown	3	285
5 Western Addition	8	919
6 Buena Vista	2	132
7 Central	1	107
8 Mission	1	91
9 South of Market	1	276
10 South Bayshore	2	436
11 Bernal Heights	2	268
12 South Central	-	-
13 Ingleside	-	-
14 Inner Sunset	1	110
15 Outer Sunset	-	-
TOTALS	29	3,483

Table 6
Units Removed from Protected Status, 2008 Q3 – 2018 Q2

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	4	26	187	382	599
2 Marina	11	4	38	133	186
3 Northeast	12	11	175	132	330
4 Downtown	-	68	48	4	120
5 Western Addition	7	9	34	132	182
6 Buena Vista	4	5	91	125	225
7 Central	18	17	95	210	340
8 Mission	2	30	260	251	543
9 South of Market	3	18	36	77	134
10 South Bayshore	-	11	12	81	104
11 Bernal Heights	5	24	53	105	187
12 South Central	-	64	58	344	466
13 Ingleside	-	37	32	129	198
14 Inner Sunset	5	15	57	111	188
15 Outer Sunset	-	74	81	306	461
Totals	71	413	1,257	2,522	4,263

Table 7
Entitled and Permitted Units, 2018 Q2

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	3	0.0%
2 Marina	-	-	-	-	-	36	0.0%
3 Northeast	-	-	8	178	186	265	70.2%
4 Downtown	-	60	73	-	133	1,578	8.4%
5 Western Addition	-	-	-	3	3	264	1.1%
6 Buena Vista	-	-	15	-	15	242	6.2%
7 Central	-	-	-	-	-	12	0.0%
8 Mission	-	107	46	6	159	968	16.4%
9 South of Market	-	423	32	689	1,144	4,565	25.1%
10 South Bayshore	-	-	72	168	240	4,935	4.9%
11 Bernal Heights	-	-	-	-	-	2	0.0%
12 South Central	-	307	-	-	307	608	50.5%
13 Ingleside	-	-	-	-	-	8	0.0%
14 Inner Sunset	-	-	-	-	-	33	0.0%
15 Outer Sunset	-	-	-	-	-	2	0.0%
TOTALS	-	897	246	1,044	2,187	13,521	16.2%

September 20, 2016

San Francisco Planning Department
1650 Mission Street
San Francisco, CA 94103

Subject: Eastern Neighborhoods Citizen Advisory Committee (EN CAC) Response to the EN Monitoring Reports (2011-2015)

Dear President Fong and Members of the Planning Commission:

At your September 22, 2016 Regular Meeting, you will hear a presentation on the Eastern Neighborhoods Five Year Monitoring Report (2011 – 2015). Attached, please find the statement prepared by the Eastern Neighborhoods Citizen Advisory Committee (EN CAC) in response to this report.

As you know, we are a 19 member body created along with the Eastern Neighborhoods Plans in 2009. We are appointed by both the Mayor and the Board of Supervisors and are made up of wide range of residents, business and property owners, developers, and activists. Our charge is to provide input on many aspects of the EN Plans' implementation including but not limited to: (1) how to program funds raised through impact fees, (2) proposed changes in land use policy, and (3) the scope and content of the Monitoring Report.

We have been working closely with staff over the course of the last year to assure the Monitoring Report is accurate and contains all of the material and analysis required by the Planning and Administrative Codes. At our regular monthly meeting in August, we voted to endorse the Monitoring Report that is now before you. We understand that while the Monitoring Report is to provide data, analysis, and observations about development in the EN, it is not intended to provide conclusive statements about its success. Because of this, we have chosen to provide you with the attached statement regarding the where we believe the EN Plan has been successful, where it has not, and what the next steps should be in improving the intended Plans' goals and objectives.

Several of our members will be at your September 22 hearing to provide you with our perspective. We look forward to having a dialog with you on what we believe are the next steps.

Please feel free to reach out to me, Bruce Huie, the CAC Vice-Chair or any of our members with questions or thoughts through Mat Snyder, CAC staff. (mathew.snyder@sfgov.org; 415-575-6891)

Sincerely,



Chris Block
Chair
Eastern Neighborhoods Citizen Advisory Committee

Eastern Neighborhoods Citizen Advisory Committee
Response to the Five-Year EN Monitoring Report (2011-2015)

INTRODUCTION

The Eastern Neighborhoods Citizen Advisory Committee (EN CAC) is comprised of 19 individuals appointed by members of the Board of Supervisors and the Mayor to represent the five neighborhoods included in the Eastern Neighborhoods Plan (EN Plan) - Mission, Showplace Square/Potrero Hill, Central Waterfront, East SoMa and Western SoMa.

The EN CAC has prepared this document in response to the five-year monitoring report, which was prepared under the specifications of the EN Plan adopting ordinance and approved for submittal to the Planning Commission by the EN CAC on September 22, 2016. This response letter was prepared to provide context and an on-the-ground perspective of what has been happening, as well as outline policy objectives and principles to support the community members in each of these neighborhoods who are most impacted by development undertaken in response to the Plan.

BACKGROUND

High Level Policy Objectives and Key Planning Principles of the EN Plan:

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

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

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

The Economy and Jobs:

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

People and Neighborhoods:

1. Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.

2. Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

The ordinances that enacted the EN Plan envision an increase of 9,785 and over 13,000 new jobs in the Plan Area over the 20 year period - 2009 to 2029.

The Eastern Neighborhood's approval included various implementation documents including an Interagency Memorandum of Understand (MOU) among various City Departments to provide assurances to the Community that the public benefits promised with the Plan would in fact be provided.

COMMENTARY FROM THE EN CAC

The below sections mirror the four key principles of the EN Plan in organization. Below each principle are the aspects of the Plan that the EN CAC see as "working" followed by "what is not working".

PRINCIPLE 1. Reserve sufficient space for production, distribution and repair (PDR) activities, in order to support the city's economy and provide good jobs for residents.

What Seems to be Working:

PDR has been preserved and serves as a model for other cities

A hallmark of the EN Plan is that the City preserved and protected industrial space and land in the newly created PDR Districts. In fact, many other cities with robust real estate markets often look to San Francisco to understand how the protections were implemented and what the result have been since protections were put in place. While other cities struggle with preserving land for industrial uses, the EN Plan actually anticipated the possible changes and growth we are now facing and provided specific space for industrial uses.

Job Growth in the EN, including manufacturing, is almost double the amount that was anticipated in the EN Plan.

What Seems to Not be Working

Loss of PDR jobs in certain sectors.

There is much anecdotal evidence of traditional PDR businesses being forced out of their long-time locations within UMU zones. In certain neighborhoods, the UMU zoning has lead to gentrification, as long standing PDR uses are being replaced with upscale retail and other commercial services catering to the large segment of market rate housing.

The relocation and displacement of PDR has been especially severe in the arts and in auto repair businesses.

Outside of the PDR zoning, there is no mechanism to preserve the types of uses that typified existing light industrial neighborhoods, such as traditional PDR businesses that offered well-paying entry level positions, and arts uses. This has resulted in a fundamental loss of the long-time creative arts community character of the South of Market, and now also in the Mission District and Dogpatch Neighborhood, with more to come. Traditional PDR businesses cannot afford the rents of new PDR buildings and do not fit well on the ground floor of multi-unit residential buildings. The CAC suggests that the City develop mechanisms within the Planning Code to encourage construction of new PDR space both in the PDR-only zones and the mixed-use districts suitable for these traditional uses, including exploring mandatory BMR PDR spaces.

PRINCIPLE 2: Take steps to provide space for new industries that bring innovation and flexibility to the city's economy.

What Seems to be Working:

The Mixed Use Office zone in East SOMA has produced a number of ground-up office projects which provide space for new industries that can bring innovation and flexibility to the City's economy.

There has been a substantial growth in jobs (approx 32,500 jobs) between 2010-2015 - this far exceeds what was expected over the 20 year term (13,000 jobs). The EN Growth rate appears to be much higher than most other areas of SF.

In other PDR areas, the focus of the EN Plan was to preserve land and industrial space (as opposed to constructing new industrial space) in the various PDR zones within the Plan. Based in part on the robust amount of job growth including job growth within the PDR sector and the need for new industrial space, the City did amend some of the PDR zoning controls on select sites to encourage new PDR space construction in combination with office and/or institutional space. One project has been approved but not yet constructed and features approximately 60,000 square feet of deed-restricted and affordably priced light industrial space and 90,000 square feet of market rate industrial space, for a total of 150,000 square feet of new PDR space.

What Seems to Not be Working

The EN Plan includes a Biotechnology and Medical Use overlay in the northern portion of the Central Waterfront that was put in place to permit expansion of these types of uses resulting from the success of Mission Bay. As of the date of this document, no proposal has been made by the private sector pursuant to the Biotechnology and Medical Use overlay. It's the CAC's view that

the residential uses of the UMU zoning in this specific area supports greater land values than those supported by the Overlay. In addition, the relatively small parcel sizes that characterize the Central Waterfront / Dogpatch area are less accommodating of larger floorplate biotechnology or medical use buildings.

PRINCIPLE 3: Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.

What Seems to be Working:

Affordable Housing has been created beyond what would have otherwise:

Throughout San Francisco and certainly in the Eastern Neighborhoods, San Franciscans are experiencing an affordable housing crisis. That being said, the EN Plan's policy mechanisms have created higher levels of inclusionary units than previously required by the City (see Executive Summary, pg. 7). For example, at the time of enactment, UMU zoning required 20% more inclusionary where density controls were lifted, and higher where additional heights were granted. In this regards, UMU has shown to be a powerful zoning tool and is largely responsible for the EN Plan's robust housing development pipeline & implementation. At the same time, community activists and neighborhood organizations have advocated for deeper levels of affordability and higher inclusionary amounts contributing to the creation of additional affordable housing.

Affordable housing funds for Mission and South of Market have been raised:

Some of the initial dollars of impact fees (first \$10M) were for preservation and rehabilitation of existing affordable housing that would not have otherwise existed if not for the EN Plan.

A new small-sites acquisition and rehab program was implemented in 2015, and has been successful in preserving several dozen units as permanent affordable housing, protecting existing tenants, and upgrading life-safety in the buildings.

After a few slow years between 2010-2012, the EN Plan is now out-pacing housing production with 1,375 units completed, another 3,208 under construction and 1,082 units entitled with another 7,363 units under permit review (in sum 13,028 units in some phase of development).

What Seems to Not be Working

There is a growing viewpoint centered on the idea that San Francisco has become a playground for the rich. Long-established EN communities and long-term residents of these neighborhoods (people of color, artists, seniors, low-income and working class people,) are experiencing an economic disenfranchisement, as they can no longer afford to rent, to eat out, or to shop in the neighborhood. They see the disappearance of their long-time neighborhood-serving businesses and shrinking sense of community.

Insufficient construction of affordable housing

Although developments have been increasing throughout the Eastern Neighborhoods, we have seen a lack of affordable housing included in what is being built compared to the needs of the current community members. Market-rate development, often regarded as “luxury,” is inaccessible to the vast majority of individuals and families living in the city. The demand for these units has been the basis for a notable level of displacement, and for unseen pressures on people in rent controlled units, and others struggling to remain in San Francisco. A robust amount of affordable housing is needed to ensure those with restricted financial means can afford San Francisco. We have yet to see this level of development emulated for the populations who are most affected by the market-rate tremors. It is time for an approach towards affordable housing commensurate with the surge that we have seen for luxury units.

High cost of housing and commercial rents

Due to the high cost of housing in San Francisco, many long-term residents are finding it increasingly difficult, if not outright impossible, to even imagine socioeconomic progress. As rents have entered into a realm of relative absurdity, residents have found it ever more challenging to continue living in the city. The only way to move up (or even stay afloat, in many cases), is to move out of San Francisco. This situation has unleashed a force of displacement, anxiety, and general uneasiness within many segments of the Eastern Neighborhoods.

Pace of Development

The pace of development within the Eastern Neighborhoods has far exceeded the expectations originally conceived by the City. Since the market is intended to ensure situations are harnessed to maximize profit, we have seen development unaffordable to most. With a few thousand units in the pipeline slated for the Eastern Neighborhoods, much yet needs to be done to ensure that the city can handle such rapid change without destroying the essence of San Francisco.

PRINCIPLE 4: Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

What Seems to be Working:

The EN Plan leverages private investment for community benefits by creating predictability for development.

With a clear set of zoning principles and codes and an approved EIR, the EN Plan has successfully laid a pathway for private investment as evidenced by the robust development pipeline. While in some neighborhoods the pace of development may be outpacing those benefits – as is the case in the throughout the Eastern Neighborhoods, there are community benefits being built alongside the development – and a growing impact fee fund source, as developments pay their impact fees as required by the EN Plan.

Funds have been raised for infrastructure that would not otherwise be raised. To date \$48M has been raised and \$100M expected in the next five years (see Tables 6.2.3; 6.2.2)

Priority Projects have been incorporated into the City's Ten Year Capital Plan and the Implementing Agencies' Capital Improvement Plans and work programs.

The Plan has lead to the development of parks and open space recreation. Streetscape improvements to 16th Street, Folsom and Howard, 6th, 7th and 8th Streets are now either fully funded or in process of being funded.

It is expected that more street life will over time support more in-fill retail and other community services.

New urban design policies that were introduced as part of the EN Plan are positive. The creation of controls such as massing breaks, mid-block mews, and active space frontages at street level create a more pedestrian friendly environment and a more pleasant urban experience. In Western Soma, the prohibition of lot aggregation above 100' has proven useful in keeping the smaller scale.

What Seems to Not be Working

A high portion of impact fees (80%) is dedicated to priority projects, such as improvements to 16th Street and, Folsom and Howard Streets. The vast majority of impact fees have been set aside for these large infrastructure projects that might have been better funded by the general fund. This would allow for more funding for improvements in the areas directly impacted by the new development. This also limits the availability of funds for smaller scale projects and for projects that are more EN-centric. There are very limited options in funding for projects that have not been designated as "priority projects".

In-kind agreements have absorbed a significant percentage of the discretionary fees collected as well.

Absence of open space

The Eastern Neighborhoods lag behind other neighborhoods in San Francisco and nationwide in per capita green space (see Rec and Open Space Element Map 07 for areas lacking open space). Although the impact fees are funding the construction of new parks at 17th and Folsom in the Mission, Daggett Park in Potrero Hill and the rehabilitation of South Park in SOMA, there is a significant absence of new green or open space being added to address the influx of new residents. The Showplace Square Open Space Plan calls for four acres of new parks in the neighborhoods where only one is being constructed.

As a finite and valuable resource, we believe the City has an obligation to treat the waterfront uniquely and should strive to provide green and open waterfront space to the residents of the Eastern Neighborhoods and all City residents in perpetuity.

The pace of infrastructure development is not keeping up with development

There is a lag time between development and the implementation of new infrastructure, seemingly with no clear plan for how to fund the increased infrastructure needs. The plan is now 8 years old: the number of housing units that were projected to be built under the Plan is being exceeded, and we have to date not identified additional infrastructure funds to make up the funding gap. This appears to be a clear failure in the EN Plan implementation, especially because we now have little chance to fill that gap with higher development fees.

The data contained in the Monitoring Report indicates that the EN Plan has been successful in the development of new housing. However, the pace of development appears to have far exceeded the pace of new infrastructure. This is true in each of the EN areas. There is a deficiency in transit options and development of new open space within all plan neighborhoods. A single child-care center in the Central Waterfront has been built as a part of the Plan. As of this time, not one new open space park has opened within the Plan area. The deficiency in public transportation is especially apparent. Ride services have become an increasingly popular option. However, their use contributes to the traffic congestion that is common throughout the city of San Francisco.

The impact fees inadequate

Although the amount of impact fees currently projected to be collected will exceed the sums projected in the Plan, the funding seems inadequate to address the increasing requirements for infrastructure improvements to support the EN Plan. The pace of development has put huge pressure on transportation and congestion and increased the need and desire for improved bike and pedestrian access along major routes within each Plan neighborhood. There is a striking absence of open space, especially in the Showplace/Potrero neighborhood. There has been a significant lag time in the collection of the Plan impact fees and with the implementation of the community benefits intended to be funded by the fees.

Large portions of impact fees are dedicated, which limits agility with funding requests from discretionary fees. The CAC has allocated funding for citizen-led initiatives to contribute a sustainable stream of funding to the Community Challenge Grant program run out of the City Administrators' office. Our past experience is that this program has doubled capacity of local "street parks" in the Central Waterfront from 2 to 4 with the addition of Tunnel Top Park and Angel Alley to the current street parks of Minnesota Grove and Progress Park.

Impacts of non-EIR projects

Data in the report does not properly reflect the impacts of non-EIR projects, such as Pier 70, recent UCSF expansion into Dogpatch and the Potrero Annex. These very large projects are not required to provide impact fees; the public must rely on the developers working with the community to add benefits to their projects.

Upcoming non-EIR projects such as the Warriors arena, Seawall 337 / Pier 48, continued housing development in Mission Bay and UCSF student housing further increase the pressures of density on the neighborhoods. The square footage included in these various projects may equal or exceed all of the projects under the EN Plan. Although these projects are not dependent on the EN Plan to provide their infrastructure, their impacts should be considered for a complete EN approach to infrastructure and other improvements.

Deficiency in Complete Neighborhoods

Complete neighborhoods recognize the need for proximity of daily consumer needs to a home residence. Combining resources to add shopping for groceries, recreation for families, schools for children will create a complete neighborhood. This will then have the additional benefit of reducing vehicle trips.

Many new developments have been built with no neighborhood -serving retail or commercial ground floor space. The UMU zoning has allowed developers to take advantage of a robust real estate market and build out the ground floor spaces with additional residential units, not neighborhood services such as grocery and other stores.

Evictions and move-outs

There are many reports of long-term residents of the neighborhoods being evicted or forced or paid to move out of the area. Younger, high wage-earning people are replacing retirees on fixed incomes and middle and low wage earners.

Traffic congestion and its impact on commercial uses

Transportation improvements have not kept pace with the amount of vehicular traffic on the streets, leading to vehicular traffic congestion in many parts of the Eastern Neighborhoods. While the slow movement of traffic has affected all residents, it has become a serious burden for businesses that rely on their ability to move goods and services quickly and efficiently. The additional transit that has been implemented through MUNI Forward is welcome but not sufficient to serve new growth. There does not seem to be sufficient increase in service to meet the increase in population.

Loss of non-profit and institutional space

There are many reports of non-profits and institutions being forced to relocate due to rent pressures.

Urban Design Policies and Guidelines

While the EN Plans did provide urban design provisions to break up building and provide active frontages, additional urban design controls are warranted. New buildings would be more welcome if they provided more commercial activity at the ground level. Other guidelines should be considered to further break down the massing of new structures.

PROPOSED STRATEGIES TO ADDRESS WHAT'S NOT WORKING:

Retaining PDR:

- Study trends of specific PDR sectors, such as repair and construction to see what is happening to them.
- Implement temporary or permanent relocation assistance programs for displaced PDR tenants through the OEWD.
- Consider implementing programs to transition workers from PDR sectors being lost.
- Potentially preserve additional land for PDR - both inside and outside of the EN (i.e. Bayshore).
- Establish new mechanisms and zoning tools to encourage construction and establishment of new and modern PDR space within the PDR districts.
- The EN Plan should consider making a provision for temporary or permanent relocation assistance for PDR uses displaced by implementation of the EN Plan and/or use impact fees to assist in the acquisition/development of a new creative arts facility similar to other city-sponsored neighborhood arts centers like SOMArts.

Retaining Non-Profit Spaces:

- Study impacts of rent increases on non-profit office space.
- Where preservation/incorporation of PDR uses will be required (i.e. Central Waterfront), consider allowing incorporation of non-profit office as an alternative.
- Consider enacting inclusionary office program for non-profit space, PDR, and similar uses.

Housing

- Consider increases in affordability levels.
- More aggressively pursue purchasing opportunity sites to ensure that they can be preserved for affordable housing before they are bought by market-rate developers.

Infrastructure / Complete Neighborhoods

- Work with Controller's Office, Capital Planning Office, and the Mayor's Budget Office to solve the existing known funding gap for EN Infrastructure Projects.
- Deploy impact fees more quickly or find ways to use impact fees to leverage other sources that could be deployed sooner (i.e. bond against revenue stream).
- Consider increasing impact fee levels.
- Increase amount of infrastructure, such as additional parks, given that more development has occurred (and will likely continue to occur) than originally anticipated.
- Study how to bring infrastructure improvements sooner.
- Study new funding strategies (such as an IFD or similar) or other finance mechanisms to supplement impact fees and other finance sources to facilitate the creation of complete neighborhoods, a core objective of the EN Plan.
- Improve the process for in kind agreements.
- Consider allocation of waterfront property to increase the amount of green and open space for use by the general public, as illustrated by the successful implementation in Chicago.
- Review structure of the EN CAC. Consider how the CAC can deploy funds faster. Possibly broaden the role of the CAC to include consideration of creation of complete neighborhoods.
- Consider decreasing the number of members on the EN CAC in order to meet quorum more routinely. Impress on the BOS and the Mayor the importance of timely appointments to the CAC.
- Consider legislation that would enable greater flexibility in spending between infrastructure categories so that funds are not as constrained as they are currently set to be by the Planning Code.
- Explore policies that maximize the utilization of existing and new retail tenant space for neighborhood serving retail, so that they are not kept vacant.

Non EN-EIR Projects

- Encourage the City to take a more holistic expansive approach and analysis that include projects not included in the current EN EIR or the EN Geography.



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination Community Plan Evaluation

Case No.: 2014.0999ENV
Project Address: 2750 19th Street
Zoning: UMU (Urban Mixed Use) Zoning District
68-X Height and Bulk District
Block/Lot: 4023/004A
Lot Size: 15,000 square feet
Plan Area: Eastern Neighborhoods Area Plan, Mission Subarea
Project Sponsor: Steve Perry, Perry Architects 415-806-1203
Staff Contact: Justin Horner, Justin.horner@sfgov.org 415-575-9023

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PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site is on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built between 1880 and 1914, totaling 10,935 sf of Production, Distribution and Repair (PDR) uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.


(Continued on next page.)

CEQA DETERMINATION

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

DETERMINATION

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



for Lisa Gibson
Environmental Review Officer

11/21/17

Date

cc: Steve Perry, Project Sponsor; Supervisor Malia Cohen, District 10; Ella Samonsky, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

The proposed project would include the demolition of the three existing industrial buildings, retention of the principal two-story façade along 19th and Bryant streets, and construction of a six-story, 68-foot-tall (77-foot, 7-inch tall with rooftop equipment) mixed-use building with approximately 7,740 square feet of ground-floor retail, 60 residential units (35 one-bedroom units and 25 two-bedroom units) above and vehicle parking in a basement (Figures 2-8). In addition to the proposed project, a project variant, which would include 7,740 square feet of PDR uses instead of retail, is also analyzed in this Certificate of Determination. Under the project variant, the proposed ground-floor retail would be replaced with PDR space. All other aspects of the proposed project remain the same under the project variant (see Table 1). The proposed project and project variant would include 3,200 sf of common open space on the second floor and a 4,800 sf roof deck. The residential lobby entrance would be located on Bryant Street and basement vehicle parking entry would be located on 19th Street. The proposed project and project variant would include 60 Class 1 bicycle parking spaces on the ground floor, three Class 2 bicycle parking spaces along 19th Street, and 26 vehicle parking spaces in the basement.¹ The proposed project and project variant would remove an existing curb cut on Bryant Street and would retain an existing 10-foot curb cut off of 19th Street that would be used for the proposed garage entrance. Construction of the project would require approximately 8,533 cubic yards of excavation to a depth of approximately 15 feet and would last approximately 18 months. The proposed project and project variant would be built upon a mat-slab foundation with a series of inter-connected, reinforced concrete footings.

Table 1: Proposed Project and Project Variant Comparison

	Proposed Project	Project Variant
Building height	68 feet	68 feet
Units	60	60
Retail	7,740 sf	0
PDR	0	7,740 sf
Car parking	26 spaces	26 spaces
Bike Parking	100 spaces	100 spaces
Roof top open space	4,800 sf	4,800 sf

PROJECT APPROVAL

The proposed project and project variant require an Eastern Neighborhoods Exemption (ENX) from the Planning Commission. The granting of the ENX shall be the Approval Action for the proposed project and project variant. The Approval Action date establishes the start of the 30-day appeal period for this CEQA determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

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

COMMUNITY PLAN EVALUATION OVERVIEW

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

This determination evaluates the potential project-specific environmental effects of the 2750 19th Street project and project variant described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)². Project-specific studies were prepared for the proposed project and project variant to determine if the project or project variant would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 2750 19th Street.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{3,4}

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

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

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

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

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

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

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned to UMU (Urban Mixed Use) District. The UMU District is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Evaluation (CPE) Checklist, under Land Use. The 2750 19th Street site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with building up to 68 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project and project variant at 2750 19th Street are consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 2750 19th Street project and project variant, and identified the mitigation measures applicable to the 2750 19th Street project and project variant. The proposed project and project variant are also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{6,7} Therefore, no further CEQA evaluation for the 2750 19th

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

⁶ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 2750 19th Street, March 23, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.0999ENV.

Street project or project variant are required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Determination and accompanying project-specific initial study comprise the full and complete CEQA evaluation necessary for the proposed project and project variant.

PROJECT SETTING

The 15,000-square-foot (sf) project site is on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built in 1907, totaling 10,935 sf of Production, Distribution and Repair uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

The project vicinity is a mix of residential, industrial and commercial uses. The industrial and commercial businesses in the project vicinity are mostly housed in one- and two-story structures. The residential buildings range from two to five stories in height.

Immediately adjacent to the north of the project site is a two-story, approximately 25-foot-tall commercial building constructed in 1964. Immediately adjacent to the project site to the east is a one-story, approximately 20-foot-tall commercial building constructed in 1908. At the northwest intersection of Bryant and 19 streets, which is across the street to the west of the project site, are three residential properties: a two-story, approximately 25-foot-tall building built in 1907, a three-story, approximately 40-foot-tall building built in 1900, and a two-story, approximately 22-foot-tall building built in 1907. A portion of a two-story, approximately 30-foot-tall industrial building built in 1934 is located across Bryant Street from the project site. Across 19th Street, to the south of the project site, is a four-story, approximately 60-foot-tall mixed-use residential building constructed in 1919.

The project site is served by transit lines (Muni lines 8, 9, 9R, 14X, 27, and 33) and bicycle facilities (there are bike lanes on 17th, 23rd, Folsom and Harrison streets). Zoning districts in the vicinity of the project site are UMU, PDR-1-G (Production, Distribution and Repair-1-General) and RH-2 (Residential-Housing-Two Family). Height and bulk districts in the project vicinity include 40-X, 58-X, 65-X, and 68-X.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 2750 19th Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 2750 19th Street project and project variant. As a result, the proposed project and project variant would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

⁷ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 2750 19th Street, February 22, 2016.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The proposed project would include displacement of approximately 11,000 of existing PDR use. The project variant, which includes 7,740 square feet of PDR uses, would result in a net loss of 3,260 square feet of PDR uses. However, the net loss of approximately 11,000 square feet, or 3,260 square feet, of PDR building space would not constitute a cumulatively considerable contribution to the significant and unavoidable land use impact identified in the Eastern Neighborhoods PEIR. Additionally, as discussed in the CPE initial study, the proposed project and project variant would not impact a historical resource, and therefore would not contribute to the significant and unavoidable historic architectural resources impact identified in the PEIR. The proposed project and project variant would not generate cumulatively considerable new transit trips, and would therefore not contribute to the significant and unavoidable transportation impacts identified in the PEIR. As the shadow analysis contained in the CPE initial study describes, the proposed project and project variant would not cast substantial new shadow that would negatively affect the use and enjoyment of a recreational resource, and would therefore not contribute to the significant and unavoidable shadow impacts described in the Eastern Neighborhoods PEIR.

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

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability to Project and Project Variant	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Not Applicable: pile driving not proposed	N/A
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to Project Mitigation Measure 2: Construction Noise.
F-3: Interior Noise Levels	Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code	N/A
F-5: Siting of Noise-Generating Uses	Not Applicable for proposed project: the proposed project	N/A for proposed project. Project sponsor prepared an

Mitigation Measure	Applicability to Project and Project Variant	Compliance
	<p>does not include uses that would generate noise at a level that would increase the ambient noise level in the project vicinity.</p> <p>Applicable for Project Variant: the project variant includes PDR, a use that would generate noise at a level that could increase the ambient noise level in the project vicinity.</p>	<p>acoustic study consistent with Mitigation Measure F-5. Acoustic study found that project variant would not exceed applicable standards in the Noise Ordinance.</p>
F-6: Open Space in Noisy Environments	Not Applicable: CEQA no longer requires the consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels	N/A
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: proposed project and project variant do not meet BAAQMD screening levels and is not located in Air Pollution Exposure Zone (APEZ).	N/A
G-2: Air Quality for Sensitive Land Uses	Not Applicable: superseded by applicable Article 38 requirements	N/A
G-3: Siting of Uses that Emit DPM	Not Applicable: the proposed uses are not expected to emit substantial levels of DPM	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: proposed project and project variant would not include a backup diesel generator or other use that emits TACs	N/A

Mitigation Measure	Applicability to Project and Project Variant	Compliance
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: The project site is not located in an area with a previous archeological study.	N/A
J-2: Properties with no Previous Studies	Applicable: The project site is located in an area with no previous archeological study.	Project Mitigation Measure 1: Archeological Resources agreed to by project sponsor.
J-3: Mission Dolores Archeological District	Not Applicable: The project site is not located in the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: Proposed project and project variant include demolition of an existing building.	Project Mitigation Measure 3: Hazardous Building Materials agreed to by project sponsor.
E. Transportation		
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA	N/A

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

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

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on December 3, 2015 to adjacent occupants and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Commenters expressed concerns about potential shadow impacts, traffic impacts, and air quality impacts from vehicle emissions, and potential wind effects. The Community Plan Evaluation checklist for the proposed project includes analysis of these potential impacts and found that the proposed project would not result in any new, or more severe, impacts in these resource areas that were not disclosed in the Eastern Neighborhoods EIR. There were also comments that were not related to CEQA, including concerns about the physical size of the project, the proposed project's impacts on nearby property values, and the project's compliance with Mission Area Plan policies and objectives. The proposed project would not result in significant adverse

environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project and project variant are consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project and project variant would not result in effects on the environment that are peculiar to the project, project variant, or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project and project variant would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project and project variant would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

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

⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.0999ENV.

EXHIBIT 1:
MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures Adopted as Conditions of Approval and Proposed Improvement Measures)

1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>J. Archeological Resources</p> <p><i>Mitigation Measure 1 Archeological Monitoring</i></p> <p>Based on the reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p>	Project sponsor.	Prior to issuance of site permits.	Project sponsor shall retain archeological consultant to undertake archeological monitoring program in consultation with ERO.	Complete when Project sponsor retains qualified archeological consultant.
<p><i>Consultation with Descendant Communities:</i> On discovery of an archeological investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.</p> <p><i>Archeological monitoring program (AMP).</i> The archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context; The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s). 	Project Sponsor	Prior to the start of renovation/constant construction activities.	Planning Department, in consultation with DPH.	Considered complete upon submittal to Planning confirming compliance with this measure.

**EXHIBIT 1:
MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures Adopted as Conditions of Approval and Proposed Improvement Measures)**

1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource;</p> <ul style="list-style-type: none"> The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits; The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis <p>If an intact archaeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile driving activity may affect an archaeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, present the findings of this assessment to the ERO.</p> <p>If the ERO in consultation with the archaeological consultant determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or</p> <p>B) An archaeological data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> <p>If an archaeological data recovery program is required by the ERO, the archaeological data recovery program shall be conducted in accord with an archaeological data recovery plan (ADRP). The project archaeological</p>	<p>The archaeological consultant, Project Sponsor and project contractor.</p>	<p>Monitoring of soils disturbing activities.</p>	<p>Archaeological consultant to monitor soils disturbing activities specified in AMP and immediately notify the ERO of any encountered archaeological resource.</p> <p>Redesign of project to avoid adverse effect or undertaking of archaeological data recovery program.</p>	<p>Considered complete upon completion of AMP.</p> <p>Considered complete upon avoidance of adverse effect</p> <p>Considered complete upon approval of ADRP by ERO.</p>

EXHIBIT 1:
MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures Adopted as Conditions of Approval and Proposed Improvement Measures)

1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements</p> <ul style="list-style-type: none"> ▪ Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. ▪ Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. ▪ Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. ▪ Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. ▪ Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. ▪ Final Report. Description of proposed report format and distribution of results. ▪ Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. <p>Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification</p>	<p>ERO</p> <p>Archaeological consultant or medical examiner</p>	<p>archaeological data recovery program is required</p> <p>Discovery of human remains</p>	<p>consultation with ERO</p> <p>Notification of County/City Coroner and, as warranted,</p>	<p>Considered complete on finding by ERO that all State laws regarding</p>

EXHIBIT 1:
MITIGATION MONITORING AND REPORTING PROGRAM
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1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p>			notification of NAHC.	human remains/burial objects have been adhered to, consultation with MLD is completed as warranted, and that sufficient opportunity has been provided to the archaeological consultant for scientific/historical analysis of remains/funerary objects.
<p>Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.</p>	<p>Archeological consultant</p>	<p>Following completion of cataloging, analysis, and interpretation of recovered archeological data.</p>	<p>Preparation of FARR</p>	<p>FARR is complete on review and approval of ERO</p>
<p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic</p>	<p>Archeological consultant</p>	<p>Following completion and approval of FARR by ERO</p>	<p>Distribution of FARR after consultation with ERO</p>	<p>Complete on certification to ERO that copies of FARR have been distributed</p>

EXHIBIT 1:
MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures Adopted as Conditions of Approval and Proposed Improvement Measures)

1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>				
<p>F. Noise</p> <p>Mitigation Measure 2: Construction Noise</p> <p>The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:</p> <ul style="list-style-type: none"> Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses; Monitor the effectiveness of noise attenuation measures by taking noise measurements; and Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed. 	<p>Project Sponsor along with Project Contractor.</p>	<p>During construction</p>	<p>Project sponsor to provide Planning Department with monthly reports during construction period.</p>	<p>Considered complete upon receipt of final monitoring report at completion of construction.</p>
<p>L. Hazardous Materials</p> <p>Mitigation Measure 3: Hazardous Building Materials</p> <p>The project sponsor shall ensure that any equipment containing polychlorinated biphenyl (PCBs) or Di(2-ethylhexyl) phthalate (DEPH), such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.</p>	<p>Project Sponsor</p>	<p>Prior to the start of renovation/construction activities.</p>	<p>Planning Department, in consultation with DPH.</p>	<p>Considered complete upon submittal to Planning confirming compliance with this measure.</p>

Ms. Angela Calvillo
Clerk of the Board
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA, 94102

Re: **File No. 180956.** Hearing of persons interested in or objecting to a Community Plan Evaluation by the Planning Department under the California Environmental Quality Act issued on May 30, 2018, for the proposed project at 2750-19th Street, approved on August 23, 2018, to demolish three existing industrial buildings, retain a principal two-story facade, and construct a six-story, 68-foot-tall mixed-use building with approximately 10,000 square feet of ground-floor PDR (Production, Distribution, and Repair), 60 residential units above and bicycle and vehicle parking in a basement. (District 10) (Appellant: Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction) (Filed September 24, 2018)

My wife, myself and our two children currently reside at 2125 Bryant Street, just down the block from the proposed development. Our family has lived here since the building was first constructed in 2009, and we were fortunate enough to have the support of the City's Below-Market-Rate (BMR) housing program and the Mission Economic Development Agency in purchasing our unit. We are acutely aware of the pressures of gentrification and the rising cost of housing in the Mission, having lived in the neighborhood since 1997, and believe the City's current housing stock does not adequately meet the needs of its lower income residents and neighborhoods.

As concerned citizens, Mission residents, and neighbors of the area in question, we fully support the Appeal Letter filed by Our Mission No Eviction (<https://sfgov.legistar.com/View.ashx?M=F&ID=6656379&GUID=E182EB13-94B7-4B02-AC46-B7D50257A2DE>). We believe the concerns expressed therein are reasonable and cogently argued, and urge the Planning Commission to reconsider the decision made on August 23, 2018, including the adoption of CEQA findings under Section 15183 of the CEQA guidelines and Public Resources Code Section 21083.3.1, including the underlying Certificate of Determination and Findings of the Community Plan Evaluation and Initial Study-Community Plan Evaluation and Checklist.

Thanks,

Joshua and Gizella Babcock
2125 Bryant Street, #111
San Francisco, CA 94110

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 OCT 22 PM 3:15
BY [Signature]

From: [BOS Legislation. \(BOS\)](#)
To: design@factory1.com; [Mark H. Loper](#)
Cc: [GIVNER, JON \(CAT\)](#); [STACY, KATE \(CAT\)](#); [JENSEN, KRISTEN \(CAT\)](#); [Rahaim, John \(CPC\)](#); [Sanchez, Scott \(CPC\)](#); [Gibson, Lisa \(CPC\)](#); [Jain, Devyani \(CPC\)](#); [Lynch, Laura \(CPC\)](#); [Sider, Dan \(CPC\)](#); [Rodgers, AnMarie \(CPC\)](#); [Starr, Aaron \(CPC\)](#); [Ionin, Jonas \(CPC\)](#); [Horner, Justin \(CPC\)](#); [Samonsky, Ella \(CPC\)](#); [Range, Jessica \(CPC\)](#); [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [BOS-Supervisors](#); [BOS-Legislative Aides](#); [BOS Legislation. \(BOS\)](#)
Subject: HEARING NOTICE: Appeal of CEQA Community Plan Evaluation - Proposed 2750-19th Street Project - Appeal Hearing on October 30, 2018
Date: Tuesday, October 16, 2018 1:12:44 PM
Attachments: [image001.png](#)

Good afternoon,

The Office of the Clerk of the Board has scheduled a hearing for Special Order before the Board of Supervisors on **October 30, 2018, at 3:00 p.m.**, to hear an appeal of the Community Plan Evaluation under CEQA for the proposed project at 2750-19th Street.

Please find the following link to the hearing notice for the matter.

[Hearing Notice - October 16, 2018](#)

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 180956](#)

Regards,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office

1 Dr. Carlton B. Goodlett Place, Room 244

San Francisco, CA 94102

(415) 554-7712 | Fax: (415) 554-5163

brent.jalipa@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following appeal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, October 30, 2018

Time: 3:00 p.m.

Location: Legislative Chamber, City Hall, Room 250
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102

Subject: **File No. 180956.** Hearing of persons interested in or objecting to a Community Plan Evaluation by the Planning Department under the California Environmental Quality Act issued on May 30, 2018, for the proposed project at 2750-19th Street, approved on August 23, 2018, to demolish three existing industrial buildings, retain a principal two-story facade, and construct a six-story, 68-foot-tall mixed-use building with approximately 10,000 square feet of ground-floor PDR (Production, Distribution, and Repair), 60 residential units above and bicycle and vehicle parking in a basement. (District 10) (Appellant: Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction) (Filed September 24, 2018)

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, October 26, 2018.


Angela Calvillo
Clerk of the Board

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

October 2, 2018

File Nos. 180956-180959

Planning Case No. 2014.0999ENV

Received from the Board of Supervisors Clerk's Office a check in the amount of Six Hundred Seventeen Dollars (\$617), representing the filing fee paid by the following for the appeal of the Community Plan Evaluation under CEQA for the proposed project at 2750-19th Street:

Planning Department

By:

Tony Young
Print Name

[Signature] 10/2/18
Signature and Date

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

PROOF OF MAILING

Legislative File No. 180956

Description of Items: Public Hearing Notices - Hearing - Appeal of Determination of Community Plan Evaluation - 2750-19th Street - 58 Notices Mailed

I, Lisa Lew, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: October 16, 2018

Time: 1:40 p.m.

USPS Location: Repro Pick-up Box in the Clerk of the Board's Office (Rm 244)

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: 

Instructions: Upon completion, original must be filed in the above referenced file.

From: [BOS Legislation. \(BOS\)](#)
To: design@factory1.com; Mark H. Loper
Cc: [GIVNER, JON \(CAT\)](#); [STACY, KATE \(CAT\)](#); [JENSEN, KRISTEN \(CAT\)](#); [Rahaim, John \(CPC\)](#); [Sanchez, Scott \(CPC\)](#); [Gibson, Lisa \(CPC\)](#); [Jain, Devyani \(CPC\)](#); [Lynch, Laura \(CPC\)](#); [Sider, Dan \(CPC\)](#); [Rodgers, AnMarie \(CPC\)](#); [Starr, Aaron \(CPC\)](#); [Ionin, Jonas \(CPC\)](#); [Horner, Justin \(CPC\)](#); [Samonsky, Ella \(CPC\)](#); [Range, Jessica \(CPC\)](#); [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [BOS-Supervisors](#); [BOS-Legislative Aides](#); [BOS Legislation. \(BOS\)](#)
Subject: Appeal of CEQA Exemption Determination - Proposed 2750-19th Street Project - Appeal Hearing on October 30, 2018
Date: Tuesday, October 02, 2018 9:49:42 AM
Attachments: [image001.png](#)

Good morning,

The Office of the Clerk of the Board has scheduled an appeal hearing for Special Order before the Board of Supervisors on **October 30, 2018, at 3:00 p.m.** Please find linked below the letter of appeal filed for the proposed project at 2750-19th Street, as well as direct links to the Planning Department's timely filing determination, and an informational letter from the Clerk of the Board.

[Appeal Letter - September 24, 2018](#)

[Planning Department Memo - October 1, 2018](#)

[Clerk of the Board Letter - October 2, 2018](#)

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 180956](#)

Regards,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office

1 Dr. Carlton B. Goodlett Place, Room 244

San Francisco, CA 94102

(415) 554-7712 | Fax: (415) 554-5163

brent.jalipa@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

October 2, 2018

Ms. Larisa Pedroncelli and Mr. Kelly Hill
Our Mission No Eviction
1875 Mission Street, Unit 110
San Francisco, CA 94103

**Subject: File No. 180956 - Appeal of CEQA Community Plan Evaluation -
2750-19th Street Project**

Dear Ms. Pedroncelli and Mr. Hill:

The Office of the Clerk of the Board is in receipt of a memorandum dated October 1, 2018, from the Planning Department regarding their determination on the timely filing of appeal of the determination of Community Plan Evaluation issued by the Planning Department under CEQA for the proposed project at 2750-19th Street.

The Planning Department has determined that the appeal was filed in a timely manner (copy attached).

Pursuant to Administrative Code, Section 31.16, a hearing date has been scheduled for **Tuesday, October 30, 2018, at 3:00 p.m.**, at the Board of Supervisors meeting to be held in City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102.

Please provide to the Clerk's Office by noon:

20 days prior to the hearing: names and addresses of interested parties to be notified of the hearing, in spreadsheet format; and

11 days prior to the hearing: any documentation which you may want available to the Board members prior to the hearing.

For the above, the Clerk's office requests one electronic file (sent to bos.legislation@sfgov.org) and two copies of the documentation for distribution.

NOTE: If electronic versions of the documentation are not available, please submit 18 hard copies of the materials to the Clerk's Office for distribution. If you are unable to make the deadlines prescribed above, it is your responsibility to ensure that all parties receive copies of the materials.

If you have any questions, please feel free to contact Legislative Clerks Brent Jalipa at (415) 554 7712, Lisa Lew at (415) 554-7718, or Jocelyn Wong at (415) 554-7702.

Very truly yours,


for Angela Calvillo
Clerk of the Board

c: Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Kristen Jensen, Deputy City Attorney
John Rahaim, Planning Director, Planning Department
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
Devyani Jain, Deputy Environmental Review Officer, Planning Department
AnMarie Rodgers, Director of Citywide Planning, Planning Department
Dan Sider, Director of Executive Programs
Aaron Starr, Manager of Legislative Affairs, Planning Department
Jessica Range, Environmental Planning, Planning Department
Laura Lynch, Environmental Planning, Planning Department
Jonas Ionin, Director of Commission Affairs, Planning Department
Justin Horner, Staff Contact, Planning Department
Ella Samonsky, Staff Contact, Planning Department



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: October 1, 2018
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Lisa Gibson, Environmental Review Officer
RE: Appeal Timeliness Determination – 2750 19th Street, Planning Department Case No. 2014.0999ENV

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

An appeal of the Community Plan Evaluation (CPE) for the proposed project at 2750 19th Street (Planning Department Case No. 2014.0999ENV) was filed with the Office of the Clerk of the Board of Supervisors on September 24, 2018 by Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction. As explained below, the appeal is timely.

Date of Approval Action	30 Days after Approval Action/Appeal Deadline	First Business Day after Appeal Deadline	Date of Appeal Filing	Timely?
Thursday, August 23, 2018	Saturday, September 22, 2018	Monday, September 24, 2018	Monday, September 24, 2018	Yes

Approval Action: The Planning Department issued a Certificate of Determination Community Plan Evaluation for the project at 2750 19th Street on May 30, 2018. The Certificate identified the Approval Action for the project as the Large Project Authorization by the Planning Commission, as provided for in Planning Code Section 329. The Large Project Authorization was approved by the Planning Commission at its meeting on August 23, 2018 (Date of the Approval Action).

Appeal Deadline: Section 31.16(a) and (e) of the San Francisco Administrative Code states that any person or entity may appeal an exemption (including a CPE) determination to the Board of Supervisors during the time period beginning with the date of the exemption determination and ending 30 days after the Date of the Approval Action. Thirty days after the Date of the Approval Action was Saturday, September 22, 2018. However, it has been the longstanding practice of the Clerk of the Board, when an appeal deadline falls on a weekend day, to accept appeals until the close of business on the following workday. That date was Monday, September 24, 2018.

Appeal Filing and Timeliness: The Appellant filed the appeal of the exemption determination on September 24, 2018. Therefore the appeal is considered timely.

From: [BOS Legislation. \(BOS\)](#)
To: [Rahaim, John \(CPC\)](#)
Cc: [GIVNER, JON \(CAT\)](#); [STACY, KATE \(CAT\)](#); [JENSEN, KRISTEN \(CAT\)](#); [Sanchez, Scott \(CPC\)](#); [Gibson, Lisa \(CPC\)](#); [Jain, Devyani \(CPC\)](#); [Navarrete, Joy \(CPC\)](#); [Lynch, Laura \(CPC\)](#); [Sider, Dan \(CPC\)](#); [Rodgers, AnMarie \(CPC\)](#); [Starr, Aaron \(CPC\)](#); [Ionin, Jonas \(CPC\)](#); [Horner, Justin \(CPC\)](#); [Samonsky, Ella \(CPC\)](#); [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [BOS-Supervisors](#); [BOS-Legislative Aides](#); [BOS Legislation. \(BOS\)](#)
Subject: Appeal of CEQA Exemption Determination - 2750-19th Street - Timeliness Determination Request
Date: Thursday, September 27, 2018 9:53:00 AM
Attachments: [Appeal Ltr 092418.pdf](#)
[COB Ltr 092518.pdf](#)

Good morning, Director Rahaim:

The Office of the Clerk of the Board is in receipt of an appeal of the CEQA Exemption Determination for the proposed project at 2750-19th Street. The appeal was filed by Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction, on September 24, 2018.

Please find the attached letter of appeal and timely filing determination request letter from the Clerk of the Board.

Kindly review for timely filing determination.

Regards,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office

1 Dr. Carlton B. Goodlett Place, Room 244

San Francisco, CA 94102

(415) 554-7712 | Fax: (415) 554-5163

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TDD/TTY No. 554-5227

September 25, 2018

To: John Rahaim
Planning Director

From: *ACC* Angela Calvillo
Clerk of the Board of Supervisors

Subject: Appeal of California Environmental Quality Act (CEQA) Determination of Exemption from Environmental Review - 2750-19th Street

An appeal of the CEQA Determination of Exemption from Environmental Review for the proposed project at 2750-19th Street was filed with the Office of the Clerk of the Board on September 24, 2018, by Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction.

Pursuant to Administrative Code, Chapter 31.16, I am forwarding this appeal, with attached documents, to the Planning Department to determine if the appeal has been filed in a timely manner. The Planning Department's determination should be made within three (3) working days of receipt of this request.

If you have any questions, please feel free to contact Legislative Clerks Brent Jalipa at (415) 554-7712, Lisa Lew at (415) 554-7718, or Jocelyn Wong at (415) 554-7702.

c: Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Kristen Jensen, Deputy City Attorney
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
Devyani Jain, Deputy Environmental Review Officer, Planning Department
Joy Navarette, Environmental Planning, Planning Department
Laura Lynch, Environmental Planning, Planning Department
AnMarie Rodgers, Director of Citywide Planning, Planning Department
Dan Sider, Director of Executive Programs, Planning Department
Aaron Starr, Manager of Legislative Affairs, Planning Department
Justin Horner, Staff Contact, Planning Department
Ella Samonsky, Staff Contact, Planning Department
Jonas Ionin, Director of Commission Affairs, Planning Department

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☒ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning : "Supervisor inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

 Clerk of the Board

Subject:

 Hearing - Appeal of Determination of Community Plan Evaluation - 2750-19th Street

The text is listed:

Hearing of persons interested in or objecting to a Community Plan Evaluation by the Planning Department under the California Environmental Quality Act issued on May 30, 2018, for the proposed project at 2750-19th Street, approved on August 23, 2018, to demolish three existing industrial buildings, retain a principal two-story facade, and construct a six-story, 68-foot-tall mixed-use building with approximately 10,000 square feet of ground-floor PDR (Production, Distribution, and Repair), 60 residential units above and bicycle and vehicle parking in a basement. (District 10) (Appellant: Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction) (Filed September 24, 2018)

Signature of Sponsoring Supervisor:

For Clerk's Use Only