DOWNTOWN PLAN

MONITORING REPORT 2002-2007

SAN FRANCISCO PLANNING DEPARTMENT | OCTOBER 2009

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San Francisco Planning Department
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EXECUTIVE SUMMARY

The *Downtown Plan* is now 25 years old and its principles continue to play a major role in the physical nature and vitality of the city's core, which functions as the most concentrated employment and retail hub in the region. The *Plan*'s policies are aimed at keeping Downtown compact and walkable. Provisions protect important architectural and historic buildings from demolition. Conservation districts ensure that new buildings and modifications to older ones are in keeping with the architectural character of many downtown streets.

A primary purpose of the *Downtown Plan* is to accommodate employment growth and guide development within the limits of urban support systems, so that new and existing residents, workers, and businesses will not be adversely impacted. By 2003, the Downtown area achieved the Plan's projected goal of 16.8 million square feet of office space. The *Plan*'s continued challenge is to manage expected economic growth, providing housing, transportation and other necessary urban services while building a quality environment.

A program to manage the pace of new office development by limiting project approvals to 950,000 square feet annually was an important provision of the 1985 *Plan*. A voter initiative enacted in 1986, Proposition M, temporarily reduced the amount of space available to 475,000 square feet and made the program permanent. The initiative in effect reduced the allocation by one-half to take into account the large amount of space approved in preceding years. Accounting for past approvals was completed in 1998 and now the square footage available for allocation to new office projects has reverted to the original 950,000 square feet annually.

The *Plan* established a special use district near the Transbay Terminal to shift office construction to that area as a means of reducing further disruption of the financial center north of Market. As an incentive to save older important buildings and to shift construction to the South of Market (SoMa), the Plan enabled owners of buildings designated for preservation to sell development rights to office builders in the special use district. Much of the office growth since 1985 has occurred in the Transbay special use district.

The *Downtown Plan* contains many more features. Open space, for instance, is required of all new office construction at a rate of one square foot of open space for each 50 square feet of office space. The shape of new buildings are evaluated using policies that reduce building bulk, increase light to the streets, reduce the possibility of wind currents reaching an uncomfortable level, improve pedestrian experience, and measure the skyline effects of tall buildings. The *Downtown Plan* is also associated with several fees related to office growth's impact on housing, transit, public art, childcare, and open space.

The *Downtown Plan* was developed under the assumption that significant employment and office development growth would occur. New commercial development would provide new revenue sources to cover a portion of the costs of necessary urban service improvements. Specific programs were created to satisfy needs for additional housing, transit, childcare and open space.

San Francisco emerged from the economic downturn at the beginning of the decade, - experiencing a period of growth in construction and employment between 2002 and 2007. But now in the midst of a serious recession, commercial growth has again declined along with the housing market.

EMPLOYMENT

San Francisco jobs and households increased during the 2002 to 2007 reporting period. As the suburbanization of growth continued and new job centers emerged, the city's share of total regional employment declined from 17% in 2000 to 16% in 2007, down from 21% in 1985 when the Plan was adopted.

Regional job decentralization was partially offset by continued growth in Downtown San Francisco's retail, hotel, and cultural-institutional related employment. Overall, the City regained the jobs lost in the early 2000's, but is now losing them again although not as dramatically as in 2002. As of 4th quarter 2008, office vacancy rates approached 12.5% for downtown, up from 9.4% in 2007; in comparison, office vacancy in 4th quarter 2002 was 19.7%%.

Moreover, between 2002 and 2007, general fund revenues increased 37% from $2.1 billion to over $2.8 billion, largely fueled by explosive growth in property taxes. In fiscal year 2007-2008, property tax accounted for one-third of general fund revenues, the largest share; business taxes amounted to 14%, sales and hotel tax 10%, and property transfer tax 3%, with the rest coming from other sources.

SPACE FOR COMMERCE

The *Downtown Plan* emphasizes the creation and expansion of employment opportunities, identifying Downtown San Francisco as the region's employment center. It calls for concentrating commercial development to create a dense, walkable employment core in a high transit service area to minimize undesirable impacts such as increased traffic and parking demand.

The *Downtown Plan* estimated an increase of 16.8 million square feet of office space from 1985 to 2000, attaining this amount in 2003. Over the last ten years, the annual development capacity under Proposition M, the office growth management program, has not been used with the exception of a single year, 2000, when there were more development proposals than available space. Since then, enough Prop. M office space has been available to accommodate the development that occurred between 2004 and 2007, although some office proposals have been withdrawn due to the current recession. As the market for new housing exploded, some office proposals were converted into housing, and then withdrawn altogether as the market for new housing collapsed.

While new high rise housing construction was concentrated in the Downtown area, most office development proposed from 2002 to 2007 was outside the C-3 District in Mission Bay. Although near downtown and served by the new 3rd Street light rail, new office space in Mission Bay has been constructed on larger blocks and provides more parking than C-3 office buildings, resulting in additional auto trips and traffic. Hence, the *Downtown Plan*'s goal to concentrate employment uses in a walkable core was only partially met as only new buildings in the C-3 zone were guided by Plan principles.

Downtown has increasingly become a hub for cultural and entertainment uses. The construction of the Yerba Buena cultural complex, AT&T Park and associated retail development, the restoration of the Ferry Building with a new marketplace, and most recently the expansion of the Westfield San Francisco Shopping Center has increasingly shifted the downtown C-3 from predominantly commercial uses to cultural and entertainment activities. Retail outside of the Union Square area has brought additional users Downtown while increasing activity during non-business hours, and has also retained the scale of the Union Square retail district as called for in the *Plan*. This trend suggests the need for additional analysis to define San Francisco's regional role as an employment center, how both population and employment growth citywide will be managed, and how policies to ensure the provision of the necessary services and amenities will be provided.

For the most part, high-rise construction within San Francisco has taken place within the Downtown cluster of buildings, where higher height limits are employed. With the C-3 area north of Market Street primarily built out, however, the majority of new high-rise construction since the *Plan* was adopted has taken place south of Market. This effectively moved the peak of the cluster while retaining its consistency as a visual element without forcing development to the waterfront. Some of this new development was made possible by development rights purchased from structures in built-out conservation districts north of Market. This fulfills urban design goals of the *Plan*, which places peak heights between Mission and Howard Streets.

SPACE FOR HOUSING

The *Downtown Plan* advocates expanding the supply of housing in the neighborhoods around Downtown with a goal of adding between 1,000 and 1,500 units per year citywide. Between 2002 and 2007, average annual housing production was over 2,000 units, exceeding the housing production goals of the *Downtown Plan*. However, for 1999 – 2006, which covers most of this monitoring period, the *Housing Element* in the City's *General Plan* set the annual production goal for housing at over 2,700, the majority of which should be affordable. Housing goals incorporated into the forthcoming *Housing Element* update for 2007-2014 are substantially higher, calling for more than 4,100 units to be constructed annually.

The *Downtown Plan* also states that most new housing should be located adjacent to Downtown. This goal was largely met as most new construction occurred around the downtown area, although only a small portion was constructed in the C-3 District specifically. In 2007 for example, 8% was constructed in the Downtown C-3 District, and 53% in the South of Market planning district (excluding the C-3 District). Recently completed planning efforts such as the Eastern Neighborhoods, Market Octavia, and Rincon Hill plans, as well as other plans underway such as Transbay, could add tens of thousands of new units over time.

The *Downtown Plan* also calls for the retention of existing housing, which tends to be more affordable; however, it does not set targets for the production of new affordable housing. The Jobs Housing Linkage program, aimed at addressing the crisis of housing affordability in the city, collected nearly $28.2 million between 2002 and 2007, partially funding 750 units during this period. About 25% of all new units built since 2000 met the state-mandated affordability guidelines.

Some of the housing in and around Downtown has been constructed in areas short on residential amenities, such as parks, neighborhood commercial uses, and community facilities. With a significant increase in residential population anticipated, new services and amenities are essential to serve existing and future residents. As existing policies, programs, and development controls in the *Downtown Plan* are geared toward commercial development, new policies should be considered that apply to residential uses as well.

MOVING ABOUT

The *Downtown Plan* commits to developing transit as the primary mode of transportation to and from downtown, and to accommodate employment growth without generating additional negative impacts associated with increased auto use, including traffic congestion and environmental pollution. The *Plan* specified that these goals be met through an increase in transit mode share, an increase in vehicle occupancy, and strict limits on long-term parking. However, it is unlikely that all of these measures have been successfully implemented.

To fund transit improvements, the Transit Impact Development Fee (TIDF) was created in 1981. Between 2002 and 2007, $25 million was collected for MUNI capital projects downtown. Off-street parking supply increased with 4,585 off-street parking spaces approved in the C-3 between 2002 and 2007. This occurred in addition to an estimated 32% increase in the amount of parking between 1985 and 2000, documented in the 2004 *Downtown Plan Monitoring Report*. Vehicle occupancy has likely declined, not meeting the goal of 1.66 set out in the *Downtown Plan*. It does however appear that one of the *Plan*'s most significant goals of achieving a 70% transit mode split for Downtown may have been nearly reached with a 68% share reported in 2007 for select buildings in the core Financial District.

Despite this progress, vehicle trips entering the city and the Downtown increased, in contrast to the *Downtown Plan* goals. If these trends continue as jobs increase, traffic congestion and air pollution will be exacerbated and Downtown's livability will be diminished. Goals can be met if traffic entering Downtown can be managed; future planning should consider policies and programs that can more effectively implement these goals.

OPEN SPACE, PRESERVING THE PAST, AND URBAN FORM

In addition to planning for economic growth and the housing and transportation infrastructure necessary to support this growth, the *Downtown Plan* is also concerned with enhancing the positive qualities of Downtown as a place. The goals of the Open Space, Preserving the Past, and Urban Form sections seek to achieve this objective.

Open Space

The *Downtown Plan* anticipated the need for more open space to meet Downtown's projected job growth and serve the needs of employees. It uses two primary mechanisms to increase the amount of open space Downtown: a requirement for commercial development to build open spaces adjacent to their building, subject to design guidelines, and an open space fund, paid into by new Downtown development.

Between 2002 and 2007, 11 new open spaces have been built. The open spaces have generally achieved a level of quality and usability that meets the guidelines. Also, the Downtown Park Special Fund collected $5.4 million in open space fees between 2002 and 2007. These funds have been applied for the development and maintenance of parks at the edges of the C-3, not for the acquisition of new park space more central in the C-3, as was originally intended.

Preserving the Past

The *Downtown Plan* seeks to preserve historic buildings and the character of historic districts. The *Plan* established conservation districts, in which new development is subject to guidelines so that they fit in the existing historic context. It lists significant buildings that must be retained, and buildings regarded as contributory and encouraged for retention.

New buildings have generally respected the historic context and followed the *Downtown Plan* guidelines in terms of massing, rhythms, and setbacks. However, design of ground-floors has not seen the same levels of success, due to the lack of specific ground-floor design guidelines causing some new buildings to be inconsistent with the district they are located in at street level.

Since 2002, several significant buildings have been rehabilitated with façade improvements and seismic upgrades. Two Category II buildings were significantly altered, including 70 Oak Street which now serves as the home for the San Francisco Conservatory of Music. The facade and concert hall remain as a reminder of this historic structure.

The Transfer of Development Rights (TDR) program, which allows historic properties to sell their excess development potential to non-historic properties within the C-3 District, has been well-used. To date, 102 historic properties have filed for and been declared eligible to sell their development rights. About 1.3 million square feet was used between 2002 and 2007.

1. INTRODUCTION

The Downtown Plan

The *Downtown Plan* objectives and policies guide decisions affecting Downtown San Francisco, defined as the C-3 District (Map 1). The *Plan* contains seven principal sections: Space for Commerce, Space for Housing, Open Space, Preserving the Past, Urban Form, Moving About, and Seismic Safety. The *Plan* details development guidelines and public policy actions and creates requirements for new programs to improve services and infrastructure.

The San Francisco Planning Commission adopted the *Downtown Plan* as part of the *San Francisco Master Plan* (now known as the *San Francisco General Plan*) in November 1984, following the *Plan*'s Environmental Impact Report (EIR) certification in May 1983. The Planning Code amendments adopted in November 1984 however, did not include annual limits on the amount of office development. In September 1985, the Board of Supervisors approved the *Downtown Pla*n code amendments (Ordinance 414-85), which included an annual office development limit of 950,000 square feet.

In November 1986, a successful voter initiative, Proposition M, temporarily reduced the annual limit to 475,000 in order to account for previously approved office space totaling approximately 7.5 million square feet. By 1999, the annual limit was restored to the original Board of Supervisors adopted 950,000 square feet with 75,000 square feet of that amount reserved for small projects. Other specific ordinances were developed to implement

Map 2.1
Downtown C-3 Zone

downtown related programs; these were the Office Affordable Housing Production Program (later renamed the Jobs Housing Linkage Program), the Transit Impact Development Fee, the Downtown Park Special Fund, and the Affordable Childcare Fund.

Monitoring Requirements

The *Downtown Plan* details development guidelines and public policy actions, and creates requirements for programs to improve services and infrastructure. It also requires monitoring reports that review key indicators affecting Downtown on both an annual and five-year basis. The five-year report reviews the performance of the *Downtown Plan* by discussing longer-term trends and developments and policy indicators such as the transfer of development rights program (TDR), urban form goals, and impact fee funds. Most importantly, it provides an analysis of the *Downtown Plan*'s policy objectives.

Historically, the Planning Department's annual *Commerce and Industry Inventory* and *Housing Inventory* reports were used to partially satisfy the Downtown Plan's annual reporting requirement. In fall 2008, the first annual *Downtown Plan* report was published. The previous five-year report was completed in 2004.

The *Downtown Plan Monitoring Report* is required to cover the topics listed below (see the complete text of the ordinance in Appendix A):

- Annual amounts of office space approved, under construction and completed
- Office vacancy rates
- Employment in the city's office, retail and hotel sectors
- Local and regional business trends
- New housing production
- Housing assisted by the Jobs Housing Linkage Program (JHLP, formerly the Office of Affordable Housing Production Program or OAHPP)
- Changes in Downtown parking supply
- Vehicle occupancy rates
- Peak period transit ridership and capacity
- Uses of funds from the Transit Impact Development Fee (TIDF)
- Tax revenues from office, retail and hotel space

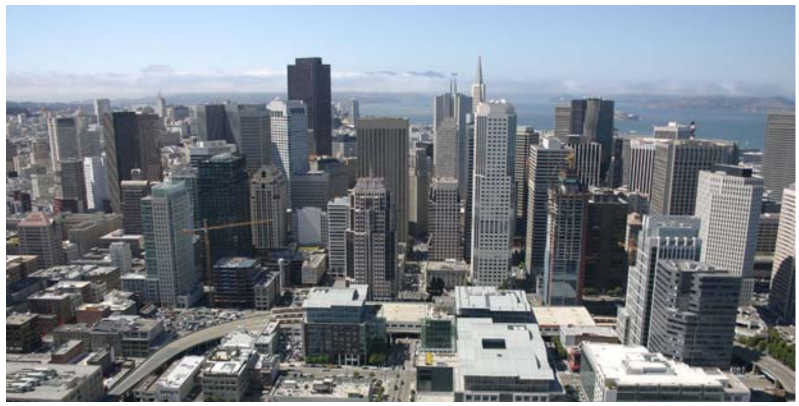
This report discusses each of these topics. Although the Ordinance does not require reporting on open space or historic preservation, those topics were important elements of the *Downtown Plan* and are intended to retain and enhance the qualities that make Downtown San Francisco an attractive and lively place. For this reason, this report also includes an assessment of how the goals of these sections of the *Downtown Plan* have been met.

This *Downtown Plan* five-year report summarizes business and development trends affecting Downtown San Francisco and covers the 2002-2007 period, as required by Chapter 10E of the San Francisco Administrative Code. The second chapter of this report, "Downtown Development Trends," highlights the growth that the *Downtown Plan* enabled, and discusses the production of new commercial space, and employment trends. The third chapter, "Downtown Support Infrastructure," reviews housing and transportation trends, two key elements supporting the functioning of the Downtown core, as well as programs designed to achieve Plan objectives around open space, childcare, and historic preservation. The fourth chapter, "Tax Revenues," reviews business, property, sales, and hotel taxes as required by the *Downtown Plan* monitoring ordinance.

This report relies on a wide range of data, including information in the *Housing Inventory*, the *Commerce and Industry Inventory*, and *Pipeline Quarterly Report*, all published by the Planning Department. It also includes information from the state Employment and Development Department (EDD), San Francisco Municipal Transportation Agency (SFMTA), Co-Star Realty information, Dunn and Bradstreet business data, CBRE and NAI-BT Commercial real estate reports, and information gathered from the Department of Building Inspection, the offices of the Treasurer and Tax Collector, the Controller, and the Assessor-Recorder.

2. DOWNTOWN DEVELOPMENT TRENDS

A primary goal of the *Downtown Plan* is to concentrate office development and employment in a way that minimizes office encroachment on surrounding neighborhoods. New development is focused on existing transit infrastructure and designed to augment the pedestrian experience to provide for efficient, comfortable, and safe movement. This section evaluates employment and business trends from 2002 to 2007.



2.1 Employment and Business Trends

Regional Overview

Until recently, the regional economy has been recovering from the economic downturn of 2002. Between 2002 and 2004, regional employment decreased from 3.34 million to 3.24 million. The economy rebounded but did not regain the jobs lost until 2007, when regional employment peaked at 3.33 million in 2007.[1]

Educational and Health Services jobs in the region have been growing since 2002, continuing a trend highlighted in the *2004 Downtown Plan Monitoring Report*. Since 2003, Professional and Business Service jobs have recovered slowly, but some contraction in these sectors has begun. In the overall Bay Area, manufacturing jobs have declined since 2002, although there has been growth among these industries in San Francisco in the last year (Table 2.3).[2]

Financial sector jobs in the Bay Area, including banking and insurance, have started to decrease but this has been offset by job growth in other areas, particularly Professional and Business Services which increased by 22,600 between 2006 and 2007 but lost jobs thereafter; Educational and Health Services jobs increased by 6,900 in the same period.[3]

As shown in Table 2.1, San Francisco's share of the region's employment has remained stable at around 16% during the reporting period. However, as reported in the 2004 *Downtown Plan Monitoring Report*, this represents a decline from 21% in 1985 when the Downtown Plan was adopted, and a slight decrease from the 17% share reported for 2000 (2004 *Downtown Plan Monitoring Report*, page 6).

The most recent statewide job figures show that the sectors closest to housing production have had the sharpest declines, with East Bay counties suffering the steepest job losses in the region from the significant contraction in the housing sector.

1 Planning Department, 2008 Commerce and Industry Report

2 Planning Department, 2008 Commerce and Industry Report

3 Planning Department, 2008 Commerce and Industry Report

***Table 2.1** Bay Area and San Francisco Employment 2000-2007*

	2000	2001	2002	2003	2004	2005	2006	2007
North Bay	484,400	496,400	493,300	499,200	494,000	497,000	501,900	503,400
East Bay	1,047,000	1,057,800	1,042,900	1,028,600	1,024,100	1,035,700	1,047,800	1,049,500
South Bay	1,427,300	1,395,400	1,268,000	1,206,600	1,196,600	1,202,600	1,215,500	1,238,200
San Francisco	598,300	573,200	534,800	513,100	503,800	509,200	520,900	539,500
Bay Area Total	3,557,000	3,522,800	3,339,000	3,247,500	3,218,500	3,244,500	3,286,100	3,330,600
SF %	*16.8%*	*16.3%*	*16.0%*	*15.8%*	*15.7%*	*15.7%*	*15.9%*	*16.2%*

Source: ABAG Projections 2009
*Note: this does not include NAICS 814 Household Services; due to this and other differences in accounting methods, ABAG's employment data does not match EDD's as presented in Table 2.2

San Francisco & Downtown Employment: 2002-2007

Downtown San Francisco, specifically the C-3 District, continues to be the densest employment center in the region; at 342 acres it represents 1.4% of city land and 38% of all employment (Table 2.2).[4] However, this represents a slight decrease from 2000 when the C-3 contained 40% of all employment.[5] Downtown San Francisco was hard hit during the last recession triggered by the collapse of dot-com companies. As Table 2.3 shows, the Downtown C-3 has gradually gained the jobs it had lost, although another round of employment contraction is underway in light of the current recession.

As shown in Table 2.2, the majority of San Francisco's office and hotel jobs continue to be located in the C-3 District. From 2002-2007 however, new development was focused in the South of Market and Mission Bay areas where, at least until recently, low vacancy rates prevailed. Recent pipeline development trends indicate substantial employment growth outside of Downtown in the eastern portion of the city (Table 2.4).

4 Unless otherwise noted, "Downtown" refers to the C-3 District.

5 2004 Downtown Plan Report

Table 2.2
San Francisco Employment 2002 - 2007

	*San Francisco		**Downtown C3		*Downtown C3 Share*	
Land Use	2002	2007	2002	2007	2002	2007
Office	213,813	214,661	129,200	129,700	*60%*	*60%*
Retail	96,561	102,253	26,000	27,500	*27%*	*27%*
***Industrial	97,860	84,986	21,400	18,600	*22%*	*22%*
Hotel	16,477	19,070	11,100	12,800	*67%*	*67%*
CIE	122,419	135,361	20,300	22,500	*17%*	*17%*
Total	547,130	556,331	208,000	211,100	*38%*	*38%*

Table 2.3
Estimated C-3 Employment 2002-2007

Land Use	2002	2003	2004	2005	2006	2007
Office	129,200	121,800	116,800	118,200	124,700	129,700
Retail	26,000	25,700	25,500	25,800	26,400	27,500
**Industrial	21,400	20,500	19,500	18,500	17,900	18,600
Hotel	11,100	11,700	12,200	12,400	12,800	12,800
CIE	20,300	20,700	21,300	21,400	21,700	22,500
TOTAL C-3	208,000	200,400	195,300	196,300	203,500	211,100
*Total San Francisco	546,965	533,137	523,275	523,397	535,996	556,331
C-3 share	*38%*	*38%*	*37%*	*38%*	*38%*	*38%*

Source: EDD
*Note: Total San Francisco employment from EDD does not match ABAG regional employment estimates due to different accounting methods.
*** C-3 District jobs classified as "Industrial" are primarily administrative office jobs for industrial businesses.

Office Activities

San Francisco retains the greatest concentration of office jobs in the Bay Area including financial, legal, and other specialized business services, and the Financial District downtown remains the third densest employment center in the country after New York and Chicago.[6] Many of these jobs continue to be in the financial, insurance, and real estate sectors.

At the end of 2007, there were 214,661 office jobs in San Francisco. Of these jobs, about 129,700 were located in the C-3 District downtown, or 60% of total office employment citywide (Table 2.2).

From 2002 to 2004, C-3 office employment declined from 129,200 to 116,800, or about 10%. It was not until 2005 that office employment downtown began to recover, and by 2007 an estimated 129,700 office jobs were located in the C-3 District downtown, about the same number of jobs found in the area in 2002 (Table 2.3)

Retail Activities

Within San Francisco, retail continues to be concentrated downtown as well as in neighborhood commercial areas. San Francisco's Downtown remains the primary retail destination in the region, offering not just goods and services but a unique urban experience. Visitors in particular represent a large share of Downtown San Francisco sales receipts.

At the end of 2007, there were 102,253 retail jobs in 7,395 retail establishments in San Francisco. As shown in Table 2.2, about 27,500 of these jobs could be found in the Downtown C-3 District, or 27% of total retail jobs citywide.[7] This represents an increase in retail jobs of about 1,500 for the C-3 District from 2002 to 2007 (Table 2.3).

Like office employment, retail jobs declined from 2002 to 2004, but at a much slower rate. In 2002, there were approximately 26,000 retail jobs in the C-3 District and by 2004 this had decreased to 25,500 jobs, a decrease of about 2%. In 2005, retail jobs began to increase, and by 2007 there were an estimated 27,500 retail jobs located in the C-3 District, about a 6% increase in retail employment for the area compared to 2002 (Table 2.3).

Many of these retail jobs depend on visitor spending. According to the San Francisco Visitors and Convention Bureau, in 2007, the City hosted a total of 16.1 million visitors who spent $8.2 billion at local businesses. One-third of these visitors, about 5.3 million, were overnight hotel guests often in town for conventions. On average, these overnight hotel guests account for two-thirds of all visitor-related retail spending.

Hotel Activities

The majority of hotel-related jobs continue to be located Downtown. At the end of 2007, of the 19,070 hotel jobs in the City, 12,800 were in the C-3 or about 67% (Table 2.2).

The strength of San Francisco's visitor economy is evident in the continued growth and relative stability of hotel jobs. In 2002, there were an estimated 11,100 hotel jobs in the C-3 District; this steadily increased to 12,800 jobs by the end of 2007, a 15% increase from 2002 (Table 2.3).

6 Demographia, International Urban Areas: Data and Analysis, *http://www.demographia.com/db-intlcbddens.htm*

7 For more information on regional trends, business formation and relocation see the Commerce and Industry Report 2007.

Cultural and Institutional Activities

Cultural, institutional, and educational activities (CIE) include health centers, schools, museums and other such land uses. CIE employment downtown increased throughout the 2002 to 2007 reporting period.

At the end of 2007, about 22,500 of the city's 135,361 CIE jobs were located in the C-3 District, or about 17% of city wide CIE jobs (Table 2.2). This represents an 11% increase from 2002, when the C-3 District contained only about 20,300 such jobs. (Table 2.3).

Industrial Activities

For the C-3 District, it is important to note that most jobs classified as industrial belong to administrative offices for industrial businesses such as PG&E. [8] Although some light industrial jobs remain in auto services and repair as well as printing, most of these jobs have moved elsewhere.

The city had a total of 84,986 jobs classified as Industrial at the end of 2007. Of these, 18,600 are estimated to be in the C-3 District, most of which are in administrative offices as previously noted (Table 2.2). This represents a 13% decrease from 2002 when an estimated 21,400 jobs classified as industrial were identified downtown. (Table 2.3)

8 Industrial is reported as an EDD business classification, not a land use sector. For example, corporate headquarters or administrative functions of larger manufacturing firms are classified here as industrial, not office.

2.2 Land Use and Building Space

The boundaries of the C-3 District have changed since the adoption of the Downtown Plan in 1985. By 1990, the Tenderloin, Chinatown, and portions of SoMa were withdrawn from the C-3 District. At present, the C-3 District consists of approximately 1,200 buildings (providing at least 82 million square feet of building space) on slightly more than 342 acres of land. This small area, representing less than 1.4% of city land, not only provides 38% of all jobs citywide, but 64% of total office space and nearly 20% of total retail space.

The C-3 contains a variety of space types satisfying a diversity of business sizes and sectors. Overall, office activities Downtown account for an estimated 54% of total building space. Mixed use buildings, hotels, and retail activities account for about 11% each.[9]

9 Although the Downtown C-3 Districtd area did not substantially change in terms of land use composition, land use change did occur immediately outside this area with the development of the Westfield Mall and the Intercontinental Hotel.

Table 2.4
New Space Created in the C-3 2002-2007

Land Use	Units/Rooms	Square Feet	Percent
Office		3,274,500	49%
Retail		895,200	13%
Residential	1208	1,185,400	18%
*Cultural, Institutional, Educational		444,400	7%
Visitor	896	941,200	14%
Total		6,740,600	100%

*Note: includes educational services, social services, museums and zoos, membership organizations, and private household services.

Proposition M

The *Downtown Plan* established an annual limit of 950,000 square feet for new office projects, reserving 75,000 square feet annually for "small" office projects. The *Plan* designates small offices as those ranging from 25,000 to 49,999 square feet, and large offices as 50,000 square feet and above. Although this report only covers the period between 2002 and 2007, it should be noted that there were no new office projects proposed in 2008 due to the downturn in the economy (see Appendix B for a list of small and large office projects approved or completed since 2002).

Small Cap

The amount of space reserved for small office projects may accumulate over time and be used in a single year. Currently, just over one million square feet is available in the small office cap. Since 2002, only 81,000 square feet has been allocated for two projects, both in the South of Market near the C-3 District.

Large Cap

Subtracting the 75,000 square feet reserved for small projects, there is 875,000 square feet available annually for large projects that, like the small cap projects, may accumulate over time and be used in a single year. Since 2002, the Planning Department approved 11 projects totaling 3,968,614 square feet, leaving 2,979,903 square feet available in the large office cap.10 The Alexandria Life Sciences and Technology District in Mission Bay constitutes over 1.1 million of the square footage allocated. None of these projects were located in the C-3 District, but most were located nearby in the South of Market area and Mission Bay.

10 As of March 1, 2009.

Commercial Space and Development Trends

The *Downtown Plan* enabled development to occur in a managed fashion and assumed that most new growth in San Francisco would occur in and around the Downtown C-3 District. This section discusses some recent development trends in this area.

Between 2002 and 2007, more office space was created in the C-3 District than any other land use category, about 49% (Table 2.4). This represents an increase in new office space constructed in the C-3, from 41% for the 1994-2002 reporting period.[11]

At the end of 2007 there were 1,087 projects in the city-wide development pipeline.[12] About 10% of these were commercial developments without a residential component; about 70% were exclusively residential and 17% were mixed-use projects with both a residential and commercial component.

San Francisco has about 110 million square feet of existing office space; much of this existing space, about 70 million square feet, is concentrated Downtown. If completed, commercial projects in the development pipeline, (the majority of which are office), could add about 14.5 million square feet of commercial space to the City's inventory. Of the proposed commercial space, 9.3 million square feet is office and 3.0 million square feet is retail.[13]

11 Planning Department, Downtown Plan Monitoring Report 2004.

12 For more information, refer to the 2007, 4th Quarter Pipeline Report at *http://www.sfgov.org/site/planning*

13 Unless stated otherwise, all square footage information presented in this memo is gross square feet; net square footage is estimated to be 15% less.

Table 2.5
Commercial Space Pipeline Summary*

Neighborhood	Square Feet	% of Citywide Pipeline
Downtown C-3	3,659,000	25%
Bayview (Waterfront Project)	8,087,000	56%
Mission Bay	1,249,000	9%
Rest of City	1,537,000	11%
Total	14,532,000	100%

* As of 4th Quarter 2007

The Downtown C-3 portion of overall commercial development in the pipeline is 3.65 million square feet or 25% as shown in Table 2.5. The greatest amount of commercial space being produced in the city is along the southeast waterfront in the Bayview District, which alone accounts for 56%, followed by Mission Bay which accounts for 9%. The Bayview Waterfront project, (including India Basin, Executive Park, and Hunters Point shipyard), would account for nearly eight million square feet of commercial space including office, R&D, and retail. The first phase of this project, if carried out, is not expected to be completed and occupied until 2015. Together, Bayview area and Mission Bay projects account for 65% of all commercial space in the pipeline.

Nearly one in five pipeline projects are in the construction phase, and are most likely to be completed in the near-term as a result. Projects under construction should become available for occupancy in the next two years. Projects not yet under construction but approved by the Planning Department could be available for occupancy in two to four years.[14]

Slightly more than 30% have been "approved", receiving building permit approvals or land use entitlements, but construction has yet to begin. About half of all projects are still at the early stages of development, with only permit applications filed with the Planning Department or the Department of Building Inspection; historically, these projects are most likely to be withdrawn and not completed.

14 For more detailed information regarding pipeline projects, click on the Pipeline Report link at http://www.sfgov.org/site/planning/

Office Space

Close to two-thirds of the City's office space is located in the Downtown C-3 District (Table 2.6). At the close of 2007, the San Francisco office market stabilized after several years of falling vacancies and increasing rents. As shown in Table 2.7, 2007 ended with citywide office vacancy rates at 10.2%, indicating a slight reduction from year-end 2006 (10.6%). Since peaking at its historic high of over 20% in 2002, the overall vacancy rate declined through 2007, but increased thereafter.

Table 2.6
Office Space

	Office Square Feet*
Downtown C-3	69,927,000
San Francisco, Citywide	110,058,000
% office in C-3	*63.50%*

*Source: Co-Star Realty Group

At the end of 2007, the Downtown C-3 District had a 9.4% vacancy rate. This was lower than the citywide average and among the lowest in the Bay Area, highlighting the City's desirability as the preeminent office location in the region (Table 2.7).

Table 2.7
2007 Office Vacancy Summary*

Downtown C-3	9.4%
Non-Downtown C-3	11.4%
Total Citywide	10.2%
Bay Area	11.2%
California	13.5%
U.S.	12.8%

Source: NAIBT Commercial
*4th Quarter 2007

Office Rental Rates, Absorption, and Investment

Absorption – Leasing Activity

Occupancy gains continued throughout the 2002-2007 period. Although at a slower pace, 2007 net activity ended the year with a total of 740,020 square feet of positive absorption, falling short of the historical average of one million square feet per year. Over the last five consecutive years, the overall market has absorbed more than 6.1 million square feet, averaging close to 1.2 million square feet per year. For 2007, the Downtown core experienced the most gain with 523,337 square feet, accounting for 70% of total absorption, while the Non-Financial District submarkets such as the Civic Center area, experienced a more modest gain of 216,683 square feet. Year over year, total gross leasing activity for 2007 increased to 9.2 million square feet, up about 8% from 8.6 million square feet in 2006.

Rents

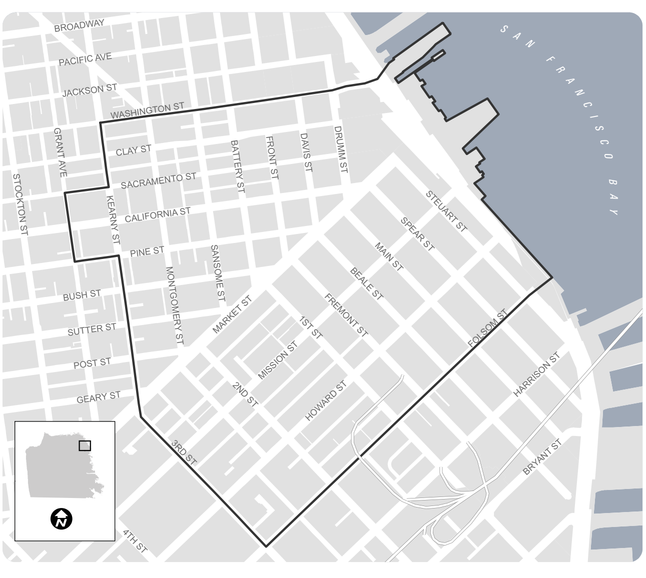
After consecutive annual growth since 2003, rent increases slowed dramatically during the fourth quarter of 2007, with the market-wide average asking rate ending at $41.03 per square foot for full service office buildings. Year over year, this was a 20% increase from 2006, and a 51% increase from 2002 when rents averaged $27.07 a square foot.

The overall lease rate for 2007 was a five year high. The Financial District experienced the greatest growth at 22% over the entire year, but only 1.1% the last quarter of 2007 as the recession began.

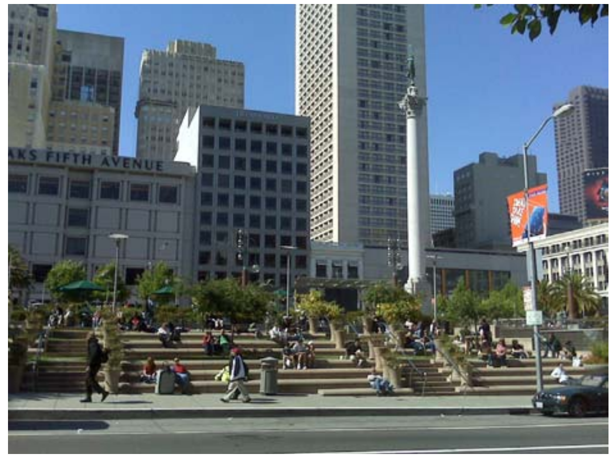
Office Investment – Sales Transactions

After reaching an historic high during the first-half of 2007, the credit crunch has dramatically slowed San Francisco office investment activity, particularly for large downtown Class A assets. In the fourth quarter of 2007, only two Class A Financial District office buildings changed hands, representing approximately 558,130 square feet. This was a dramatic decline compared to the second quarter of 2007 that reported 17 sales totaling about 8.5 million square feet.

Map 2.2 Major Office Projects 2002-2008



Map 2.3 Financial District 2008



Office to Housing Conversion

Between 2002 and 2007, about 815,000 square feet of office space was converted to 947 units of housing city wide. About 285,000 office square feet converted, or 35%, was in the downtown C-3 District (Table 2.8).

Table 2.8 Office to Housing Conversion

	Housing Units	Office Square Feet
Completed	947	-814,894
Completed C-3	311	-284,980
Percent in C-3	*33%*	*35%*
*Total Pipeline	3886	-1,686,125
Total Pipeline C-3	1354	-741,344
Percent in C-3	*35%*	*44%*
Pipeline under construction	1969	-643,851
Pipeline under construction C-3	896	-517,355
Percent in C-3	*46%*	*80%*

* Total pipeline includes all projects under construction or with planning or building permits approved, filed, or issued.

In the pipeline, an additional 1.68 million square feet of office space is proposed for conversion into housing. If this office space is converted, it would create an estimated 3,900 units citywide. Approximately 44% of office space proposed for conversion is in the downtown C-3 District.

Much of this space is already under construction, with nearly 650,000 square feet of office to residential conversions under way; 80% of pipeline conversions under construction are in the C-3 District (Table 2.8).

Retail Space

The Downtown C-3 District contains nearly nine million square feet of retail space and is the Bay Area's preeminent retail hub serving local, regional, and - significantly for San Francisco – visitor shopping needs (Table 2.9). However, the majority of retail space in San Francisco is outside the Downtown, along the City's many neighborhood commercial streets and shopping centers.

As shown in Table 2.9, the retail vacancy rate for the Downtown C-3 at the end of 2007 was 4.1%, higher than the Citywide average of 2.3%, but still indicating a relatively tight market. Due to the recession, retail vacancy rates have since increased.

Table 2.9 Retail Square Feet and Vacancy 2007

	Total Retail Square Feet	*Vacancy
San Francisco, Citywide	45,975,300	2.3%
Downtown - C3	8,890,200	4.1%
% retail in C3	*19%*	

*Estimated from Co-Star Realty Group data.

Hotel Space

There are approximately 33,000 hotel rooms in San Francisco. Just over 20,000 or 62% of these rooms are in the Downtown C-3 District and within walking distance of the Moscone Convention Center. About 1,100 hotel rooms have been added since 2005 and an additional 1,500 have been proposed.

The following hotels were added to the City's inventory in the past few years:

- 199 rooms at the Hotel Vitale in March 2005
- 260 rooms at the St. Regis in November 2005
- 86 rooms at the Orchard Garden Hotel in November 2006.
- 545 rooms at the InterContinental Hotel in February 2008.

Throughout 2007, hotel occupancy rates continued to increase along with average daily rates. For 2007, hotel occupancy was 79%, an increase from 76% in 2006, and up from 68% in 2003.

2.3 Future Commercial Space Development Trends

By the end of 2008, Bay Area employment contracted due to the global economic recession. Although the Bay Area is affected by the national factors that contribute to a recession, Bay Area businesses tend to be more export-oriented and technologically-oriented, making them generally more robust.

At the end of the 2002-2007 reporting period, ABAG still projected slight employment growth for the Bay Area. Employment did indeed continue to grow until June 2008, at which point payrolls began shrinking as businesses laid off workers. Most of these job losses however occurred in eastern Contra Costa and Alameda counties and by year end 2008, overall Bay Area employment had decreased by only 4,030 net jobs. However, employment increased in the San Francisco Metropolitan Statistical Area (MSA), which includes Marin and San Mateo counties, where an additional 10,100 jobs were created in 2008.

The most recent ABAG forecasts for the Bay Area indicate a loss of 56,800 jobs in 2009, with continued job loss of 5,600 in 2010. Nearly half of these job losses are expected to be concentrated in the East Bay. The San Francisco MSA is expected to lose 8,900 jobs in 2009 and another 1,500 jobs in 2010, at which point ABAG projects the recession to end.

Long Term Forecast (ABAG 2009)

Although ABAG forecasts for the Bay Area will be revised downward because of the current recession, long term forecasts continue to show a relatively uniform pattern of growth throughout the Bay Area and continued job decentralization in the region. By 2035, total Bay Area employment is expected to top 5.1 million, with about 16% in San Francisco (Table 2.10).

Office jobs in the financial and professional services categories are expected to grow as well. Bay Area office employment in these areas is expected to increase to about 1.16 million, with San Francisco retaining over 22% of these jobs (Table 2.11).

Table 2.10 Bay Area Total Employment Forecast (ABAG 2009)

Counties	2000	2005	2010	2015	2020	2025	2030	2035
Alameda	750,160	730,270	712,850	761,270	825,070	897,810	970,490	1,039,680
Contra Costa	371,310	379,030	376,820	409,650	445,550	479,350	516,910	555,650
Marin	134,180	135,470	135,600	139,110	143,780	148,310	152,830	158,280
Napa	66,360	70,690	70,770	74,180	77,920	81,870	86,770	91,480
San Francisco	642,500	553,090	568,730	606,540	647,190	694,830	748,100	806,830
San Mateo	386,590	337,350	346,320	373,370	404,400	439,850	473,290	505,860
Santa Clara	1,044,130	872,860	906,270	981,230	1,071,980	1,177,520	1,292,490	1,412,620
Solano	136,740	150,520	140,120	152,530	167,060	181,850	196,730	211,880
Sonoma	221,490	220,460	218,360	236,710	257,740	278,510	301,120	325,110
Total Bay Area	3,753,460	3,449,740	3,475,840	3,734,590	4,040,690	4,379,900	4,738,730	5,107,390

Table 2.11 Bay Area Office Jobs Forecast in Financial & Leasing, Professional & Managerial Services (ABAG 2009)

Counties	2000	2005	2010	2015	2020	2025	2030	2035
Alameda	144,870	146,720	139,750	149,320	161,500	178,120	193,520	208,150
Contra Costa	89,510	88,510	85,510	92,720	100,510	109,360	117,310	126,030
Marin	36,850	37,310	36,560	37,310	38,570	40,780	42,140	43,900
Napa	8,630	9,240	8,800	9,460	9,870	10,630	11,300	12,020
San Francisco	208,020	180,220	181,680	192,780	207,290	226,000	243,190	262,550
San Mateo	95,150	89,750	90,990	98,020	104,950	118,880	129,310	139,540
Santa Clara	211,250	166,460	165,360	180,560	200,440	230,040	255,930	282,920
Solano	18,350	21,510	18,900	20,710	22,770	25,030	27,160	29,390
Sonoma	38,980	40,540	39,310	43,310	47,650	52,000	56,680	61,760
Bay Area Total	851,610	780,260	766,860	824,190	893,550	990,840	1,076,540	1,166,260
San Francisco Share	24.4%	23.1%	23.7%	23.4%	23.2%	22.8%	22.6%	22.5%

3. DOWNTOWN INFRASTRUCTURE AND SUPPORT SERVICES
(Housing and Transportation, Open Space, Childcare Fees, Historic Preservation, Seismic Safety)

The *Downtown Plan* was developed under the assumption that significant employment and office development growth would occur and that this growth must be managed in order to remain sustainable. Absent new policies and programs, automobile traffic would continue to grow and important historic buildings located north of Market Street could be lost. The *Plan* established a special use district around the Transbay Terminal to shift office construction to that area as a means of reducing further disruption of the financial center north of Market. As an incentive to save historic buildings and to shift construction to the South of Market (SoMa) portion of the C3 and immediately adjacent areas, the *Plan* enabled owners of buildings designated as landmarks to sell or transfer development rights (TDR) to office builders in a designated special use district. New commercial development would provide new revenue sources to cover a portion of the costs of necessary urban service improvements. Specific programs were created to satisfy needs for additional housing, transit, child care and open space, as were specific targets for new housing production and transportation management.

The *Plan* also proposed specific targets to increase housing supply, improve transportation systems, and create new open spaces and childcare facilities for downtown workers by the year 2000. Its goals called for an increase in housing construction to 1,500 units annually, an increase in ride-sharing from 1.48 to 1.66 persons per vehicle, improvements to the public transit system, and an increase in the use of transit by Downtown workers from 64% to 70% of all work trips. New development projects are required under the *Downtown Plan* to contribute to funds for housing, transit, open space and child care, and in some cases to provide some of these public benefits directly to offset the impacts generated by new development.

Although overall employment growth has occurred at a slower rate than that originally anticipated by the *Plan*, thousands of new jobs have been created that impact services and infrastructure. Moreover, many new jobs have been created outside the Downtown core where the Plan did not envision such high levels of new employment, putting additional pressure on urban support systems in areas where such growth was not expected.

During the 2002-2007 reporting period, new development contributed $28,186,163 in funding for about 750 units of new affordable housing from the Jobs Housing Linkage Program (JHLP), $25,337,784 to transit in the form of Transit Impact Development Fees (TIDF), and $2,657,201 in Childcare Fees for childcare services. The fees collected by year are shown in Appendix D. Additionally, projects have created on-site open spaces and transportation demand programs that educate employees on commuting options.

This chapter discusses the services and infrastructure provided, or funded, by new development to meet the demands of a growing Downtown office population. The chapter is divided into Housing, Transportation, and Other Services. Other Services includes an assessment of open space and childcare, and discusses the state of historic preservation and seismic safety for Downtown buildings, two other goals of the *Downtown Plan*.

Table 3.1 **San Francisco Housing Trends 2002-2007**

Year	Units Authorized for Construction	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change In Number of Units
2002	1,478	2,260	73	221	2,408
2003	1,845	2,730	286	52	2,496
2004	2,318	1,780	355	62	1,487
2005	5,571	1,872	174	157	1,855
2006	2,332	1,675	41	280	1,914
2007	3,281	2,197	81	451	2,567
TOTAL	16,825	12,514	1,010	1,223	12,727
Annual Average	*2,804*	*2,086*	*168*	*204*	*2,121*

Source: Housing Inventory, Planning Department
Note: Net Change equals Units Completed less Units Demolished plus Units Gained or Lost from Alterations.

3.1 Housing[1]

The *Downtown Plan* called for an annual average of 1,000 to 1,500 new housing units to be produced citywide to offset downtown employment growth. For this reporting period, this goal was achieved and significantly exceeded with an average of about 2,100 units of housing completed per year between 2002 and 2007 as shown in Table 3.1.[2]

However, after the *Downtown Plan* was adopted in 1985, the California Housing and Community Development Department (HCD) in 1989 began to require counties to establish various housing production goals to meet the region's housing demand.[3] San Francisco's share of regional housing production for January 1999 through June 2006 was 2,717 units per year. Unlike the *Downtown Plan*, the HCD has also stipulated that this housing should match identified housing needs by serving various income levels including very low, low, moderate, and above moderate income categories. For the 2007-2014 period, San Francisco's share of regional housing need has been substantially increased by 4,159 units per year with a goal of 60.5 % to be affordable to very low, low, and moderate income households.

3.1.1 Overall Housing Production

Residential units completed 2002-2007

As shown in Table 3.1, 12,514 units were completed citywide from new construction during the 2002 – 2007 reporting period; about 10% of these, or 1,208 units, were completed in the Downtown C-3 zone. Accounting for demolitions and alterations, the total net change in the number of units was 12,727.

1 All figures reported here are from the Housing Inventory 2007, various Planning Department databases, the Department of Building Inspection, and the California Housing and Community Development Department.

2 Housing Inventory 2007, Table 2.

3 This requirement, also known as the "fair share" of the Regional Housing Needs Assessment or RHNA, is an important component of the *Housing Element* update.

In 2007, 2,197 were completed from new construction citywide, up from 1,675 in 2006. An additional 451 units were added due to conversions from commercial uses and/or additions to existing structures and 81 units were demolished for a net addition of 2,567 units for the year.

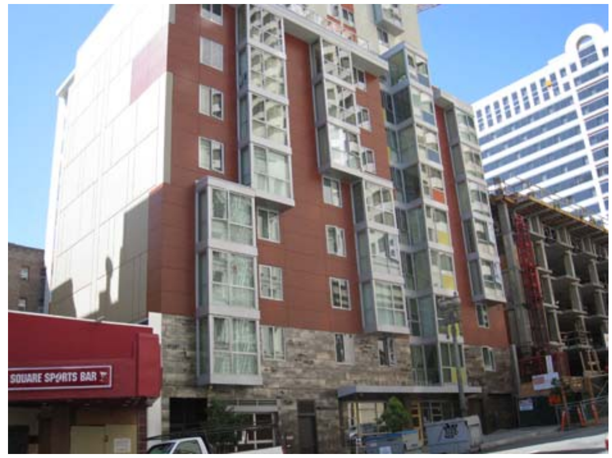
Of the total 2,567 net units completed in the City in 2007, most were in the South of Market planning district (Table 3.2). Again, this surpasses the Downtown Plan's goal of adding between 1,000 and 1,500 units to the City's housing stock annually, but does not meet the goal of 4,159 units per year established by HCD for the 2007-2014 period as part of the regional housing needs allocation (RHNA) process. In 2007 a total of 208 net units were completed in the C-3 District, or 8% of all housing units completed citywide (Table 3.2).

This trend of increased housing production continued through 2008, when 3,263 units were completed, an increase of 27% from 2007. However new units authorized for construction fell from 3,281 to 2,346 as the extent of the global economic recession became apparent.

Table 3.2 Net New Housing Completed 2007

	Net Units	Percent
*Downtown - C3 Zone	208	8%
**SoMa planning district (excluding C-3)	1,363	53%
Rest of City	996	39%
Total	2,567	100%

* Downtown - C3 zone; this differs from the Downtown "planning district" identified in the Housing Inventory.
** Housing Inventory planning district, excluding C-3



3.1.2 Housing Affordability

Jobs Housing Linkage Program: Prompted by the *Downtown Plan* in 1985, the City determined that large office development attracts additional employees and therefore increases demand for housing. In response, the Office Affordable Housing Production Program (OAHPPP) was established in 1985 to require large office developments to contribute to a fund to increase the amount of affordable housing. In 2001, the OAHPP was re-named the Jobs-Housing Linkage program and revised to require all commercial projects, with a net addition of 25,000 gross square feet or more, to contribute to the fund.

The program has collected almost $28.2 million in the last six fiscal years (Table 3.3).[4]; 40% or about $11.3 million in jobs-housing linkage fees was collected in 2007. Since the program was established in 1985 a total of $72.3 million has been collected, partially subsidizing the construction of over 1,000 units of affordable housing.

Table 3.3 Jobs Housing Linkage Program Fees 2002-2007

Fiscal Year	Amount Collected
2002	4,799,188
2003	0
2004	270,380
2005	5,021,658
2006	6,750,711
2007	11,344,226
Total	$28,186,163

4 JHLP revenue is only one source of affordable housing funds, all of which are deposited into the city's Affordable Housing Fund.

3.1.3 Citywide and Downtown Housing Pipeline

Citywide, approximately 40,370 units were in the residential development pipeline at the end of 2007, with 4,820 of these in the Downtown C-3, or 12% of the citywide total. A significant share of new housing is being produced in Bayview and Mission Bay, outside the Downtown core (Table 3.4).

Of the total 40,370 at the end of 2007, about 14,330 new units are proposed to be built in the Bayview area and 1,080 in Mission Bay, for a total of 15,410 units or 38% of the citywide pipeline (Table 3.4). Historically, 85% of the pipeline is constructed within five to seven years from the date of application; if this trend continues, the city's housing stock would expand by more than 34,000 units by 2014.

Table 3.4 Residential Pipeline - 4th Quarter 2007

Neighborhood	Units	Percent of Citywide Pipeline
Downtown – C3	4,820	12%
Bayview (Waterfront Project)	14,330	35%
Mission Bay	1,080	3%
Rest of City	20,140	50%
Total	40,370	100%

Beyond the 2002-2007 reporting period, the residential pipeline further increased to 54,600 net new housing units by the second quarter 2009, due to large development program applications, including the Bayview Waterfront Project referenced above, as well as projects at Treasure Island and the ParkMerced expansion project. This likely represents a peak as the number of applications has leveled off in the past year.

3.1.4 Housing Prices and General Outlook

The cost of housing increased between 2002 and 2007. In San Francisco, the average rent for a two-bedroom apartment increased over 31% to $2,750 a month, and the median sales price of a two-bedroom home increased almost 27% to $664,060. For-sale home prices in the Bay Area increased even more, from an average of $427,270 to $642,910, or over 50% (Table 3.5).

Overall housing prices from December 2006 through December 2007 fell 4.9% for the Bay Area as a whole. However, this decline was focused in outlying areas where a substantial amount of less expensive housing was

Table 3.5 Average Housing Price Trends, San Francisco Bay Area, 2002 - 2007

Year	Rental - 2 Bedroom Apartment		For Sale - 2 Bedroom House	
	San Francisco	Bay Area	San Francisco	Bay Area
2002	$2,089	N/A	$523,300	$427,270
2003	$2,023	N/A	$607,140	$455,390
2004	$2,068	N/A	$670,450	$536,550
2005	$2,229	N/A	$737,500	$621,790
2006	$2,400	N/A	$680,970	$635,820
2007	$2,750	N/A	$664,060	$642,910

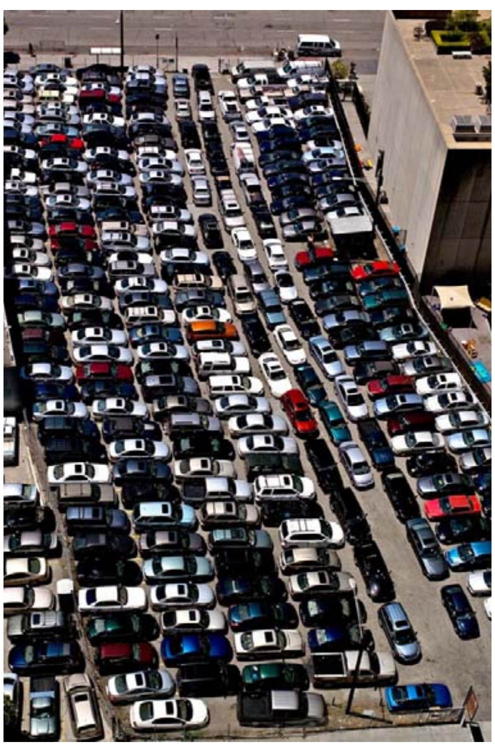
Sources: Rent-SF.com for Apartment rental prices. California Association of Realtors for home sale prices; the California Association of Realtors Bay Area data do not include Napa and Sonoma Counties. Figures are in current dollars.

constructed. Areas such as Sonoma and Solano counties for example, fell 21.9% and 15.8% respectively (Table 3.5).

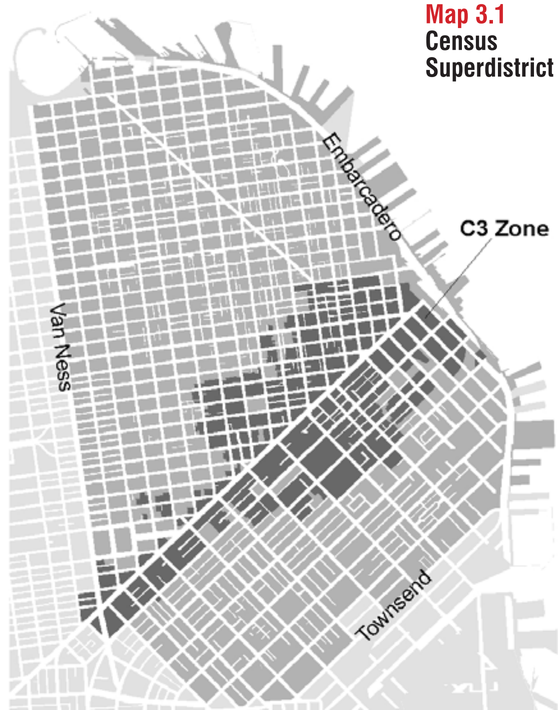
During the same period, San Francisco prices for a typical two-bedroom home, declined only 2.5%, and this decline was localized in specific neighborhoods; prices in other districts remained flat or increased. For two-bedroom apartments, average rents increased 14.6% from 2006 to 2007 (Table 3.5).

Beyond the reporting period, as of November 2008 the real estate market eroded and Bay Area home values substantially decreased. Median prices decreased to $350,000, a 44.4% drop from November 2007, the lowest level since September 2000. Although sales volume for the overall Bay Area increased 12.3% between November 2007 and November 2008, nearly 50% of the 5,756 properties that sold in November 2008 were foreclosures. Median prices in San Francisco for this same period fell to $648,000, or 20.5%, the smallest decline in the Bay Area. The hardest hit county in the Bay Area was Contra Costa, where prices declined 49.9% to $265,000.[5]

5 MDA Dataquick, November 2008



Map 3.1
Census Superdistrict 1



3.2 Transportation

This section reports on *Downtown Plan* transportation targets including an inventory of parking spaces, vehicle occupancy rates, peak period transit ridership, commute mode split, and fees collected by the Transit Impact Development Fee (TIDF), as required by the *Downtown Plan* monitoring ordinance.

Parking inventory

The Downtown Plan sought to limit the number of long-term parking spaces to the number that existed in 1984. This goal has generally been achieved. The supply of off-street parking spaces has continued to grow however. Between 2002 and 2007, a total of 4,585 off-street parking spaces were approved in the C-3 district.

Vehicle occupancy rate

The *Downtown Plan* sought to increase ridesharing into Downtown from 1.48 persons per vehicle in 1985 when the plan was adopted, to 1.66 persons per vehicle by the year 2000. Although ridesharing data for the Downtown C-3 is not available, historic trends for the larger area suggest that this target has not been met and that vehicle occupancy may have declined.

In the U.S. Census Superdistrict 1 – an area encompassing Downtown San Francisco, including South of Market and North Beach (Map 2) – the average vehicle occupancy for workers commuting to the area has been declining. In 1980, five years before the *Downtown Plan*'s adoption, vehicle occupancy was 1.28 passengers per car. However, in 1990 it dropped to 1.22 and by the 2000 Census, vehicle occupancy had further declined to 1.21.

Table 3.6

Average Vehicle Occupancy Rates for Workers, Residents

	Work Based*	Residence Based**
San Francisco Downtown (Superdistrict 1)	1.21	1.13
San Francisco Citywide	1.18	1.13
Bay Area	1.10	1.10

* Average for all workers employed at employment sites in the geographic area designated
** Average for all residents living in the geographic area designated
Source: Census 2000.

However, average vehicle occupancy for Downtown workers remains higher than other areas. According to the 2000 Census, Superdistrict 1 had an average vehicle occupancy rate of 1.21 for those working in that area and an occupancy rate of 1.13 for those who live in the area (Table 3.6).[6] These figures compare with a vehicle occupancy rate of 1.18 for all individuals working in San Francisco and an occupancy rate of 1.13 for all San Francisco residents. The entire Bay Area region has an even lower rate of 1.10.[7]

6 The vehicle occupancy rate is the average number of individuals riding in a vehicle. The lowest possible rate is 1, where all vehicles are single occupant.

7 These occupancy rates for Superdistrict 1 were directly taken from Tables 17, 18 and 19 of the 2000 Census Data Summary #5 (Journey-to-Work in the San Francisco Bay Area), released in June 2005. These rates are for commute trips to work and do not necessarily reflect peak period patterns.

Peak period transit ridership

According to recent Automatic Passenger Count (APC) data collected by the Municipal Transportation Agency (MTA) in 2006, the downtown area continues to maintain the highest number of peak period transit trips in the city, with nearly one-third of all trips having Downtown as their origin or destination.[8] Of the more than 650,000 total weekday boardings in 2006, more than 280,000 (43.3%) occurred during the peak period, and almost 88,000 (or 13.4% of all weekday boardings) were peak period trips either going to the downtown area in the morning, or coming from the downtown area in the afternoon (Table 3.7).

Table 3.7
Peak Period Transit Ridership to and from Downtown 2006

	Ridership	Percent of Total Trips
San Francisco Downtown	87,738	31%
San Francisco Citywide	282,520	100%

Source: Municipal Transportation Agency (MTA), 2006.

Downtown commute mode split

The *Downtown Plan* assumed that transit share of all peak period trips into the Downtown C-3 District would increase from 64% when the *Plan* was adopted in 1984, to 70% by 2000. It is not clear whether this goal has been met, although available information suggests that transit share has increased.

8 2006 marks the first year that MTA gathered extensive APC data. Data does not exist for other years at this time, although additional surveys are planned for the future.

Although commute mode split data for the Downtown C-3 District is not available, data from the 2007 Transportation Management Associations' Commuter Behavior Survey estimated transit ridership at approximately 68% for select buildings surveyed in the Downtown Financial District core, where transit share is highest. This however represents only a portion of the overall C-3 District.

Transit Impact Development Fee (TIDF)

In 1981, as a precursor to the *Downtown Plan* and responding to significantly increased downtown office development at that time, San Francisco enacted a fee aimed at recovering the transit operating subsidy and capital expansion costs incurred by this growth. Initially, all new office developments were required to pay $5 per square foot of office space to cover the added transit service to downtown office buildings. In 2004, the Municipal Transportation Agency (MTA) modified this fee to include all proposed non-residential developments in San Francisco.

Table 3.8 lists all TIDF revenues collected between Fiscal Year 2002 and Fiscal Year 2007. Over $27 million was collected between 2002 and 2007. This represents about 22% of the total $126 million in TIDF revenues collected since its inception.

Table 3.8
TIDF Cash Balance by Year: 2002-2007

Fiscal Year	Total Collections
2002	7,879,767
2003	4,023,552
2004	1,344,207
2005	928,449
2006	11,161,809
2007	1,980,198
Total Collected	$27,317,982

Source: MTA, 2008

3.3 Open Space

Downtown Open Space Policies

The *Downtown Plan* recognized an open space deficiency in Downtown and in the adjacent South of Market area. To meet this need, the *Plan* calls for the preservation and enhancement of existing open spaces and the creation of additional open space through public and private efforts.

The *Plan* requires that publicly accessible open space be provided for all new construction projects in the C-3 District, including substantial additions.[9] One square foot of open space per 50 gross square feet of building space is required for all C-3 Districts, except the C-3-R district where the requirement is one square foot of open space per 100 square feet of building space.

New office developments in the C-3 District are also required to contribute $2 per square foot of building space to the Downtown Park Special Fund. These funds are designated for the acquisition and development of parks and open spaces within the C-3 District.

The *Downtown Plan* also created guidelines for open space to ensure that new spaces are well designed. Location, access, landscaping, access to sunlight and other standards are all discussed as part of these guidelines.

9 For additions greater than 20% of the original structure except exclusively residential, institutional, and retail projects.

Map 3.2
Downtown Open Space 2008

Downtown Open Space Today

Publicly Owned Private Open Spaces (POPOS)

From 2002 to 2007, eight open spaces were created or enhanced as part of the *Downtown Plan* requirements, at the following locations:

- 235 2nd Street, developed in 2002, a 4,300 square foot plaza and indoor park;
- 55 2nd Street, developed in 2002, a 4,358 square foot indoor park and snippet;
- 555 Mission, 11,140 square foot plaza developed in 2008;
- 560 Mission, 13,848 square foot urban garden developed in 2002;
- Foundry Square NE at 400 Howard, developed in 2008, a 7,322 square foot plaza;
- Foundry Square NW at 500 Howard, developed in 2003, a 5,369 square foot plaza;
- Foundry Square SE at 405 Howard, a 6,062 square foot plaza developed in 2005.
- Westfield Sky Terrace at 835 Market, a 3,600 square foot rooftop terrace developed in 2006 as part of the Westfield Shopping Center, this site is now part of the Yerba Buena redevelopment area (and not regulated by the Downtown Plan) although it remains zoned C-3.

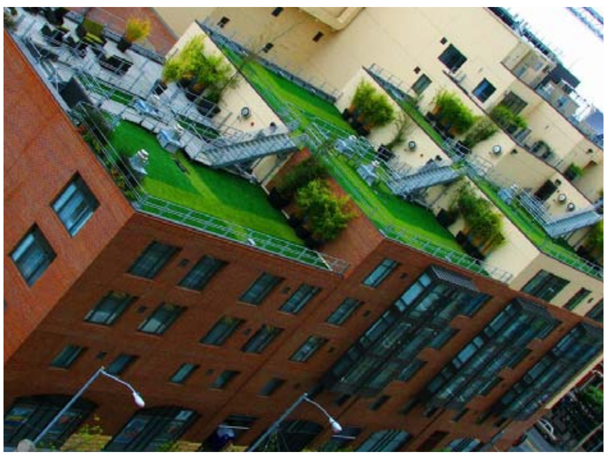
Although it was completed in 2008, the Intercontinental Hotel at 888 Howard provided two rooftop terraces on the 4th and 6th floors, totaling 12,600 square feet. Also, because the City Planning Commission found in June 2002 that additional open space was required, the Intercontinental Hotel partially funded the creation of new public open space at Mint Plaza.

During the 2002-2007 reporting period, 14 development projects in the C-3 District contributed to the Downtown Park Special Fund, totaling $ 5,447,911 million. This represents 50% of the $11 million collected in Downtown Park Special Funds since its inception.

In general, downtown open spaces have been successful. Publicly and privately funded projects have created spaces that are attractive, sunny, and generally well-used. Developments have utilized a range of open space types, from plazas to roof gardens to walkways. Indoor spaces, roof gardens, and view terraces, which are required to be open to the public during normal working hours and to have street-level signs identifying the public space, generally meet those criteria. Public art is integrated into the design of many spaces, such as the roof garden at 150 California Street or the plaza at 199 Fremont Street.

Some design details however cause some open spaces to be less well-used than others and could enhance the quality of future spaces if altered. Many types of open space, such as plazas or view terraces, are required to provide food services but currently do not. Certain open spaces are hidden away on the building site, and are difficult to access or invisible from the major street that the building faces onto.

A high percentage of recent development proposals have intended to use roof gardens or view terraces to meet some or all of their required square footage. Roof gardens, view terraces, and indoor gardens can be sunny and attractive, with good views, and can play a role in the downtown open space network. However, whereas most street-level spaces are well-used throughout the day, those located off of street-level, such as roof gardens, and view terraces, are not directly accessible from the street and are generally less well-used.[10]



Rooftop garden - Embarcadero, Downtown San Francisco
image courtesy Patrick Boury, Flickr *http://www.flickr.com/photos/pbo31/141208933/*

With roof and mezzanine gardens and indoor spaces, there are also potential issues relating to building security and the public perception of not wanting to enter the lobbies of private buildings. Additionally, roof gardens and indoor spaces can be built without adjustments to building massing, allowing buildings to cover a greater percentage of lots. This allows for less sun and sky access to the street, an important goal of the *Downtown Plan*, than do parks, plazas, or walkways.

3.4 Child Care Services

To meet childcare demands of expected employment growth, the *Downtown Pla*n required new office and hotel development over 50,000 square feet to contribute to childcare needs. A project may provide on-site childcare (solely, or in conjunction with another project), or within one mile of the development site. For projects less than 300,000 square feet, 2,000 square feet of childcare space is required; larger projects are required to provide 3,000 square feet of childcare space. Alternatively, a project sponsor may pay a non-profit to provide childcare off-site or contribute $1.00 per gross square foot of office or hotel space to the Childcare Capital Fund.

Specifically, the Childcare Capital Fund has been used to provide loans and grants to centers and licensed family child care providers to expand or improve facilities, buy equipment, and make emergency repairs. The funds also provide technical assistance to non-profit childcare providers for specific projects.

As of fiscal year 2007, the Childcare Capital Fund has collected $5,228,138 from 42 development projects since its inception in 1985; of this amount $2,657,201, or 51%, has been collected from 15 projects between 2002 and 2007.[11]

Since 1999, Childcare Capital Fund revenue has been expended through the Child Care Facilities Fund (CCFF), a public-private partnership that develops childcare spaces for children from low-income families. Partners in the CCFF include the Department of Children Youth and their Families (DCYF), the Department of Human Services, the Mayor's Office of Community Development, and the Low Income Housing Fund, a national non-profit community development financial institution. CCFF offers childcare providers technical assistance on business and real estate matters, provides grants and low-cost loans, and engages in policy planning and advocacy for childcare development. CCFF funds both non-profit centers and family childcare homes. All providers receiving CCFF funding serve a minimum of 25% low-income children; typically, the percentage is higher.

While gains have been made in expanding childcare supply and quality in San Francisco, the need for additional capacity in some areas remains high. The need for additional infant/toddler care is particularly acute throughout the city.

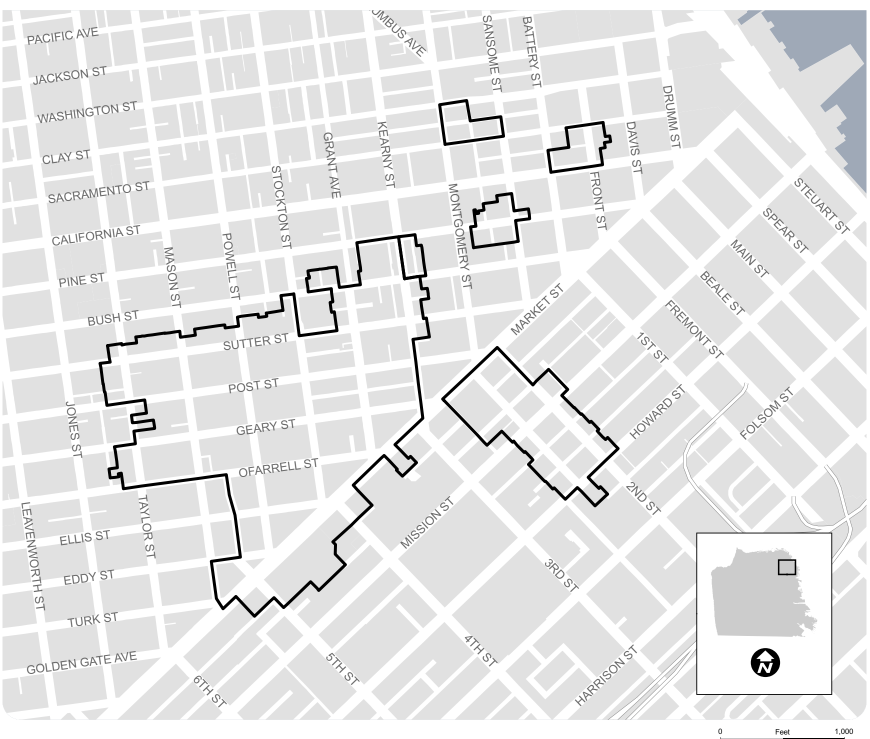
10 Exceptions to this are the second floor roof terrace at One Montgomery Street, which is connected to the Crocker Galleria food court and the indoor garden at 101 Second Street, which is connected to a café.

11 Fiscal years.

3.5 Historic Preservation

"Preserving the Past," another section of the *Downtown Plan*, details the objectives, policies and actions necessary for the preservation of significant older buildings and areas of established character in the C-3 District. The *Plan* requires the preservation of the highest quality buildings and retention of their significant features. It classifies buildings in one of four primary categories according to their age, architectural design, and relationship to the environment.

Categories I and II are considered significant buildings. They are at least 40 years old, are considered "Buildings of Individual Importance," and are rated excellent in architectural design or very good in both architectural design and relationship to the environment. Categories III and IV are defined as "Contributory Buildings" and are rated very good in architectural design or in relationship to the environment. Buildings in these categories may not be demolished unless the property retains no substantial remaining market value or reasonable use, or presents an imminent safety hazard. If major alterations are proposed, the Planning Commission considers them, using standards that respect the architectural character of the building. All other buildings not rated in the C-3 District are identified as Category V.



Map 3.3
Conservation Districts 2008

The *Plan* also creates conservation districts where rated buildings are clustered.[12] In these areas, new construction is expected to match the character and scale of the historic buildings. New buildings are assessed for how well they fit in with the historic buildings in the district on the basis of composition and massing, scale, materials and colors, and detailing and ornamentation.

The *Downtown Plan* also permits Transfer of Development Rights (TDR) for categorically rated buildings in the C-3 District. TDRs are calculated as the difference between the maximum buildable gross floor area permitted by the Planning Code, and that which is presently used by the historic building. A qualifying parcel—one that contains a Significant or Contributory building, a landmark structure, or a Category V building—may sell this "excess" square footage to another lot within the C-3 District. The intent is to provide the historic building with additional funds to be spent on the preservation of that building.

The following sections detail some examples of recent activity relating to Category-rated buildings and Conservation Districts:

Alterations To Historically Rated Buildings

Since the *Downtown Plan*'s adoption, there have been 57 cases where rated buildings have received a Certificate of Appropriateness or a permit to alter a historic building (Table 3.9). A full list of these projects is included in Appendix E.

12 Due to rezonings since 1985, some Conservation Districts now lie partly outside the C-3 District but remain protected.

Table 3.9 Activity in Historically Rated Buildings 1985-2008

	Certificate of Appropriateness	Permit to Alter	Total
Category I	24	13	37
Category II	2	7	9
Category III	2	1	3
Category IV	4	4	8
Total	32	25	57

Major Alterations Of Rated Buildings

The following category-rated buildings in the C-3 have been rehabilitated with more significant alterations, including major additions and/or demolition of major portions of exterior and interior historic features.

- **70 Oak Street - (Category II)** This building was renovated for use as the primary location for the San Francisco Conservatory of Music and retained only the façade and concert hall of the original structure. The five-story building was reconfigured to six-stories and substantially expanded.

- **690 Market Street - (Category III)** Conversion and major rehabilitation of the Old Chronicle Building from a 140,640 square foot office building with ground-floor retail into a 113-unit residential building with 6,370 gsf of ground-floor retail and 31 off-street parking spaces. The project included an eight-story vertical addition to the existing building and re-designated the Category V building to a Category III building upon completion of the rehabilitation.

Seismic Upgrades And Rehabilitations Of Rated Buildings

During the 2002 to 2007 reporting period, 52 buildings in the C-3 have been rehabilitated, including seismic upgrade, façade restoration, and historic interior rehabilitation. Generally, these buildings have not undergone significant alteration in the form of major additions, or demolition of significant portions of the building's exterior or interior historic features. A list of these buildings is provided in Appendix F.

Demolition of Historic Buildings

The historic preservation requirements created by the Downtown Plan have contributed to the preservation of individual buildings and to the scale and character of historic districts. Since 2002, only one building, 39 2nd Street, has been demolished (Table 3.10) and two others significantly altered so as to lose important facets of their historic nature (see Major Alterations of Rated Buildings).

Table 3.10
Demoltion of Historically Rated Downtown C-3 Buildings

Year	Address	Description	Downtown Rating
2002	39 2nd St.	Demolition	III

New Construction In Conservation Districts

These are new projects designed to be compatible with the Conservation District in which they are located.

- **663-665 Sutter Street (Olympic Garage)** – A seven story above-grade public parking and recreation structure, expanding the facilities of the Olympic Club. This project replaced an existing four level parking garage. The façade is designed to be compatible with surrounding buildings in the Kearny-Market-Mason-Sutter Conservation District, and is designed to look like a building, not a garage.
- **466 Bush** – A 10 story hotel with 86 guest rooms. This project replaced a vacant lot. The façade is designed to be compatible with surrounding buildings in the Kearny-Market-Mason-Sutter Conservation District.
- **710 Market Street/1 Kearny Street** – This project demolished a Category V Building, replacing an office structure, and created ground floor commercial space within the Kearny-Market-Mason-Sutter Conservation District.

New buildings in conservation districts have generally respected the massing of existing historic structures, especially by creating cornice lines at the level of neighboring buildings and setting back above this height. In some cases, the design of the ground floor has not been consistent with the historic structure or district in which they are located. The standards and guidelines for new construction in conservation districts cover composition and massing, scale, materials and colors, and detailing and ornamentation, but do not specifically call out ground floor requirements.

Transfers Of Development Rights

The Transfer of Development Rights (TDR) program was designed to maintain development potential in the Downtown, shifting that potential from both historic structures and non-historic ones in conservation districts, to areas where higher levels of growth were encouraged. To date, 102 historic properties have filed for and been declared eligible to sell their development rights. There have been 116 cases of transfers of development rights, and 33 cases in which purchased development rights have been used

Table 3.11 TDR Summary

Zoning District:	Certified	Used	Remaining	% Used	Used in District
C-3-G	1,326,931	844,111	482,820	63.6%	168,104
C-3-O	2,719,180	1,285,702	1,433,478	47.3%	1,467,129
C-3-O (SD)	168,758	85,514	83,244	50.7%	846,774
C-3-R	492,531	261,550	230,981	53.1%	16,000
C-3-S	21,130	21,130	0	100.0%	253,195
P	267,728	253,195	14,533	94.6%	
Total	4,996,258	2,751,202	2,245,056	55.1%	2,751,202
Of Potential: 8,000,000	62.5%	34.4%			

Last Updated: December 5, 2008

for new development, representing roughly 2.75 million square feet of development, or about 55% of the estimated 5 million eligible square feet that could be used through TDR (Table 3.11). About 1.3 million square feet was used between 2002 and 2007.

The C-3 zoning district is comprised of several sub-districts. TDR can only be used in the originating C-3 sub-district or the C-3-0 (SD) sub-district which was specifically created as a "receiving zone" for transferred TDR space. For example, TDR that was sold from a parcel in the C-3-R sub-district can only be used for new development in the C-3-R and C-3-O (SD) districts. The majority of TDR space transferred has been used in the C-3-O district, which contains the bulk of certified TDR square footage, followed by the C-3-O-SD district.

3.6 Seismic Safety

The *Downtown Plan* also addresses seismic safety. There are two aspects to specific earthquake hazards that exist in Downtown San Francisco: existing hazardous buildings that are likely to pose significant dangers during an earthquake, and unstable soils that are likely to experience ground failure or to magnify ground shaking during an earthquake. The *Plan*'s policy to abate hazards from existing historic buildings has been implemented through two City programs.

The Parapet program (which pre-dates the *Downtown Plan*) requires the anchoring of parapets and other roofline appendages to prevent them from falling during earthquakes. Compliance with the parapet ordinance is virtually complete in the Downtown area.

The Unreinforced Masonry Building Hazard Reduction Program, established in 1992 and enforced by the Department of Building Inspection, requires the retrofit of unreinforced masonry buildings (UMBs). This building type is one of the most likely to pose a safety hazard during an earthquake. Compliance with the Unreinforced Masonry Building Program is also virtually complete in the Downtown area.

By the end of 2008, most UMBs had achieved compliance. Of the 66 buildings not in compliance, 25 were in the process of complying, with delays attributed to providing appropriate disabled access. Virtually all of the remaining buildings yet to achieve compliance are churches and non-profits, none of which are located in the C-3 District.

The Department of Building Inspection also seeks to ensure that site-specific soil conditions are taken into account in the structural design of new buildings. The Code Advisory Committee of the Department of Public Works periodically reviews the San Francisco Building Code and recommends amendments, including those to improve seismic safety, to the Board of Supervisors.

4. TAX REVENUES

This chapter describes tax revenues from business tax (including registration and payroll), property tax (including transfer tax and annual tax), sales tax, and hotel taxes for the 2002-2007 reporting period, as required by the Downtown Plan Monitoring Report Ordinance, Administrative Code 10E. Information presented is by fiscal year, running from July 1st to June 30th of the following year.[1] The revenue information reported also reflects deposits to the City's general fund, rather than the total amount of all revenues received, and is reported in nominal dollars.[2]

Between 2002 and 2007, general fund revenues, or the discretionary annual amount the city has available for expenditures, grew as the economy recovered from the recession of 2002. Between 2002 and 2007, general fund revenues increased approximately 37%. In 2002, general fund revenues were $2.07 billion and steadily increased to an estimated $2.83 billion by 2007 (Table 4.1). In the most recent 2008 fiscal year, general fund revenues were budgeted at $3.05 billion but were significantly reduced due to the economic recession.

Table 4.1
General Fund Revenues

Fiscal Year	Amount
2002	$2,075,130,000
2003	$2,191,870,000
2004	$2,367,950,000
2005	$2,532,610,000
2006	$2,721,300,000
2007	$2,838,920,000

1 For example, fiscal year 2002 covers the period between July 1st 2002 and June 30th 2003.

2 All revenues would include money allocated by law to specific uses and not available for general city services and expenses.

For 2007, property taxes account for about 33% of general fund revenue, businesses taxes (mostly payroll tax) about 14%, and sales taxes 4% as shown in Table 4.2. Hotel taxes also contribute about 6% to general fund revenues. The remaining 40% consists of grants and subsidies, licenses, investments, and charges for services. On average, this represents the proportional contribution of revenues to the general fund throughout the 2002 to 2007 reporting period.

Table 4.2
FY 2007-2008 Key General Fund Revenue Sources

	Amount	Percent of General Fund
Property Tax	$943,500,421	*33%*
Business and Payroll	$394,267,266	*14%*
Sales Tax	$111,410,367	*4%*
Hotel Room Tax	$165,541,108	*6%*
Property Transfer Tax	$86,219,184	*3%*
Subtotal	$1,700,938,346	*60%*
Other Revenues	$1,137,981,654	*40%*
Total General Fund	$2,838,920,000	*100%*

Business Taxes

Except for a slight decrease in 2003, between fiscal years 2002 and 2007 total business taxes collected and deposited into the city's general fund continued to show strong growth, increasing by 43% overall (Table 4.3). Total business tax revenue is comprised of business payroll tax and registration tax.

Table 4.3 Business Taxes

	Payroll	Registration	Total Business Taxes
2002	$265,576,541	$10,549,403	$276,125,944
2003	$256,303,684	$8,047,536	$264,351,220
2004	$284,807,026	$7,364,761	$292,171,787
2005	$314,708,444	$7,698,152	$322,406,596
2006	$328,521,075	$8,236,234	$336,757,309
2007	$385,178,303	$9,088,964	$394,267,267

Business payroll taxes assess the payroll expense of persons and associations engaging in business in San Francisco and represent the vast majority of business taxes collected. This tax imposes a fee on all businesses that employ or contract with one or more employees to perform work or render services within the city. Banks, insurance companies, and regulated utilities are exempt from local business taxes by state law.

Since 1995, the payroll tax rate has been 1.5% of total taxable payroll expenses for businesses with a tax liability greater than $2,500. Historically, the payroll tax rate has not dropped below 1.1% or increased beyond 1.6% since it was established in 1970.

During the reporting period, payroll taxes collected decreased from $265.5 million in 2002 to $256.3 million in 2003. By 2004 however, payroll tax increased to $284.8 million and grew every year thereafter; in 2007 $385.2 million was collected, representing a 45% increase since 2002. In light of the recession, business taxes are expected to decline in the future although they remained generally stable throughout 2008.

Business registration tax is an annual fee assessed for general revenue purposes on all business in the City. Business registration fees declined from $10.5 million in 2002 to $7.4 million in 2004, or about 30%, mirroring the downturn in the economy at that time. Fees then increased to almost $9.1 million by 2007. Business registration fees range from $25 to $500, and typically comprise less than 4% of total business tax revenues. Beyond the 2002-2007 reporting period, business registration fees were down for 2008 and are expected to continue to decline in 2009 due to the recession.

Real Property Taxes and Property Transfer Taxes

Real property taxes, the largest single tax revenue source for the city, grew tremendously in the 2002-2007 reporting period as both real estate prices and the volume of transactions increased tremendously. Property transfer taxes also increased dramatically during this period. Together, these taxes grew from $570.1 million in 2002 to over $1 billion in 2007 (Table 4.4).

Real property taxes allocated to the general fund between 2002 and 2007 grew from $518.7 million to $943.5 million dollars or 82% (Table 4.4). This enormous increase, despite the annual inflationary limit of Proposition 13, was due to dramatic real estate price increases coupled with constant buying and selling of real property which allowed continual reassessments at ever higher values.

Property transfer taxes also increased dramatically during the reporting period, from about $51.5 million in 2002 to $143 million in 2006, but then decreased to $86.2 million in 2007 as the volume of real estate transactions plummeted as the economy entered a recession (Table 4.4). Unlike real property taxes, which are collected annually and based on property valuation assessments, property transfer tax is highly volatile as it is collected only at the time of sale and based on the sales price. These trends temporarily increased property transfer taxes collected substantially.

Table 4.4 Property Tax and Property Transfer Tax

	Property Tax	Property Transfer Tax	Total
2002	$518,689,328	$51,475,305	$570,164,633
2003	$546,812,082	$78,845,357	$625,657,439
2004	$710,485,865	$116,796,973	$827,282,838
2005	$782,689,697	$131,278,835	$913,968,532
2006	$894,824,701	$143,976,226	$1,038,800,927
2007	$943,500,421	$86,219,184	$1,029,719,605

Although real property tax revenues increased dramatically during the reporting period, revenues are expected to decrease in the short-term as property owners contest current assessments due to declining prices.

Sales Taxes

Sales tax revenues fluctuate with economic conditions and reflect consumer confidence and spending. Of the 8.5% sales tax rate effective at the end of the reporting period in 2007, San Francisco receives 1% with the rest going to the State and other districts.[3] A portion of this revenue is deposited in the City's general fund with the balance allocated by law for specific programs and services.

3 Effective April 1, 2009, the sales tax rate for the City of San Francisco was increased to 9.5% due to State measures to balance the budget.

Sales tax revenues are generated from six major business groups, plus a County and State Pool category that captures select countywide activity.[4] On average, revenues from the six business groups generally represent 86% of total sales tax revenues, with approximately 14% derived from County and State Pool activities.[5] (Table 4.5)

Table 4.5 Average Sales Tax Revenue Sources

Sales Tax Categories	% of Total
General Retail	33%
Food Products	25%
Transportation	8%
Construction	5%
Business to Business	13%
Miscellaneous	1%
County & State Pool	14%
Total	100%

4 County pool sales activity includes the sale of used cars between private parties as well as large or specialized equipment purchased from an out-of-area manufacturer, which is put into 'use' in San Francisco.

5 This reflects the general trend as specific sales tax categories fluctuate from year to year.

Between 2002 and 2007, total sales tax collected increased 25%. However, the amount actually deposited into the general fund fluctuated from $115.5 million in 2002 to $111.4 million in 2007 (Table 4.6). At the end of 2007, retail sales continued to grow with sales tax collected increasing about 3% between 2006 and 2007. San Francisco continued to experience large gains in the restaurant and apparel store categories, as well as the "general retail" category which increased 3.3% between 2006 and 2007; restaurant revenues also increased by more than 6% between 2006 and 2007, the greatest annual increase on record.[6] Beyond the reporting period, revenues were stable throughout most of 2008 until year-end when the impacts of the global recession began to affect the local economy.

Table 4.6
Sales and Use Tax 2002-2007

	Sales and Use Tax
2002	$115,577,909
2003	$120,642,425
2004	$94,689,077
2005	$103,073,783
2006	$107,812,958
2007	$111,410,367

For fiscal year 2007, approximately 19% was collected in the Downtown C-3 District. The C-3 accounted for a greater share of general retail store sales tax and business to business sales tax, or 26% and 24% respectively.

San Francisco's positive gains during this period ran counter to many other large Bay Area cities' experience, which recorded flat or negative year-over-year growth. San Francisco's status as a destination city and tourism center contributed to this retail attraction.

6 Mayors Office of Economic Analysis

Hotel Taxes

There are over 220 hotels in San Francisco with approximately 33,000 rooms.[7] About 62% of these are located in the Downtown C-3 District.

The hotel tax remained at 14% during the 2002-2007 reporting period. A substantial portion of this revenue is dedicated to the Moscone Convention Center, museums, and other visitor amenities with the balance deposited into the city's general fund.

Table 4.7
Hotel Room Tax 2002 - 2007

	Amount
2002	$74,728,752
2003	$98,456,444
2004	$108,913,545
2005	$130,823,827
2006	$143,071,880
2007	$165,541,108

7 This information is from the Visitors and Convention Bureau which tracks primary visitor hotel operations that account for the vast majority of sales tax revenues; a variety of smaller establishments also exist within the City.

About $165.5 million in hotel taxes were collected and deposited into the general fund in 2007 as shown in Table 4.7 and Figure 4.1.[8] This represents a 121.5% increase from 2002 when $74.7 million was collected. Between 2006 and 2007 alone, hotel taxes deposited into the city's general fund increased 16%.

Hotels continued to prosper throughout the 2002 to 2007 reporting period, with both occupancy and average daily rates substantially increasing. Hotels citywide reported an average daily rate of $182.28 in the fourth quarter of 2007, a 7.1% increase from the prior year (Figure 4.2).[9]

Occupancy rates also increased 2.6% over the same period. According to a survey by the Visitors and Convention Bureau of hotel guests, the top three reasons for visiting were leisure (39.7%), conventions (35.3%), and business (22.1%).

As of the writing of this report, the global economic downturn has started to affect the local hotel industry. Tourism has been a major source of strength in the local economy, but the latest May 2009 hotel statistics show declines of about 8% year-over-year for both hotel occupancy and average daily rates.

8 Visitors and Convention Bureau.

9 PKF Consulting, Mayors Office of Economic Analysis.

Figure 4.1 Hotel Tax 2002 - 2007

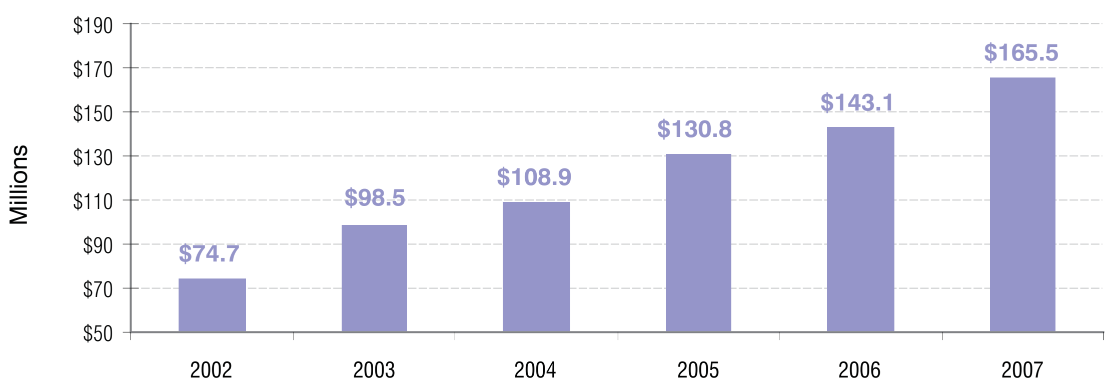
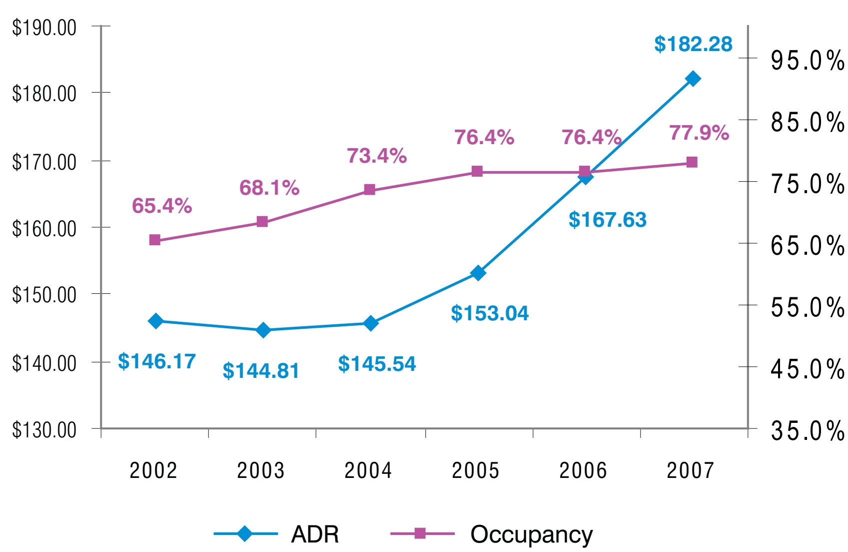


Figure 4.2 Hotel Average Daily Rate (ADR) and Occupancy



APPENDIX A.
DOWNTOWN PLAN MONITORING ORDINANCE

CHAPTER 10E:
NEIGHBORHOOD AREA PLAN MONITORING

SEC. 10E.1. DOWNTOWN PLAN.

(a) Findings. The Board of Supervisors makes the following findings in support of this ordinance.

(1) The Planning Commission has adopted the Downtown Plan as part of the General Plan of the City and County of San Francisco, and the Board of Supervisors, acting upon the recommendation of the Planning Commission, has adopted amendments to the Planning Code called for in the Downtown Plan.

(2) The focus of the Downtown Plan is to prevent development where change would diminish the city's character or livability but to allow appropriately scaled development that would further the City's economic, fiscal and social objectives.

(3) The Downtown Plan is based on certain assessments about the ability of the City to absorb the impacts of growth in downtown San Francisco and the desirability of increasing housing, ridesharing and transit use in light of the anticipated downtown growth. The Downtown Plan proposes various actions which should be taken to achieve the following goals: An increase in the City's housing supply by an average of 1,000 to 1,500 new housing units per year; and increase in ridesharing to a point where the number of persons commuting by auto or van rises from 1.48 to 1.66 persons per vehicle; and an increase in the use of transit by downtown workers from 64 percent to 70 percent of all work trips.

(4) The Downtown Plan recommends the adoption of a formal process for monitoring progress toward Plan goals. This monitoring process is necessary to evaluate the effectiveness of the Plan and the impacts of downtown growth, and to make any adjustments deemed appropriate to the controls described in the Downtown Plan or to additions to the City's infrastructure and services.

(5) The purpose of this monitoring system shall be to determine whether the infrastructure and support systems necessary to accommodate the growth of downtown, particularly housing supply and transit capacity, have kept pace with development in the C-3 Districts. If downtown is growing at a faster pace than the necessary infrastructure and support systems, it may become necessary to make further efforts to slow down the pace of development, or devise additional mechanisms for providing required infrastructure and support systems.

(6) The Planning Department shall undertake a two-tiered monitoring program. The two tiers are: A) An annual collection and reporting of data from selected sources that are gathered on a regular basis, and B) every five years, a more extensive data collection effort that includes an analysis of long-term policy indicators such as the TDR program, urban form goals, any impact fee funds, and provides analysis of the Downtown Plan's policy objectives. The annual monitoring should provide an early warning system for trends that may develop, indicating a shortfall in the long range goals.

(b) Annual Report. The Planning Department shall prepare an annual report detailing the effects of downtown growth. The report shall be presented to the Board of Supervisors, Planning Commission, and Mayor, and shall address: (1) the extent of development in the C-3 Districts; (2) the consequences of that development; (3) the effectiveness of the policies set forth in the Downtown Plan in maintaining San Francisco's environment and character; and (4) recommendations for measures deemed appropriate to deal with the impacts of downtown growth.

(1) Time Period and Due Date. Reports shall be due by July 1st of each year, and shall address the immediately preceding calendar year, except for the five year report, which shall address the preceding five calendar years.

(2) Data Source. The Planning Department shall assemble a data base for 1984 and subsequent years for the purpose of providing the reports. City records shall be used wherever possible. Outside sources shall be used when data from such sources are reliable, readily available and necessary in order to supplement City records.

(3) Categories of Information. The following categories of information shall be included:

Commercial Space and Employment.

(A) The amount of office space "Completed," "Approved," and "Under Construction" during the preceding year, both within the C-3 Districts and elsewhere in the City. This inventory shall include the location and square footage (gross and net) of those projects, as well as an estimate of the dates when the space "Approved" and "Under Construction" will become available for occupancy.

(B) Office Vacancy Ratio. An estimate of the current office vacancy rate in the C-3 Districts and citywide.

(C) Citywide and C-3 District Office Employment. An estimate of additional office employment, by occupation type, in the C-3 Districts and citywide.

(D) Tourist Hotel Rooms and Employment. An estimate of the net increment or tourist hotel rooms and additional hotel employment in the C-3 Districts.

(E) Retail Space and Employment. An estimate of the net increment of retail space and of the additional retail employment relocation trends and patterns within the City and the Bay Area.

(F) Business Formation and Relocation. An estimate of the rate of the establishment of new businesses and business and employment relocation trends and patterns within the City and the Bay Area.

Housing.

(G) Housing Units Certified for Occupancy. An estimate of the number of housing units throughout the City newly constructed, demolished, or converted to other uses.

(H) Jobs/Housing Linkage Program. A summary of the operation of the Jobs/Housing Linkage Program (formerly the Office Affordable Housing Production Program) and the Housing Affordability Fund, identifying the number and income mix of units constructed or assisted with these monies.

Transportation.

(I) Parking Inventory. An estimate of the net increment of off-street parking spaces approved in C-3 Districts.

(J) Vehicle Occupancy Rates. An estimate of vehicle occupancy rates for vehicles in or entering the City.

(K) Transit Service. An estimate of transit ridership for peak periods.

(L) Transit Impact Fee. A summary of the use of the transit impact development fee funds, collected from development.

Fiscal.

(M) Revenues. An estimate of the net increment of revenues by type (property tax, business taxes, hotel and sales taxes) from office, retail and hotel space.

(4) Report. The analysis of the factors under Commercial Space and Employment will provide an estimate of the increase in housing and transit demand. The comparison of increased demand with the increase in the supply of housing and in transit ridership will indicate the degree that the City is able to accommodate new development Based on this data, the Department shall analyze the effectiveness of City policies governing downtown growth and shall recommend any additional measures deemed appropriate.

(c) Five Year Report. On March 15, 1990, and every fifth year thereafter by July 1st, the report submitted shall address the preceding five calendar years and, in addition to the data described above, shall include, as deemed appropriate, a cordon count of downtown oriented travel and an employer/employee survey and any other information necessary for the purpose of monitoring the impact of downtown development. The five-year report shall monitor long-term policy indicators such as the TDR program, urban form goals, any impact fee funds, and provide analysis of the Downtown Plan's policy objectives. If the Planning Department determines that early warnings from the annual reports indicate the need for collection of a cordon count and employer/employee survey, it may include such data in any annual report, and may include an analysis of data for a period of time earlier than the preceding calendar year.

(d) Information to be Furnished. It shall be the duty of the heads of all departments, offices, commissions, bureaus and divisions of the City and County of San Francisco, upon request by the Planning Department, to furnish such information as they may have or be able to obtain relating to the matters to be included in the reports required herein.

(Added by Ord. 500-85, App. 11/22/85; amended by Ord. 263-99, File No. 991548, App. 10/15/99; Ord. 199-06, File No. 060698, App. 7/21/2006; Ord. 300-08, File No. 081155, App 12/19/2008; Ord. 58-09, File No. 090179, App. 4/17/2009)

APPENDIX B.
LARGE AND SMALL OFFICE APPROVALS

PROP M Large Office Approvals 2002-2007 FY

Date	Address	Size	Status	Completion	Comments
2002-2003	7th/Mission GSA	514,727	complete	2007	Federal Building.
	499 Illinois/201-16th Street	429,542	Withdrawn	n/a	Revoked and reapproved as 201 16th Street, Mission Bay.
2003-2004	55 9th Street	268,000	Withdrawn	n/a	Revoked for proposed conversion to residential use.
	Presidio - Letterman Digital Arts	839,301	complete	2006	
2004-2005					
2005-2006	201-16th Street (Mission Bay)	430,000	under construction	n/a	
2006-2007	1500 Owens (Mission Bay Alexandria District - West Campus)*	0 (up to 158,500)**	under construction	n/a	
	1600 Owens (Mission Bay Alexandria District - West Campus*	0 (up to 228,000)**	approved	n/a	
	1455 Third Street/ 455 Mission Bay South Blvd/ 450 South Street (Mission Bay Alexandria District - North Campus)*	0 (up to 373,487)**	approved	n/a	
	1515 Third Street (Mission Bay Alexandria District - North Campus)*	0 (up to 202,893)**	approved	n/a	
	650 Townsend	375,151	approved	n/a	Conversion of existing structure originally approved as Business Services into Office.
	120 Howard	67,000	approved	n/a	
	535 Mission	293,750	under construction	n/a	

Continued >

Date	Address	Size	Status	Completion	Comments
2007-2008	100 California	68,775	approved	n/a	
	654 Minnesota (UCSF)	65,430	under construction	n/a	UCSF building.
	505-525 Howard	74,500	approved	n/a	
	680 Folsom Street (Yerba Buena Redevelopment Area)	117,000	approved	n/a	
	Mission Bay Alexandria District**	1,122,980	approved	n/a	Establishes Alexandria Mission Bay Life Sciences and Technology Development District ("Alexandria District") to consolidate previous and future allocations.
	600 Terry Francois (Mission Bay Alexandria District - East Campus)*	0 (up to 312,932)**	approved	n/a	
	650 Terry Francois (Mission Bay Alexandria District - East Campus)*	0 (up to 291,367)**	approved	n/a	
	1450 Owens (Mission Bay Alexandria District - West Campus)*	0 (up to 61,581)**	approved	n/a	

* Project is part of the Mission Bay Alexandria District.
** Projects within the Mission Bay Alexandria district may build up to the size listed, but in aggregate cannot exceed 1,122,980 square feet approved.

PROP M Small Office Approvals 2002-2007 FY

Date	Address	Size	Status	Completion	Comments
2002-2003	501 Folsom Street	32,000	complete	2006	
2003-2004					
2004-2005	185 Berry Street	49,000	complete	2008	
2005-2006					
2006-2007					
2007-2008					

APPENDIX C.
PROJECTS ASSISTED BY THE JOBS HOUSING LINKAGE PROGRAM FY 2002-2008

Project	Project Status	Tenure	Target Population	Units
145 Taylor	Complete	Rental	Families	67
522 Carter	Complete	Rental	Families	101
DeLong Street Homes (Habitat)	Under construction	Own	Homeownership	10
18th and Alabama Family Apts	Under construction	Rental	Families	94
990 Polk	Complete	Rental	Seniors	110
650 Eddy	Complete	Rental	Homeless Families	83
275 10th Street	Under construction	Rental	Homeless Singles	135
3575 Geary	Under construction	Rental	Seniors	150
			Total Units	750

Souce: Mayors Office of Housing

APPENDIX D.
DOWNTOWN FEES COLLECTED BY YEAR

Affordable Housing Fees

Fiscal Year	Fiscal Year Starting	Fiscal Year Ending	Number	Total Amount Collected
1986	7/1/1985	6/30/1986	0	$0
1987	7/1/1986	6/30/1987	0	$0
1988	7/1/1987	6/30/1988	0	$0
1989	7/1/1988	6/30/1989	6	$1,386,316
1990	7/1/1989	6/30/1990	2	$1,530,250
1991	7/1/1990	6/30/1991	2	$1,586,724
1992	7/1/1991	6/30/1992	0	$0
1993	7/1/1992	6/30/1993	4	$246,171
1994	7/1/1993	6/30/1994	3	$73,506
1995	7/1/1994	6/30/1995	2	$245,137
1996	7/1/1995	6/30/1996	1	$20,769
1997	7/1/1996	6/30/1997	1	$1,000,000
1998	7/1/1997	6/30/1998	5	$2,766,662
1999	7/1/1998	6/30/1999	7	$58,064
2000	7/1/1999	6/30/2000	11	$10,753,894
2001	7/1/2000	6/30/2001	14	$14,296,744
2002	7/1/2001	6/30/2002	8	$4,799,188
2003	7/1/2002	6/30/2003	0	$0
2004	7/1/2003	6/30/2004	3	$270,380
2005	7/1/2004	6/30/2005	3	$5,021,658
2006	7/1/2005	6/30/2006	3	$6,750,711
2007	7/1/2006	6/30/2007	7	$11,344,226
2008	7/1/2007	6/30/2008	3	$10,213,342
			85	**$72,363,743**

Inclusionary Housing Fees

Fiscal Year	Fiscal Year Starting	Fiscal Year Ending	Number	Total Amount Collected
2003	7/1/2002	6/30/2003	1	$959,411
2004	7/1/2003	6/30/2004	1	$134,875
2005	7/1/2004	6/30/2005	4	$2,623,279
2006	7/1/2005	6/30/2006	7	$19,225,864
2007	7/1/2006	6/30/2007	6	$7,514,243
2008	7/1/2007	6/30/2008	13	$43,330,087
2009	7/1/2008	6/30/2009	1	$1,404,079
			33	**$75,191,838**

Downtown Park Fees

Fiscal Year	Fiscal Year Starting	Fiscal Year Ending	Number	Total Amount Collected
1986	7/1/1985	6/30/1986	0	$0
1987	7/1/1986	6/30/1987	0	$0
1988	7/1/1987	6/30/1988	1	$772,326
1989	7/1/1988	6/30/1989	0	$0
1990	7/1/1989	6/30/1990	3	$1,034,680
1991	7/1/1990	6/30/1991	2	$737,860
1992	7/1/1991	6/30/1992	0	$0
1993	7/1/1992	6/30/1993	0	$0
1994	7/1/1993	6/30/1994	0	$0
1995	7/1/1994	6/30/1995	0	$0
1996	7/1/1995	6/30/1996	0	$0
1997	7/1/1996	6/30/1997	0	$0
1998	7/1/1997	6/30/1998	1	$16,310
1999	7/1/1998	6/30/1999	0	$0
2000	7/1/1999	6/30/2000	2	$906,042
2001	7/1/2000	6/30/2001	3	$984,228
2002	7/1/2001	6/30/2002	7	$3,569,257
2003	7/1/2002	6/30/2003	2	$1,134,140
2004	7/1/2003	6/30/2004	0	$0
2005	7/1/2004	6/30/2005	1	$112,206
2006	7/1/2005	6/30/2006	1	$25,117
2007	7/1/2006	6/30/2007	3	$607,192
2008	7/1/2007	6/30/2008	0	$0
2009	7/1/2008	6/30/2009	1	$1,096,546
			27	**$10,995,904**

Child Care Fees

Fiscal Year	Fiscal Year Starting	Fiscal Year Ending	Number	Total Amount Collected
1986	7/1/1985	6/30/1986	0	$0
1987	7/1/1986	6/30/1987	0	$0
1988	7/1/1987	6/30/1988	0	$0
1989	7/1/1988	6/30/1989	2	$133,944
1990	7/1/1989	6/30/1990	1	$153,115
1991	7/1/1990	6/30/1991	9	$1,011,773
1992	7/1/1991	6/30/1992	0	$0
1993	7/1/1992	6/30/1993	1	$26,217
1994	7/1/1993	6/30/1994	2	$120,000
1995	7/1/1994	6/30/1995	1	$60,000
1996	7/1/1995	6/30/1996	1	$60,000
1997	7/1/1996	6/30/1997	0	$0
1998	7/1/1997	6/30/1998	3	$329,680
1999	7/1/1998	6/30/1999	0	$0
2000	7/1/1999	6/30/2000	5	$565,736
2001	7/1/2000	6/30/2001	2	$110,472
2002	7/1/2001	6/30/2002	5	$802,979
2003	7/1/2002	6/30/2003	5	$768,894
2004	7/1/2003	6/30/2004	2	$622,401
2005	7/1/2004	6/30/2005	1	$56,103
2006	7/1/2005	6/30/2006	0	$0
2007	7/1/2006	6/30/2007	2	$406,824
2008	7/1/2007	6/30/2008	2	$803,958
2009	7/1/2008	6/30/2009	1	$548,273
			45	**$6,580,369**

APPENDIX E.
HISTORIC C-3 ZONED BUILDINGS: PERMIT ACTIVITY

Year	Address	Building Name	Rating	Case Type
1983	220 Montgomery	Mills Building & Tower	I	A
1983	400 Sansome	Federal Reserve Bank Building	I	A
1984	400 Sansome	Federal Reserve Bank Building	I	A
1984	540 Market	Flatiron Building	I	A
1984	600 Stockton	Met Life -pacific Coast Head Office	I	A
1984	600 Stockton	Met Life -pacific Coast Head Office	I	A
1984	760 Market	Phelan Building	I	A
1985	744 Market	Wells Fargo Union Trust Branch	I	A
1985	568 Sacramento	Pg & E Substation J Annex	IV	A
1986	415 Geary	Geary Theater	I	A
1986	760 Market	Phelan Building	I	A
1986	760 Market	Phelan Building	I	A
1986	760 Market	Phelan Building	I	A
1986	315 Montgomery	California Commercial Union Building	I	H
1986	633 Market	Palace Hotel, Garden Courtyard	II	A
1987	1 Mission	Audiffred Building	I	A
1987	220 Montgomery	Mills Building & Tower	I	A
1987	760 Market	Phelan Building	I	A
1987	248 Front		IV	H
1988	39 New Montgomery	The Sharon Bldg	I	A
1988	432 Mason	First Congregational Church	I	A
1988	540 Market	Flatiron Building	I	A
1988	540 Market	Flatiron Building	I	A
1988	760 Market	Phelan Building	I	A
1988	760 Market	Phelan Building	I	A
1988	870 Market	James Flood Building	I	A
1988	166 Embarcadero	Army-navy Y.m.c.a.	II	A
1988	633 Market	Palace Hotel, Garden Courtyard	II	A
1988	166 Embarcadero	Army-navy Y.m.c.a.	II	H

CASE TYPE: A = Certificate of Appropriateness; H = Permit to Alter/Prop M Review

Year	Address	Building Name	Rating	Case Type
1988	633 Market	Palace Hotel, Garden Courtyard	II	H
1989	1182 Market	Orpheum Theater Building	I	A
1989	220 Montgomery	Mills Building & Tower	I	A
1989	220 Montgomery	Mills Building & Tower	I	A
1989	39 New Montgomery	The Sharon Bldg	I	A
1989	433 California	Insurance Exchange Building	I	H
1989	501 Geary	Bellevue Hotel	I	H
1990	220 Montgomery	Mills Building & Tower	I	A
1990	400 California	Bank Of California	I	A
1990	1 Market	Southern Pacific Building	I	H
1990	101 Howard	J.a. Folger & Co. Building	I	H
1990	421 Powell	Argonaut Club	I	H
1990	633 Market	Palace Hotel, Garden Courtyard	II	A
1990	1215 Market	Whitcomb Hotel	II	H
1990	979 Market	Hale Brothers Department Store	II	H
1990	31 Drumm		III	H
1991	301 Powell	St. Francis Hotel	I	A
1991	870 Market	James Flood Building	I	A
1991	301 Powell	St. Francis Hotel	I	H
1991	315 Montgomery	California Commercial Union Building	I	H
1991	633 Market	Palace Hotel, Garden Courtyard	II	A
1992	220 Montgomery	Mills Building & Tower	I	A
1992	582 Market	The Hobart Bldg	I	A
1992	315 Montgomery	California Commercial Union Building	I	H
1992	1 Taylor	Golden Gate Theatre	II	H
1992	568 Sacramento	Pg & E Substation J Annex	IV	A
1992	100 Grant	Livingston Brothers	IV	H
1993	1 Mission	Audiffred Building	I	A
1993	415 Geary	Geary Theater	I	A
1993	760 Market	Phelan Building	I	A
1993	870 Market	James Flood Building	I	A
1993	825 Market	Commercial Building	II	H
1994	130 Sutter	Hallidie Building	I	A
1994	39 New Montgomery	The Sharon Bldg	I	A
1994	600 Stockton	Met Life -pacific Coast Head Office	I	A
1994	647 Mission	Veronica Building	I	H
1994	566 Bush	Notre Dame Des Victoires Church & Rector	III	A

CASE TYPE: A = Certificate of Appropriateness; H = Permit to Alter/Prop M Review

Year	Address	Building Name	Rating	Case Type
1995	136 Geary	Sachs Building	I	A
1995	415 Geary	Geary Theater	I	A
1995	564 Bush	Notre Dame Des Victoires Church & Rector	I	A
1995	760 Market	Phelan Building	I	A
1995	1212 Market		V	A
1995	318 Kearny		V	A
1995	54 Geary		V	A
1995	64 Golden Gate		V	H
1996	1182 Market	Orpheum Theater Building	I	A
1996	2555 Grant	White House Department Store Building	I	A
1996	401 Sansome	National Building	I	A
1996	216 Stockton		IV	A
1996	335 Jessie		V	A
1996	530 Folsom	George W. Caswell Coffee Company	V	H
1997	1182 Market	Orpheum Theater Building	I	A
1997	582 Market	The Hobart Bldg	I	A
1997	870 Market	James Flood Building	I	A
1997	164 Grant		IV	A
1998	130 Sutter	Hallidie Building	I	A
1998	760 Market	Phelan Building	I	A
1998	1 Market	Southern Pacific Building	I	H
1999	220 Montgomery	Mills Building & Tower	I	A
1999	540 Market	Flatiron Building	I	A
1999	57 Post	The Mechanics Institute	I	A
1999	558 Commercial		IV	H
1999	77 Mcallister		V	A
2000	182 Second	Barker, Knickerbocker Bostwick Building	IV	A
2000	134 Powell	Elevated Shops Building	V	H
2001	50 Oak	Young Men’s Institute	II	H
2001	615 Sacramento	Jack’s Restaurant Building	III	A
2001	216 Stockton		IV	H
2003	1182 Market	Orpheum Theater Building	I	A
2003	57 Post	The Mechanics Institute	I	A
2003	1301 Market	Western Furniture Exchange	I	H
2004	1 Jones	Hibernia Bank	I	A
2004	210 Sansome	Royal Globe Insurance Building	I	A
2004	57 Post	The Mechanics Institute	I	A

CASE TYPE: A = Certificate of Appropriateness; H = Permit to Alter/Prop M Review

Year	Address	Building Name	Rating	Case Type
2004	609 Sutter	Marine’s Memorial Club	I	H
2004	74 New Montgomery	Call Building	I	H
2005	130 Sutter	Hallidie Building	I	A
2005	57 Post	The Mechanics Institute	I	A
2005	870 Market	James Flood Building	I	A
2005	450 Sutter	450 Sutter/medical-dental Building)	I	H
2006	303 Sutter	Hammersmith Building	I	A
2006	57 Post	The Mechanics Institute	I	A
2007	400 Sansome	Federal Reserve Bank Building	I	A
2007	600 Stockton	Met Life -pacific Coast Head Office	I	A
2007	760 Market	Phelan Building	I	A
2007	870 Market	James Flood Building	I	A
2007	134 New Montgomery	Pacific Telephone And Telegraph Company	I	H
2008	432 Mason	First Congregational Church	I	A
2008	1301 Market	Western Furniture Exchange	I	H

CASE TYPE: A = Certificate of Appropriateness; H = Permit to Alter/Prop M Review

APPENDIX F.
SEISMIC UPGRADES AND REHABILITATION OF HISTORIC BUILDINGS IN THE C-3

Address	Street	Downtown Rating
70	2nd	IV
76	2nd	IV
132	2nd	I
149	2nd	IV
156	2nd	IV
17	3rd	I
28	BELDEN	IV
364	BUSH	IV
559	CLAY	IV
120	ELLIS	IV
50	GEARY	IV
146	GEARY	IV
156	GEARY	IV
285	GEARY	I
366	GEARY	IV
415	GEARY	I
468	GEARY	IV
100	GRANT	IV
231	GRANT	I
255	GRANT	I
200	KEARNY	I
215	KEARNY	IV
227	KEARNY	IV
258	KEARNY	IV
315	KEARNY	IV
346	KEARNY	IV

Address	Street	Downtown Rating
353	KEARNY	IV
69	MAIDEN	IV
177	MAIDEN	IV
735	MARKET	II
34	MASON	I
300	MASON	IV
602	MASON	I
83	MCALLISTER	I
54	MINT	I
147	NATOMA	I
180	OFARRELL	IV
483	PINE	IV
100	POWELL	IV
111	POWELL	IV
135	POWELL	II
151	POWELL	IV
201	POWELL	IV
226	POWELL	IV
449	POWELL	I
560	SACRAMENTO	IV
417	STOCKTON	IV
266	SUTTER	I
315	SUTTER	IV
420	SUTTER	IV
540	SUTTER	IV
562	SUTTER	II

ACKNOWLEDGEMENTS

Mayor

Gavin Newsom

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