

EAST SOMA PLAN MONITORING REPORT 2011–2015





© 2016 San Francisco Planning Department

1650 Mission Street, Suite 400
San Francisco, CA 94103-3114
www.sfplanning.org

Front Cover: SF Planning, Paolo Ikezoe

EAST SOMA PLAN MONITORING REPORT

2011–2015

San Francisco Planning Department
September 2016



This page left intentionally blank.

TABLE OF CONTENTS

1. Introduction	05
1.1 Summary of Ordinance and Monitoring Requirements	08
2. Commercial Activity and Job Creation	09
2.1 Commercial Space Inventory	07
2.2 Commercial Development Pipeline	14
2.3 Changes in PDR Uses	17
2.4 Employment	21
3. Housing	23
3.1 Housing Inventory and New Housing Production	25
3.2 Housing Development Pipeline	29
3.3 Affordable Housing in East SoMa	32
3.4 New Affordable Housing Production, 2011–2015	33
3.5 Housing Stock Preservation	37
3.6 Jobs Housing Linkage Program (JHLP)	39
4. Accessibility and Transportation	39
4.1 Eastern Neighborhoods TRIPS Program	40
4.2 Pedestrian and Bicycle Improvements	40
5. Community Improvements	41
5.1 Need, Nexus and Feasibility	43
5.2 Recreation, Parks, and Open Space	43
5.3 Community Facilities and Services	44
5.4 Historic Preservation	46
5.5 Neighborhood Serving Establishments	46
6. Implementation of Proposed Programming	49
6.1 Eastern Neighborhoods Citizens Advisory Committee	49
6.2 Eastern Neighborhoods Community Facilities and Infrastructure Fee and Fund	49
6.3 IPIC Process	50
6.4 Eastern Neighborhood MOU	50
6.5 First Source Hiring	51
7. Ongoing Planning Efforts	51

TABLES

Table 2.1.1	Commercial Building Space Square Footage, East SoMa and San Francisco, 2015	10
Table 2.1.2	Net Change in Commercial Space, East SoMa, 2011–2015	10
Table 2.1.3	Net Change in Commercial Space, San Francisco 2011–2015	10
Table 2.2.1	Commercial and Other Non-Residential Development Pipeline, East SoMa Q4 2015	15
Table 2.2.2	Commercial and Other Non-Residential Development Pipeline, San Francisco Q4 2010	15
Table 2.3.1	Square Footage of PDR Space by Zoning District Type, East SoMa and Eastern Neighborhoods, 2015	17
Table 2.3.2	Projects Converting PDR Space in East SoMa, 2011–2015	18
Table 2.3.3	Enforcement Cases for Illegal PDR Conversions, East SoMa, 2015	18
Table 2.4.1	Employment, East SoMa and San Francisco, Q4 2015	22
Table 2.4.2	Sales Taxes Collected in East SoMa, 2011–2015	25
Table 2.4.3	Property Taxes Collected in the Eastern Neighborhoods, 2008 and 2015	25
Table 3.1.1	New Housing Production, East SoMa, 2011–2015	26
Table 3.1.2	New Housing Production, San Francisco, 2011–2015	26
Table 3.2.1	Housing Development Pipeline, East SoMa, and San Francisco, Q4 2015	29
Table 3.4.1	Affordable Housing Production, East SoMa, 2011–2015	34
Table 3.4.2	Affordable Housing Production, San Francisco, 2011–2015	35
Table 3.4.3	Housing Developments Opting for Affordable Housing “In-lieu” Fee, East SoMa, 2011–2015	35
Table 3.5.1	Units Lost, East SoMa, 2011–2015	37
Table 3.5.2	Units Lost, San Francisco, 2011–2015	38
Table 3.5.3	Evictions, East SoMa, 2011–2015	38
Table 3.5.4	Evictions, SoMa, 2011–2015	32
Table 3.6.1	Jobs Housing Linkage Fees Collected, East SoMa, FY 2011/12–2015/16	39
Table 4.1.1	Commute Mode Split, East SoMa and San Francisco, 2011–2015	40
Table 4.2.1	Vision Zero Projects in East SoMa Plan Area	41
Table 5.5.1	Neighborhood Serving Establishments, East SoMa	47
Table 6.2.1	Eastern Neighborhoods Infrastructure Impact Fees per Square Foot, 2009 and 2016	49
Table 6.2.2	Eastern Neighborhoods Infrastructure Impact Fees Collected to Date	50
Table 6.2.3	Eastern Neighborhoods Infrastructure Impact Fees Projected, 2016–2020	50
Table 6.2.4	Eastern Neighborhoods Infrastructure Impact Fees Collected, 2011–2015	50

MAPS

Map 1	East SoMa Plan Area Boundaries	07
Map 2	Completed Projects Causing Net Change in Commercial Space, East SoMa 2011–2015	13
Map 3	Commercial and Other Non-Residential Development Pipeline, East SoMa Q4 2015	16
Map 4	New Housing Production East SoMa 2011–2015	27
Map 5	Housing Development Pipeline by Development Status, East SoMa, Q4 2015	31
Map 6	New Affordable Housing, East SoMa, 2011–2015	36
Map 7	Community Improvements in East SoMa, 2011–2015	42
Map 8	Community Facilities in East SoMa	45
Map 9	Neighborhood Serving Businesses in East SoMa	48

FIGURES

Figure 2.1	AT&T Park	09
Figure 2.2	665 Third Street (2016, After conversion to office use)	11
Figure 2.3	333 and 345 Brannan Street (2011, Before Construction)	12
Figure 2.4	333 and 345 Brannan Street (2016, After Construction)	12
Figure 2.5	260 5th Street (2016, After Construction)	19
Figure 2.6	260 5th Street (2009, Before Construction)	19
Figure 2.7	166–178 Townsend St (2016, After Construction)	20
Figure 2.8	166–178 Townsend St (2009, Before Construction)	20
Figure 2.9	Jobs by Land Use, East SoMa, Q3 2010 and 2015	24
Figure 2.10	Establishment by Land Use, East SoMa, Q3 2010 and 2015	24
Figure 3.1	900 Folsom Street	28
Figure 3.2	374 5th Street	28
Figure 3.3	1049 Howard Street, a 100% affordable housing project	33
Figure 3.4	923 Folsom Street, under construction	35
Figure 5.1	Design renderings of South Park renovation (currently underway)	44
Figure 7.1	The Central SOMA Plan Area	52
Figure 7.2	Growth potential under the Central SOMA Plan	53
Figure 7.3	The Central Subway station at Folsom and Fourth Streets, currently under construction	53



1. Introduction: East Soma Plan

San Francisco's Eastern Bayfront neighborhoods have historically been the home of the city's industrial economy and have accommodated diverse communities ranging from families who have lived in the area for generations to more recent immigrants from Latin America and Asia. The combination of a vibrant and innovative industrial economy with the rich cultural infusion of old and new residents is central to San Francisco's character. Among many of the components that contributed to the economic and cultural character of the eastern part of the San Francisco were the wide availability of lands suitable for industrial activities (whether or not they were zoned for such) and the affordability of these neighborhoods' housing stock, relative to other parts of the city. Industrial properties continue to be valuable assets to the city's economy as they provide space for innovative local businesses; large, flexible floorplans for a wide range of tenants; and living wage career opportunities to residents without advanced degrees.

Over the past few decades, and particularly during the series of "booms" in high technology industries since in the 1990s, the Eastern Bayfront neighborhoods have experienced waves of pressure on its industrial lands and affordable housing stock. Due to their proximity to downtown San Francisco and easy access (via US-101, I-280, and Caltrain) to Silicon Valley, industrially-zoned properties in the Eastern Bayshore, particularly in neighborhoods like South of Market (SoMa), Mission, Showplace Square, and Central Waterfront became highly desirable to office users who were able to outbid traditional production, distribution, and repair (PDR) businesses for those spaces. The predominant industrial zoning designations in these neighborhoods until the late 2000s—C-M, M-1, and M-2—allowed for a broad range of uses, which enabled owners to sell or lease properties to non-PDR businesses as well as developing them into "live-work" lofts that served primarily as a residential use.

Moreover, the residential areas in these neighborhoods are well-served by public transportation (including two BART stops in the Mission), have

vibrant cultural amenities, and feature many attractive older buildings. These neighborhood assets and new employment opportunities have served as strong magnets for high wage earners and market rate housing developers, creating a strong influx of new, more affluent residents. Beginning in the late 1990s, the City, residents, community activists, and business owners recognized the need for a comprehensive, community-based planning process to resolve these conflicts and stabilize the neighborhoods into the future. The Eastern Neighborhoods community planning process was launched in 2001 to determine how much of San Francisco's remaining industrial lands should be preserved and how much could appropriately be transitioned to other uses.

The planning process recognized the need to produce housing opportunities for residents of all income levels, which requires not just the development of new units at market rates, but also opportunities for low and moderate income families. In 2008, four new area plans for the Mission, East SoMa, Showplace Square/Potrero Hill, and Central Waterfront neighborhoods were adopted. Respecting the Western SoMa community's request for more time to complete their planning process, the area plan for that neighborhood was undertaken in parallel and completed in 2013. The resulting area plans contained holistic visions for affordable housing, transportation, parks and open space, urban design, and community facilities.

The Eastern Neighborhoods Plans represent the City's and community's pursuit of two key policy goals:

- 1) Ensuring a stable future for PDR businesses in the city by preserving lands suitable to these activities and minimizing conflicts with other land uses; and
- 2) Providing a significant amount of new housing affordable to low, moderate and middle income families and individuals, along with "complete neighborhoods" that provide appropriate amenities for the existing and new residents.

The boundaries of the *East SoMa Plan* area are shown in [Map 1](#). Unless otherwise noted, this report will refer to the East SoMa Plan Area (as the area shown on [Map 1](#)) and East SoMa neighborhood interchangeably.

East SoMa has always been a mixed-use neighborhood, with small-scale residential areas like South Park nestled in among industrial uses. The neighborhood's proximity to downtown San Francisco and its historic stock of large industrial buildings made it an ideal candidate for redevelopment, and indeed the neighborhood saw significant change in the 1990s: first with the development of thousands of live-work units, and then as demand for office space swept through the neighborhood during the "dot com boom." In response to the rapid changes taking place in neighborhood, the East SoMa Area Plan set out to continue to allow housing and job growth, but shape that growth in a way that met the needs of existing and future residents by ensuring a mix of uses, neighborhood amenities, and affordable housing. In addition to the Eastern Neighborhoods-wide objectives, the following community-driven goals were developed specifically for East SoMa:

- » encourage an appropriate mix of uses in East SoMa
- » retain and promote businesses and organizations that contribute to the diversity of the neighborhood
- » encourage more neighborhood-serving businesses
- » attract jobs for local residents
- » encourage a mix of incomes in renter- and owner-occupied households
- » increase affordable household opportunities
- » improve the character of streets and encourage pedestrian safety
- » improve community facilities and enhance open space
- » offer a variety of transportation options.

MAP 1**East SoMa Plan Area Boundaries**

1.1 Summary of Ordinance and Monitoring Requirements

The ordinances that enacted the Eastern Neighborhoods Area Plans (including Western SoMa), adopted by the Board of Supervisors, include a requirement that the Planning Department produce five-year reports monitoring residential and commercial developments in those neighborhoods, as well as impact fees generated and public and private investments in community benefits and infrastructure.¹ The first set of monitoring reports for Mission, East SoMa, Showplace Square/Potrero Hill, and Central Waterfront were published in 2011, covering the period from January 1, 2006 through December 31, 2010.

The ordinances require the monitoring reports to track all development activity occurring within Plan Area boundaries during the five-year period, as well as the pipeline projecting future development. Some of this development activity was considered under the Eastern Neighborhoods Environmental Impact Report (EN PEIR), certified by the Board of Supervisors in 2008; and Western SoMa EIR, certified in 2012. However, a few of the developments that have been completed during this period and some of the proposed projects in the pipeline did not (or will not) receive their environmental clearance through these two EIRs, primarily for these four reasons:

1. The developments were entitled prior to the adoption of the Plans, under zoning designations that were subsequently changed by the Plans.
2. Under the Eastern Neighborhoods Amnesty Program that expired in 2013, legalization of conversions from PDR to office space that took place prior to Plan adoption was allowed.
3. Some large-scale developments and Plan Areas that are within or overlap Project Area boundaries (such as Central SoMa and Pier 70) will undergo separate environmental review processes.

4. Certain smaller projects did not rely on the rezoning under the Eastern Neighborhoods PEIR and are therefore not included.

This report analyzes all development activity within the Eastern Neighborhoods, whether or not projects rely on the EN PEIR. For a list of projects relying on the EN PEIR, please refer to [Appendix D](#).

The *East SoMa Area Plan Monitoring Report 2011-2015* is part of the set of Eastern Neighborhoods monitoring reports covering the period from January 1, 2011 to December 31, 2015. Because Western SoMa was adopted in 2013, no monitoring reports have been produced for that Area Plan. However, due to its geographic proximity and overlapping policy goals with the other Eastern Neighborhoods Planning Department staff, in consultation with the CAC, has shifted the reporting timeline such that the Western SoMa Area Plan Monitoring Report 2011-2015 will be the first five-year report and set the calendar so that future monitoring reports are conducted alongside the other Eastern neighborhoods. Subsequent time series monitoring reports for the Mission area and other Eastern Neighborhoods (including Western SoMa) will be released in years ending in 1 and 6.

While the previous Monitoring Report covered only the small amount of development activities in the years immediately preceding and following the adoption of the *East SoMa Plan* in 2008, this report contains information and analysis about a period of intense market development and political activity in East SoMa. The time series report relies primarily on the *Housing Inventory*, the *Commerce and Industry Inventory*, and the *Pipeline Quarterly Report*, all of which are published by the Planning Department. Additional data sources include: the California Employment and Development Department (EDD), the U.S. Census Bureau's American Community Survey, the San Francisco Municipal Transportation Agency (SFMTA), Co-Star Realty information, Dun 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.

¹ Unless otherwise noted, this report will refer to the Eastern Neighborhoods Area Plans, or just Area Plans, as encompassing the Mission, East SoMa, Central Waterfront, Showplace Square/Potrero Hill as well as Western SoMa. References to Plan Areas (or to the names of the individual areas) will describe the areas within the boundaries outline, by the individual plans.

2. Commercial Activity and Job Creation

East SoMa has long been a mixed-use neighborhood, with commercial and residential uses located side-by-side. Though the nature of commercial uses present in the neighborhood have changed over time, especially in recent years, the East SoMa Plan generally supports a mix of uses, including new affordable and market rate housing, offices and retail. Because of East SoMa's proximity to the city center, the Plan did not strongly protect area PDR businesses, anticipating that a number of establishments would remain, while a variety of new uses would add to the unique mix of activities in the area.

East SoMa largely lacks the type of neighborhood commercial districts found in San Francisco's more traditional residential neighborhoods. One notable exception is the SoMa Neighborhood Commercial Transit (NCT) district along 6th Street and parts of Folsom Street. Instead, neighborhood serving businesses are scattered throughout, with

clusters along 2nd Street, 4th Street adjacent to the Caltrain station, and near the AT&T Ballpark.

2.1 Commercial Space Inventory

Table 2.1.1 is an inventory of non-residential space in East SoMa as of 2015. Generally the mix of non-commercial uses in East SoMa mirrors that of the city overall. Over half of the commercial space in East SoMa area is used for offices, not surprising given the neighborhood's location adjacent to downtown. A further 18% of commercial building space is devoted to PDR and light industrial uses, while 14% contains retail uses. Relative to the city as a whole, CIE, Medical and Visitor/Lodging uses are underrepresented in East SoMa.

FIGURE 2.1
AT&T Park



Source: SF Planning, Paolo Ikezoe

TABLE 2.1.1**Commercial Building Space Square Footage, East SoMa and San Francisco, 2015**

Non-Residential Land Use	East SoMa		Citywide		East SoMa as % of San Francisco
	Square Feet	%	Square Feet	%	
Cultural, Institutional, Educational	716,755	10%	29,898,514	13%	2%
Medical	228,042	3%	17,468,039	7%	1%
Office	3,923,974	54%	107,978,954	45%	4%
PDR / Light Industrial	1,335,278	18%	42,299,526	18%	3%
Retail	1,060,381	14%	36,265,832	15%	3%
Visitor / Lodging	69,954	1%	4,053,422	2%	2%
Total	7,334,384	100%	237,964,287	100%	3%

Source: San Francisco Planning Department Land Use Database (March 23, 2016)

TABLE 2.1.2**Net Change in Commercial Space, East SoMa, 2011–2015**

Year	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	–	–	–	(2,500)	–	–	(2,500)
2012	–	–	–	(82,995)	(1,785)	–	(84,780)
2013	–	–	48,411	(53,836)	–	–	(5,425)
2014	–	–	179,799	(186,227)	(25,725)	–	(32,153)
2015	–	–	377,210	(113,215)	9,193	–	273,188
Total	–	–	605,420	(438,773)	(18,317)	–	148,330

Source: San Francisco Planning Department

Note: Includes all developments in the Plan Area during reporting period, including those that did not receive CEQA clearance under Eastern Neighborhoods EIR

TABLE 2.1.3**Net Change in Commercial Space, San Francisco 2011–2015**

Year Completed	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	10,477	0	40,019	(18,075)	16,854	0	49,275
2012	(52,937)	0	24,373	(164,116)	32,445	0	(160,235)
2013	66,417	0	335,914	(236,473)	5,941	(69,856)	101,943
2014	446,803	1,815,700	603,997	(422,157)	11,875	63,286	2,519,504
2015	(21,456)	20,000	460,508	(183,775)	65,419	0	340,696
Total	449,304	1,835,700	1,464,811	(1,024,596)	132,534	(6,570)	2,851,183

Source: San Francisco Planning Department

Note: Includes all developments in the Plan Area during reporting period, including those that did not receive CEQA clearance under Eastern Neighborhoods EIR

Table 2.1.2 shows commercial and other non-residential development activity in the East SoMa Plan area between January 1, 2011 and December 31, 2015 while Table 2.1.3 shows corresponding figures for San Francisco. These tables count newly developed projects (on vacant properties or redevelopment of existing properties) as well as conversions from one use to another. East SoMa gained roughly 605,000 square feet of office space from 2011 to 2015, while losing almost 439,000 square feet of PDR space and just over 18,000 square feet of retail space.

Three large office projects accounted for roughly two-thirds of the 605,000 net new square feet of office space developed in East Soma from 2011 to 2015: 333 Brannan Street, an approximately 176,000 sf office building which replaced a surface parking lot and two industrial buildings totaling 13,740 square feet of PDR space; the

adjacent 345 Brannan Street, approximately 103,000-square foot office building which replaced a surface parking lot; and 665 3rd Street, an adaptive reuse project which converted approximately 120,000 square foot of PDR space to office. A more detailed discussion of the projects involving PDR loss follows in section 2.3.

Map 2 shows the location of the larger-scale non-residential developments. (Appendix B, table B-2 for detailed information.)

FIGURE 2.2

665 Third Street (2016, After conversion to office use)



Source: SF Planning, Paolo Ikezoe

FIGURE 2.3

333 and 345 Brannan Street (2011, Before Construction)



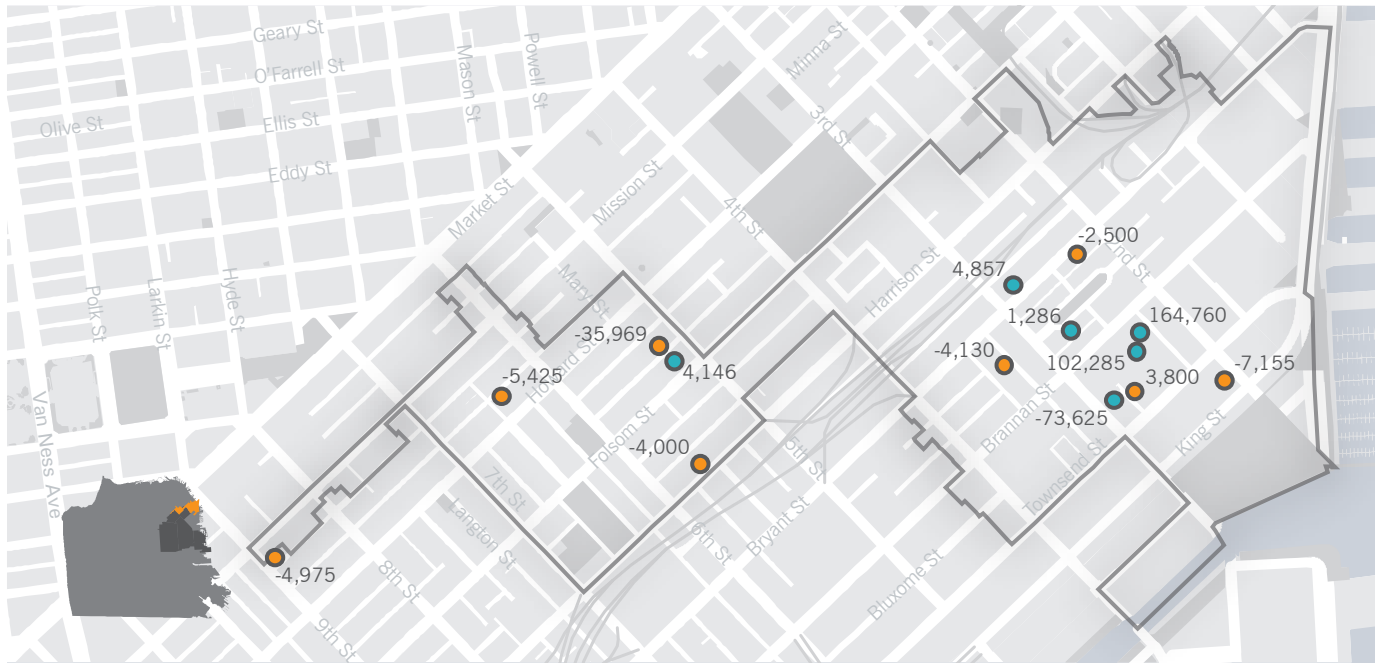
Source: [Google Street View](#)

FIGURE 2.4

333 and 345 Brannan Street (2016, After Construction)



Source: SF Planning, Paolo Ikezoe

MAP 2**Completed Projects Causing Net Change in Commercial Space, East SoMa 2011–2015**

- Net loss of commercial space
- Net gain of commercial space

2.2 Commercial Development Pipeline

It is important to interpret the pipeline numbers as two separate subcategories, shown in [Table 2.2.1](#) as “Under Review” and “Entitled.” Projects “Under Review” are those that have filed application with the Planning and/or Building Departments and have to clear several hurdles, including environmental (CEQA) review, and may require conditional use permits or variances. Therefore, these projects should be considered more speculative. On the other hand, “Entitled” projects are those that have received Planning Department approvals and are considered much more certain, although some may take years to finally complete their construction and receive certificates of occupancy.

The overall commercial development pipeline in East SoMa shows a slight shift compared to what took place during the reporting period of 2011-15 ([Table 2.2.1](#)). East SoMa will continue to see PDR space converted to other uses; more to residential uses than in previous years, but also to office uses. For the first time since the Eastern Neighborhoods Plans were adopted, East SoMa will see a significant amount of Visitor/Lodging space constructed.

Entitled projects include 270 Brannan Street, an approximately 172,000 square foot office project, and several mixed-use residential buildings that will add small ground floor retail spaces. Entitled projects that propose to convert PDR to other uses are mostly small spaces (up to about 7,000 square feet) that will be redeveloped as residential or mixed-use residential buildings. One exception is 340 Bryant Street, which will convert approximately 45,000 square feet of PDR space to office space.

The projects in the pipeline that have not yet been entitled show a net gain of 240,000 square feet of non-residential uses in East SoMa in the near future. If all of these developments are completed, the Planning Department expects losses of about 120,000 square feet of PDR space, 104,000 sf of retail space and 16,600 sf of CIE space, but net gains of 380,000 sf of office space and 101,000 sf of visitor/lodging space. The large loss in retail is somewhat surprising, given recent trends, and is

largely attributable to two projects: 135 and 144 Townsend Street, which both propose to replace large retail and storage buildings with office space.

[Table 2.2.2](#) shows the commercial development pipeline for San Francisco for comparison. The development pipeline in the East SoMa represents less than 2% of the citywide pipeline. [Map 3](#) shows the locations of the larger proposed commercial developments in the plan area. (See [Appendix C, Table C-2](#) for detailed information.)

TABLE 2.2.1**Commercial and Other Non-Residential Development Pipeline, East SoMa Q4 2015**

Development Status	Cultural, Educational, Institutional	Medical	Office	PDR/Light Industrial	Retail	Visitor/Lodging	Total Commercial Sq Ft
Under Construction	–	–	164,150	(19,530)	10,552	22,545	177,717
Planning Entitled	1,600	–	45,306	(58,585)	14,511	–	2,832
Planning Approved	–	–	(5,045)	(6,610)	14,511	–	2,856
Building Permit Filed	1,600	–	–	–	–	–	1,600
Building Permit Approved/Issued/Reinstated	–	–	50,351	(51,975)	–	–	(1,624)
Under Review	(16,622)	–	379,532	(119,972)	(104,190)	101,232	239,980
Planning Filed	–	–	346,918	(112,442)	(143,940)	101,232	191,768
Building Permit Filed	(16,622)	–	32,614	(7,530)	39,750	–	48,212
Total	(15,022)	–	588,988	(198,087)	(79,127)	123,777	420,529

Source: San Francisco Planning Department

Note: Includes all developments in the pipeline as of December 31, 2015, including those that did not (or will not) receive CEQA clearance under Eastern Neighborhoods EIR

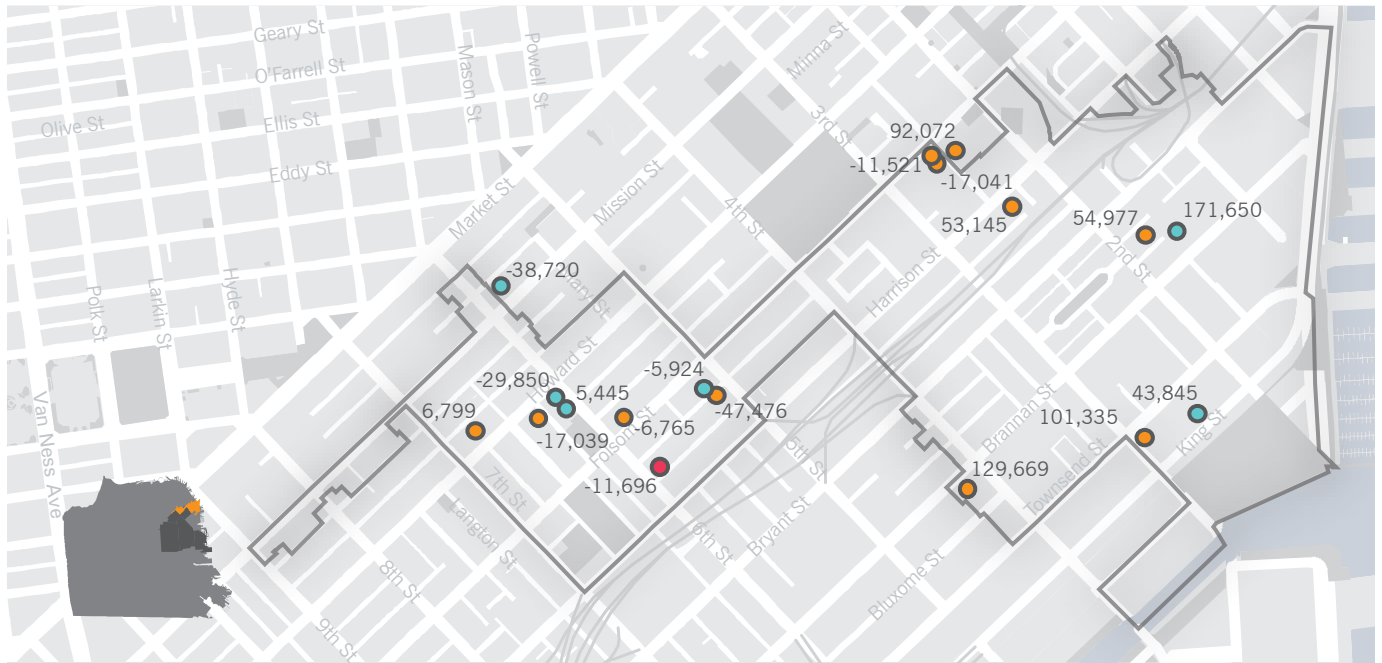
TABLE 2.2.2**Commercial and Other Non-Residential Development Pipeline, San Francisco Q4 2015**

Development Status	Cultural, Educational, Institutional	Medical	Office	PDR/Light Industrial	Retail	Visitor/Lodging	Total Commercial Sq Ft
Under Construction	1,098,708	(58,871)	3,894,055	(290,327)	491,366	(189,563)	4,945,368
Planning Entitled	312,600	20,665	5,576,249	332,662	1,268,623	519,906	8,030,705
Planning Approved	1,942	4,665	4,571,993	311,417	1,084,828	458,554	6,433,399
Building Permit Filed	4,343	-	(36,555)	(33,939)	806	-	(65,345)
Building Permit Approved/Issued/Reinstated	306,315	16,000	1,040,811	55,184	182,989	61,352	1,662,651
Under Review	1,042,013	1,875	7,459,214	(1,046,009)	1,594,639	418,557	9,470,289
Planning Filed	1,084,228	1,875	5,955,541	(994,050)	1,552,310	200,747	7,800,651
Building Permit Filed	(42,215)	-	1,503,673	(51,959)	42,329	217,810	1,669,638
Total	2,453,321	(36,331)	16,929,518	(1,003,674)	3,354,628	748,900	22,446,362

Source: San Francisco Planning Department

MAP 3

Commercial and Other Non-Residential Development Pipeline, East SoMa Q4 2015



- Entitled
- Under Construction
- Under Review

Note: Only includes projects that will add or remove 5,000 net square feet.

2.3 Changes in PDR Uses

As discussed above, East SoMa (and the Eastern Neighborhoods more broadly), have experienced economic changes that have made many areas highly attractive to residential and office development. These types of uses are generally able to afford higher land costs than industrial uses, and therefore can outbid PDR businesses for industrially-zoned land. Prior to the adoption of the Eastern Neighborhoods Area Plans, the primary industrial zoning designations – M-1, M-2, and C-M – permitted a broad range of uses, which led to the conversion of a significant amount of PDR space to other activities. The Eastern Neighborhoods planning process involved long deliberations over where to focus efforts on preserving PDR activities, ultimately deciding that East SoMa, with its close proximity to downtown and the waterfront, was no longer an ideal location for PDR activities. This is reflected in the

zoning districts that were created for East SoMa, which generally encourage a mix of uses and do not restrict residential development, unlike the PDR districts created in the Mission, Showplace Square/Potrero Hill, and Central Waterfront.

Of the 1.3 million square feet in PDR space in East SoMa in 2015, roughly three quarters was scattered throughout zoning districts not specifically geared towards industrial uses, such as neighborhood commercial (NC) zones. Roughly 339,000 square feet (25%) were located in the SoMa Service Light Industrial (SLI) zoning district, which is the only zoning category in the East SoMa plan area that encourages PDR uses over others. According to Co-Star data, asking lease rates for PDR space in the Eastern Neighborhoods are currently \$22 and vacancy rates are 4.2%.²

² Data provided by the City of San Francisco's Real Estate Division.

TABLE 2.3.1

Square Footage of PDR Space by Zoning District Type, East SoMa and Eastern Neighborhoods, 2015

Zoning District Type	Number of Cases			
	East SoMa	%	Eastern Neighborhoods	%
PDR Protection (1)	338,907	25%	3,465,888	38%
Mixed Use (2)	865,840	65%	3,098,198	34%
Other (3)	130,531	10%	2,669,555	29%
TOTAL	1,335,278	100%	9,233,641	100%

1. Districts that primarily allow PDR activities and restrict most other uses. In Central Waterfront, Mission, and Showplace Square/Potrero Hill, these districts include PDR-1 and PDR-2. In East SoMa and West SoMa, they are the SLI and SALI districts, respectively.

2. Transitional districts that allow industrial uses mixed with non-PDR activities such as housing, office, and retail, often with additional requirements on affordability and PDR replacement, includes UMU in Central Waterfront, Mission, and Showplace Square/Potrero Hill; MUG, MUO, and MUR in East SoMa; and WMUG and WMUO in Western SoMa.

3. Various districts designated for non-industrial uses like residential, neighborhood commercial, and the like.

Source: San Francisco Planning Department Land Use Database, March 2016

Since the adoption of the East SoMa Area Plan, PDR space has continued to be converted to other uses in the neighborhood, as [Tables 2.1.2 and 2.2.1](#) on pages 10 and 15 illustrate. A detailed investigation of the conversion of PDR space in East SoMa shows that the vast majority of such conversions have been to office space, and that PDR loss occurred throughout the neighborhood.

The bulk of PDR space lost in the Plan Area over the reporting period was replaced by office projects, either in conversions of existing PDR buildings, or demolition of smaller PDR buildings

and replacement with new construction. Between 2011 and 2015, two projects in East SoMa replaced PDR space with residential mixed-use projects: 260 5th Street (MUR), which demolished an approximately 36,000 square foot retail use to construct a 182-unit mixed-use residential project, of which 15% of units are affordable to families earning less than 55% AMI; and 166-178 Townsend Street (SLI), which combined adaptive reuse of an existing industrial building with new construction for 94 residential units, of which 19 (20%) are affordable to households earning up to 55% of AMI.

TABLE 2.3.2
Projects Converting PDR Space in East SoMa, 2011–2015

Project	Zoning	Net PDR	Net Office	Net Retail	Net Units	Affordable Units	Percent Affordable
665 03RD ST	SLI	(123,700)	123,700	–	–	N/A	N/A
166 TOWNSEND ST	SLI	(75,340)	–	1,715	66		0%
460–462 BRYANT ST	MUO	(59,475)	59,475	–	–	N/A	N/A
275 BRANNAN ST	MUO	(48,411)	48,411	–	–	N/A	N/A
260 05TH ST	MUR	(41,250)	–	5,281	179	27	15%
660 03RD ST	SLI	(40,000)	40,000	–	–	N/A	N/A
938 HOWARD ST	MUR	(25,430)	25,430	–	–	N/A	N/A
111 TOWNSEND ST	MUO	(22,884)	16,786	6,098	–	N/A	N/A
500 2ND ST	MUO	(13,883)	13,883	–	–	N/A	N/A
333 BRANNAN ST	MUO	(13,740)	175,450	3,050	–	N/A	N/A

Source: San Francisco Planning Department

Note: Only developments with ten or more units are subject to the City's inclusionary housing requirements.

TABLE 2.3.3
Enforcement Cases for Illegal PDR Conversions, East SoMa, 2015

Case Type	Number of Cases		
	East SoMa	Eastern Neighborhoods	Citywide
Closed - Violation	0	6	7
Closed - No Violation	1	9	9
Under Review	1	4	4
Pending Review	4	23	24
TOTAL	6	42	44

Source: San Francisco Planning Department

FIGURE 2.5**260 5th Street (2016, After Construction)**Source: [Google Street View](#)**FIGURE 2.6****260 5th Street (2009, Before Construction)**Source: [Google Street View](#)

FIGURE 2.7

166–178 Townsend St (2016, After Construction)



Source: [Google Street View](#)

FIGURE 2.8

166–178 Townsend St (2009, Before Construction)



Source: [Google Street View](#)

As mentioned in previous sections, all of the 198,000 square feet of PDR space anticipated to be lost in pipeline projects in the coming years will be replaced by mixed-use residential or office buildings, with other commercial uses (primarily retail) occupying the ground floor.

2.3.1 PDR Protection Policies and Enforcement

Illegal conversions from Production, Distribution and Repair (PDR) uses have more recently become an issue in the Eastern Neighborhood Plan areas that the City has sought to resolve. In 2015, the Planning Department has received about 44 complaints of alleged violation for illegal conversions from PDR to Office use in the city (Table 2.3.2). Forty-two of these cases were found in the Eastern Neighborhoods, including six located in the East SoMa Plan Area (Table 2.3.3). Owners were issued notices of violation and office tenants were compelled to vacate the properties, as shown in Appendix E.

Most of these complaints describe large warehouses converting into office uses. Many of these office tenants are hybrid uses where PDR also takes place, but may not be the principal use of the space. If an office use is confirmed to be in operation, Planning encourages the company to alter their business practice to fit within the PDR zoning categories or vacate the property. The table in Appendix E shows the enforcement cases that were found to be in violation of the code and were closed. Generally, the complaints filed with the Planning Department are regarding the conversion of PDR uses to office space not permitted within these zoning districts. However, some complaints that are filed are either not valid, meaning that the tenant is either a PDR complying business or the space was legally converted to office space prior to the Eastern Neighborhoods rezoning. For these enforcement cases, there is no longer a path to legalization to office use; additionally, many of these office conversions are not recent, and they did not take advantage of the Eastern Neighborhoods Legitimization Program. The program was an amnesty program that established a limited-time opportunity whereby existing uses that have operated without the benefit of required permits

may seek those permits. However, this program expired in 2013.

In investigating the alleged violations, the Planning Department discovered that the building permit histories often included interior tenant improvements without Planning Department review. These permits do not authorize a change of use to office. To prevent future unauthorized conversion of PDR space the Planning Department worked proactively with the Department of Building Inspection (DBI). Over the course of 2015, Planning worked with DBI during project intakes to better understand the routing criteria and how to ensure Planning review. Both departments' IT divisions worked together to create a flag in the Permit Tracking System (PTS) to alert project intake coordinators of potential illegal conversions. This is a pilot program that can be expanded at a later date to include other Zoning Districts if necessary. Planning and DBI continue to work together to monitor this process and plan to meet regularly to discuss additional steps to prevent future conversions.

Planning also works collaboratively with the Mayor's Office of Economic Workforce and Development (OEWD). When Planning receives inquiries or complaints related to either vacant spaces in PDR zones or possible unauthorized spaces, Planning informs the property owner about PDR complying uses and refers them to OEWD. OEWD currently has a list of PDR complying businesses that are looking to lease spaces within San Francisco. Additionally, a training for real estate brokers was conducted in 2015. The purpose of the voluntary training was to help explain what PDR is and what resources Planning has available for them to utilize prior to leasing a property. The training also outlined the enforcement process, including the process for requesting a Letter of Determination for appropriate use of PDR space. Future trainings will be held based on interest.

2.4 Employment

The East SoMa Plan Area added employment across all land use types tracked by the Planning Department between 2011 and 2015, following a trend that has taken place in San Francisco and the Bay Area. This growth in employment reflects

a rebound in the regional economy following the “Great Recession” of the previous decade, but also the robust growth in high technology sectors and related industries in recent years.³ Altogether, employment in East SoMa grew from roughly 18,900 jobs in 2010 to almost 33,700 in 2015, with a related increase from 2,000 to 2,200 total establishments, according to the California Employment and Development Department (EDD). Overall, employment in East SoMa grew by 78% from 2010 to 2015. The subsections below discuss the job growth in East SoMa by land use category.

2.4.1 Office Jobs

San Francisco is a regional employment hub, with the largest concentration of office jobs in the Bay Area including financial, legal, and other specialized business services. According to the state Employment Development Department (EDD), there were about 293,000 office jobs in San Francisco at the end of June 2015 (Q2). There were about 18,170 office jobs in the East SoMa Plan area, about 54% of total jobs in the area. This represents about 6% of all citywide office

jobs. Office jobs represent a higher proportion of employment in the East SoMa Plan Area than citywide (see Table 2.4.1). Office jobs have almost doubled in East SoMa from 2010 to 2015.

2.4.2 Retail Jobs

San Francisco is also a regional shopping destination and 20% of all city jobs are in retail/entertainment (see Table 2.4.1). There were about 7,800 retail jobs in the East SoMa Plan area, about 23% of total jobs in the area. This represents almost 6% of all citywide retail jobs.

2.4.3 PDR Jobs

Although no longer a center for industry, 13% of San Francisco jobs are in production, distribution, or repair (PDR) related businesses. These light industrial businesses contribute to the city’s economy by providing stable and relatively well-paying jobs for the many San Franciscans without a four-year college degree and by supporting various sectors of the city’s economy. There were almost 5,700 PDR jobs in the East SoMa Plan area. A much higher proportion of jobs in East SoMa are in the PDR sectors (17%) compared to citywide (13%). Despite the loss of hundreds of thousands of square feet of PDR space in East SoMa, PDR jobs actually grew (5,700 in 2015

³ See annual San Francisco Planning Department Commerce & Industry Inventory, 2008- 2015.

TABLE 2.4.1
Employment, East SoMa and San Francisco, Q2 2015

Landuse	East SoMa				San Francisco			
	Establishments	%	Jobs	%	Establishments	%	Jobs	%
Cultural, Institutional, Educational	36	2%	271	1%	2,010	3%	73,182	11%
Medical	843	38%	1,332	4%	21,833	37%	60,214	9%
Office	709	32%	18,166	54%	15,628	27%	293,014	44%
PDR / Light Industrial	224	10%	5,684	17%	5,280	9%	88,135	13%
Retail	230	10%	7,806	23%	8,241	14%	130,550	20%
Visitor / Lodging	14	1%	156	0%	311	1%	16,688	2%
Other	157	7%	288	1%	4,961	9%	6,953	1%
Total	2,213	100%	33,702	100%	58,264	100%	668,736	100%

Source: California Employment Development Department

vs. 5,300 in 2010) in absolute terms, though they have declined as a proportion of all jobs in the Plan Area. As shown in [Appendix F](#), which details changes in PDR jobs by subcategories, employment increased in the ‘Other Manufacturing’ (142%), Wholesale (99%) and Transportation and Warehousing (103%) occupations and decreased by 9% in Printing and Publishing occupations in East SoMa between 2011 and 2015.

2.4.4 Employment and Commercial Space Trends

Over the past five years, East SoMa has seen impressive employment growth – 15,000 new jobs, almost 80% growth – despite only adding approximately 148,000 square footage of commercial space. Many of these new jobs are likely located in commercial space that was vacant at the end of the recession of the previous decade, leading to lower vacancy rates.⁴ Another trend that has been underway that may explain the gain in employment without a parallel increase in commercial space is an overall densification of employment (in other words, allowing more jobs to be accommodated within a given amount of space). With the increasing cost of land in locations close to city centers and accessible by transportation infrastructure (as is the case with the Eastern Neighborhoods), real estate researchers have tracked an overall densification of employment across several sectors throughout the country.⁵ This kind of densification can be caused by employees who work from home for some or all days of the week (and therefore may share office space with colleagues) or firms that accommodate more employees within a given amount of space.

East SoMa, like the city overall, has seen significant employment growth since 2010, adding jobs in all sectors. Retail and office jobs have grown particularly quickly in East SoMa, by 156% and 97% respectively.

⁴ Although data to show vacancy rates for the East SoMa Plan Area is not available, commercial real estate brokerage firms like Cushman & Wakefield show that vacancy rates for different types of land uses decreased substantially in San Francisco between 2011 and 2015 across different sectors. See Cushman & Wakefield San Francisco Office Snapshot Q4 2015 and Retail Snapshot Q4 2015.

⁵ See 2013 US Workplace Survey by Gensler.

2.4.5 Sales Taxes

Since the Eastern Neighborhood Area Plans were adopted, the City has also seen sharp increases in collections of sales and property taxes. In East SoMa, sales tax collections fluctuated from year to year, but have fallen overall between 2011 and 2014, from \$4.3 million to \$3.2 million (see [Table 2.4.2](#)). By comparison, sales tax collections citywide increased year over year during this period. Property tax collection also increased substantially in the Eastern Neighborhoods. In East SoMa, the city collected roughly \$47 million in property taxes in 2008, the year before the plan was adopted. By 2015, property taxes in East SoMa increased by 35% to \$63 million, as shown on [Table 2.4.3](#).

3. Housing

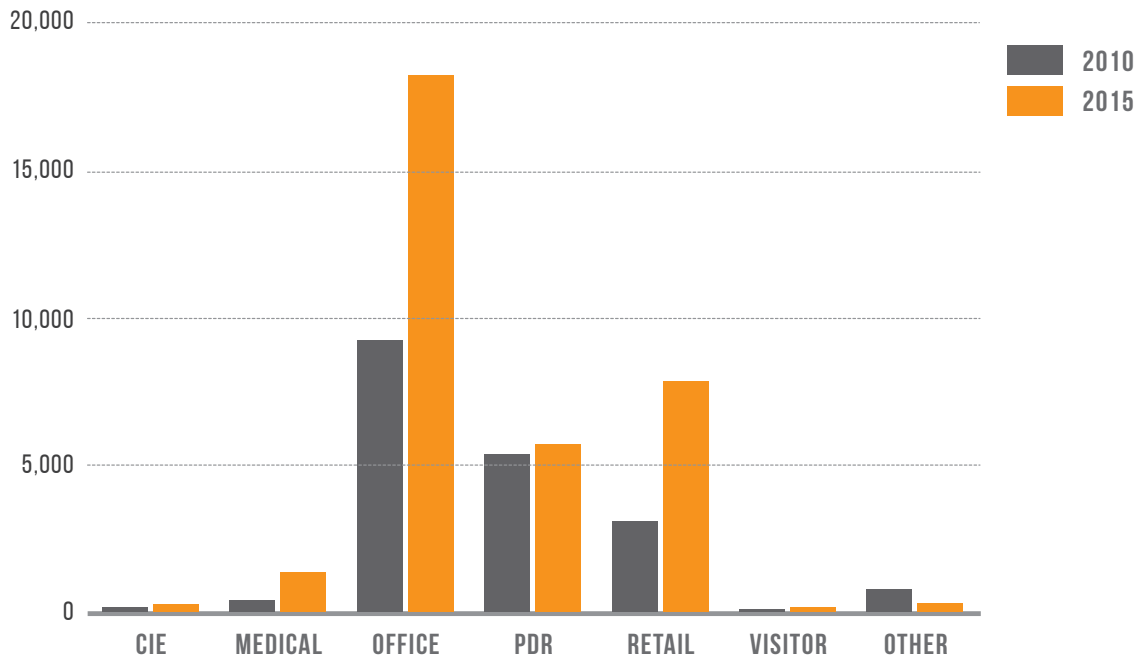
The provision of adequate housing to residents of all incomes has long been a challenge in San Francisco. Over the past five years, however, San Francisco epitomized the housing affordability crisis afflicting America’s cities and coastal communities throughout California. As discussed in the previous section, the Bay Area, city, and East SoMa neighborhood have all seen robust employment growth since the “Great Recession” triggered by the financial crisis in 2007. During this period, the city has added housing units much more slowly than new employees. As a result, a growing and more affluent labor force has driven up the costs of housing, making it increasingly difficult for low and moderate income households to remain in San Francisco.

In the past five years, neighborhoods adjacent to East SoMa (Rincon Hill and Downtown) have seen the construction of thousands of housing units, leading the city in housing production at a time of unprecedented demand for new housing. East SoMa itself has seen relatively less housing construction. The Eastern Neighborhoods Programmatic Environmental Impact Report’s preferred project estimated up to 2,887 additional units could be developed as a result of the rezoning associated with the *East SoMa Plan*.⁶ The Plan

⁶ Eastern Neighborhoods Rezoning and Area Plans Environmental Impact Report (2008).

FIGURE 2.9

Jobs by Land Use, East SoMa, Q3 2010 and 2015

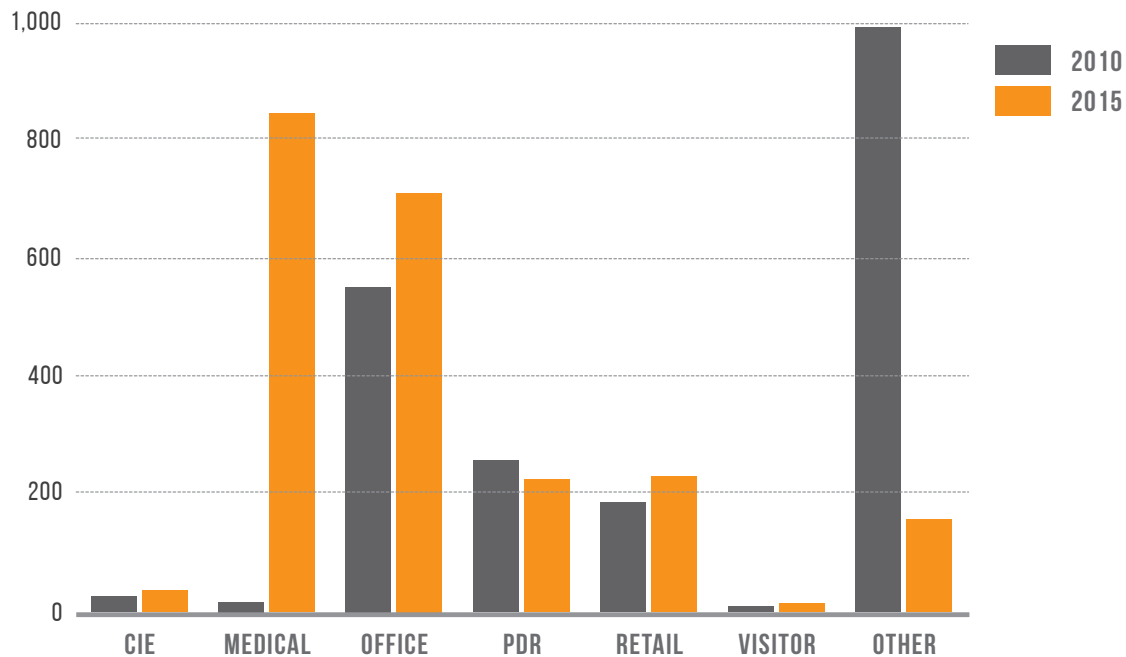


Source: California Employment Development Department

Note: Starting in 2013, the Bureau of Labor Statistics reclassified In-Home Supportive Services (roughly 20,000 jobs citywide) from the Private Household category (classified as "Other") to other classifications, most of which are captured in this report under "Medical".

FIGURE 2.10

Establishment by Land Use, East SoMa, Q3 2010 and 2015



Source: California Employment Development Department

Note: Starting in 2013, the Bureau of Labor Statistics reclassified In-Home Supportive Services (roughly 20,000 jobs citywide) from the Private Household category (classified as "Other") to other classifications, most of which are captured in this report under "Medical".

TABLE 2.4.2**Sales Taxes Collected in East SoMa, 2011–2015**

Year	East SoMa	% change from previous year	San Francisco	% change from previous year
2011	\$4,289,377	–	\$75,198,021	–
2012	\$3,654,214	-14.8%	\$80,709,201	7.3%
2013	\$3,159,675	-13.5%	\$84,261,806	4.4%
2014	\$3,225,587	2.1%	\$89,605,413	6.3%
2015	\$3,212,647	-0.4%	\$94,546,142	5.5%
TOTAL	\$17,541,500		\$424,320,583	

Source: San Francisco Controller's Office.

TABLE 2.4.3**Property Taxes Collected in the Eastern Neighborhoods, 2008 and 2015**

Area	2008	2015
Central Waterfront	\$5,704,111	\$10,338,391
East SoMa	\$46,831,664	\$63,172,434
Mission	\$37,908,346	\$58,957,413
Showplace Square/Potrero Hill	\$29,446,594	\$47,803,586
Western SoMa	\$17,146,718	\$24,348,243
Total	\$137,037,433	\$204,620,067

Source: SF Assessor's Office for 2008 data (assessed values times tax rate of 1.163%) and Tax Collector's Office for 2015.

also recognizes the value of the existing housing stock and calls for its preservation, particularly given that much of it is under rent control. Dwelling unit mergers are strongly discouraged and housing demolitions are allowed only on condition of adequate unit replacement.

3.1 Housing Inventory and New Housing Production

According to the 2010 Census, there were almost 8,550 units in the *East SoMa Plan* boundaries in April 2010; this represents 2% of the citywide total. [Table 3.1.1](#) shows that approximately 730 new units were built in the past five years in East SoMa. [Table 3.1.2](#) shows the citywide figures for comparison. Almost 8% of the net increase in the city's housing stock in the last five years was in the East SoMa area. [Map 4](#) shows the location of recent housing construction. Additional details about these new development projects can be found in [Appendix B](#), [Table B-7](#).

East SoMa led the Eastern Neighborhoods plan areas in housing production between 2011 and 2015, with 11 projects and a total of 726 housing units. The three largest projects by far were 900 Folsom Street, a 282 unit building with 40 BMRs (14%) constructed on a surface parking lot ([Figure 3.1](#)), 260 5th Street, a 182 unit building with 27 BMRs (15%) which replaced a small PDR building and surface parking lot ([Figure 2.5](#)), and 166-178 Townsend Street, a partial conversion and partial new-construction project which produced a 94 unit building with 19 BMRs (20%) ([Figure 2.7](#)). Included in the 726 new housing units produced in East SoMa over the period are 69 permanently affordable units in two 100% affordable housing projects: at 1049 Howard Street (25 units), 374 5th Street (44 units) ([Figure 3.2](#)).

TABLE 3.1.1**New Housing Production, East SoMa, 2011–2015**

Calendar Year	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change in Number of Units
2011	–	–	5	5
2012	25	–	123	148
2013	36	–	48	84
2014	486	–	–	486
2015	4	2	1	3
TOTAL	551	2	177	726

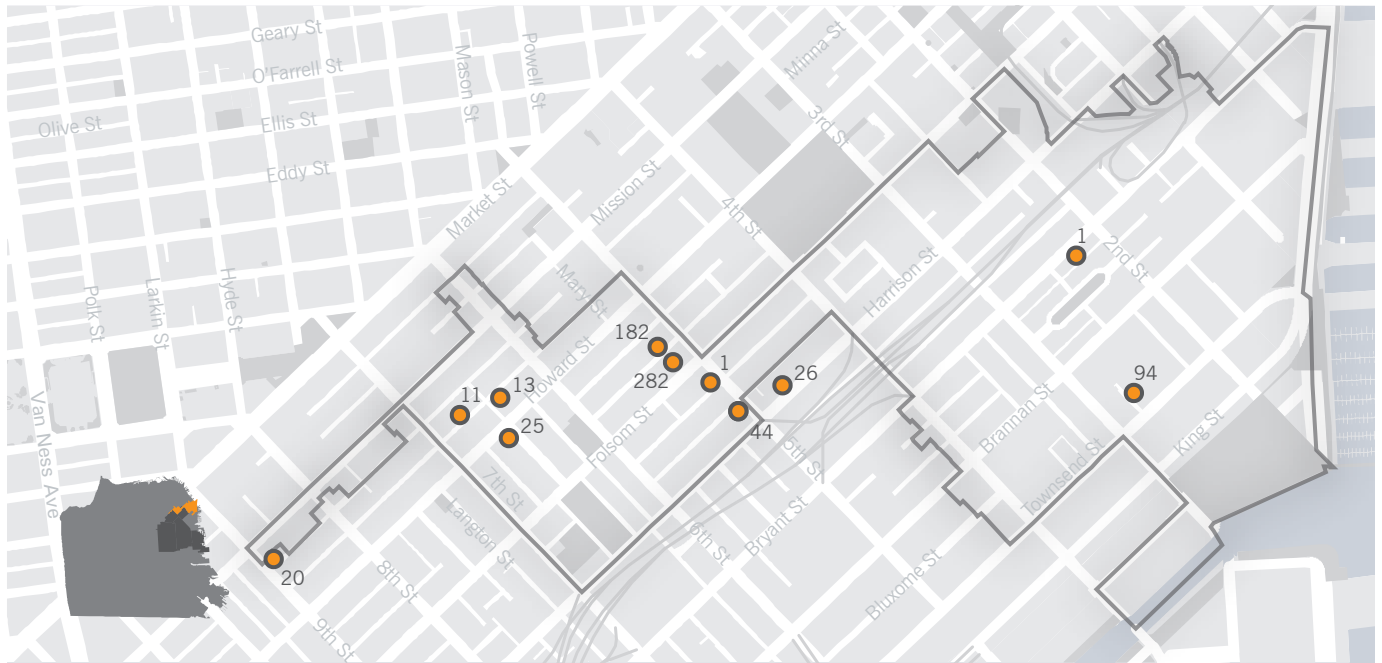
Source: San Francisco Planning Department

Note: Includes all developments in the Plan Area during reporting period, including those that did not receive CEQA clearance under Eastern Neighborhoods EIR.

TABLE 3.1.2**New Housing Production, San Francisco, 2011–2015**

Calendar Year	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change in Number of Units
2011	348	84	5	269
2012	796	127	650	1,319
2013	2,330	429	59	1,960
2014	3,455	95	156	3,516
2015	2,472	25	507	2,954
TOTAL	9,401	760	1,377	10,018

Source: San Francisco Planning Department

MAP 4**New Housing Production East SoMa 2011–2015**

● Net Units

Note: Projects that added 5 or more net new units.

FIGURE 3.1
900 Folsom Street



Source: SF Planning, Paolo Ikezoe



Source: SF Planning, Paolo Ikezoe

FIGURE 3.2
374 5th Street



Source: SF Planning, Paolo Ikezoe

3.2 Housing Development Pipeline

As discussed above in the Commercial Activity chapter, the pipeline should be analyzed along two different categories: projects that have submitted planning and building applications (under review) and projects that have received entitlements and are either awaiting or are under construction. The latter (particularly those under construction) are considered much more likely to add residential or commercial capacity to the city's building stock in the short-to-medium term, while under review projects may require clearance from environmental review, variances to planning code restrictions, and discretionary review. In general, the Planning Department estimates that projects that are currently under construction can take up to two years to be ready for occupancy, entitled projects can take between two and seven years, while projects under review can take as many as ten years, if they are indeed approved.

At the end of 2015, there were about 1,380 units in 48 projects in the housing development pipeline for East SoMa (Table 3.2.1). The pipeline for East SoMa accounts for 4% of the total number of projects in the city but less than 2% of the number of units, which suggests that new projects are of a smaller scale than housing developments in the pipeline for San Francisco as a whole.

Table 3.2.1 shows that over 320 units in 11 projects are under construction and will likely be completed within the next two years. A further 550 units in 15 projects have received Planning Department entitlements and could see completion within the next two to seven years. The remaining 45% of units in the residential development pipeline in East SoMa are in the early stages of the process and are expected to be completed in the next five to ten years.

TABLE 3.2.1
Housing Development Pipeline, East SoMa, and San Francisco, Q4 2015

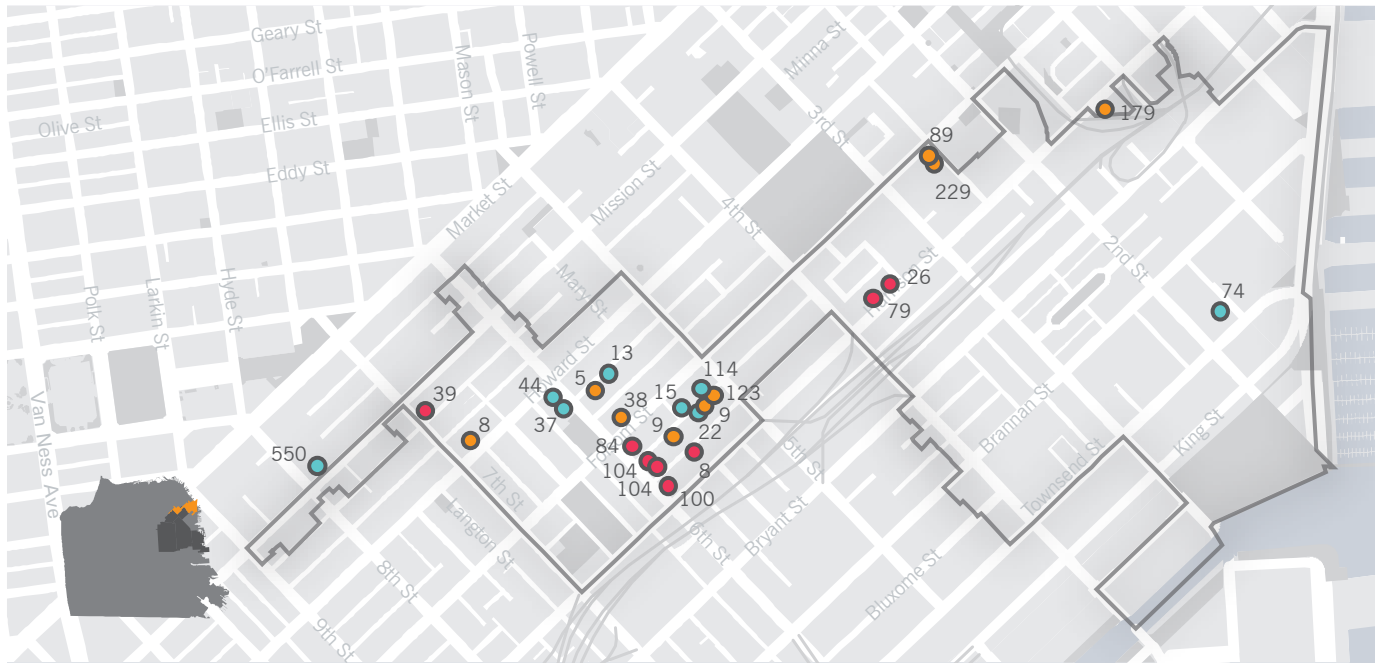
Development Status	East SoMa			San Francisco		
	No. of Units	No. of Affordable Units	No. of Projects	No. of Units	No. of Affordable Units	No. of Projects
Construction	320	90	11	8,816	979	232
Planning Entitled	551	31	16	31,546	6,141	353
Planning Approved	538	31	8	27,617	12	80
Building Permit Filed	2	–	3	1,529	73	36
Building Permit Approved/ Issued/ Reinstated	11	–	5	2,400	6,056	237
Under Review	510	64	21	21,752	1,797	708
Planning Filed	458	60	14	17,575	1,574	206
Building Permit Filed	52	4	7	4,177	223	502
Total	1,381	185	48	62,114	8,917	1,293

Source: San Francisco Planning Department

Note: Includes all residential developments in the pipeline as of December 31, 2015, including those that did not (or will not) receive CEQA clearance under Eastern Neighborhoods EIR.

The current housing pipeline in East SoMa is slightly more robust than it was at the end of 2010, shown in the previous Monitoring Report. In that year, only three projects (with a total of 40 units) were under construction, 13 projects with 754 units were entitled, and 13 projects with 474 units were under review. As of the end of 2015, East SoMa has more units in more projects in all stages of the pipeline than there were in 2010.

Map 5 shows the location of these proposed housing projects by development status. Table C-7 in Appendix C provides a detailed list of these housing pipeline projects.

MAP 5**Housing Development Pipeline by Development Status, East SoMa, Q4 2015**

● Entitled

● Under Construction

● Under Review

Note: Only includes residential developments with 5 or more units.

3.3 Affordable Housing in East SoMa

San Francisco and the East SoMa Plan Area have a number of policies in place to facilitate the development of affordable housing. This section describes some of these policies and shows the extent to which affordable housing was built in the Plan Area over the past five years.

3.3.1 Affordable Housing Efforts: Citywide, Eastern Neighborhoods and East SoMa

The City of San Francisco has a number of programs to provide housing opportunities to families whose incomes prevent them from accessing market-rate housing. The San Francisco Housing Authority (SFHA) maintains dozens of properties throughout the City aimed at extremely low (30% of AMI), very low (50% of AMI) and low (80% of AMI) income households. Four of these properties are located within the Eastern Neighborhoods boundaries: two in the Mission, located at 390 Valencia Street and 3138 Kamille Court; and two in Potrero Hill, located at 911 Missouri Street and 1095 Connecticut Street (Potrero Annex).

The City has also launched a partnership between the SFHA, the Mayor's Office of Housing and Community Development (MOHCD), community organizations, real estate developers, and philanthropies to redevelop some of the more dilapidated public housing sites into vibrant mixed-income communities with a central goal of keeping existing residents in their neighborhoods. One of the Hope SF projects, Potrero Terrace/Annex, is located in the Eastern Neighborhoods (Showplace Square/Potrero Hill). MOHCD also maintains a number of funding programs to provide capital financing for affordable housing developments targeting households earning between 30 and 60% of AMI, low-income seniors, and other special needs groups. In most cases, MOHCD funding is leveraged to access outside sources of funding, such as Federal Low Income Housing Tax Credits, allocated by the State.

One of the most powerful tools to promote affordable housing development in San Francisco is the inclusionary housing program outlined in Section 415 of the Planning Code. This program

requires that developments of 10 or more units of market rate housing must include 12% of the units to families earning below 55% of AMI (for rental units) or 90% of AMI (for ownership units). Developers can opt to build the units "off-site" (in a different building), within a 1-mile radius from the original development, as long as units are sold to households earning less than 70% of AMI. In this case, the requirement is increased to 20% of the total number of units in the sponsoring projects. The income and rent limits for housing units managed by the Mayor's Office of Housing are included in [Appendix G](#).

The Mayor, Board of Supervisors, Planning Department, and Mayor's Office of Housing have recently passed or introduced legislation to further expand the supply of affordable housing throughout the City. The City currently has legislation to encourage the development of accessory dwelling units (ADUs) within existing residential buildings in supervisor districts 3 and 8. These ordinances remove obstacles to the development of ADUs, including density limits and parking requirements, in order to incentivize a housing type that has been identified as a valuable option for middle-class households that do not require a lot of space.⁷ A proposal to expand a similar policy to the rest of the City is currently under discussion.

Another policy that has the potential to add thousands of units of affordable housing to the city's stock is the Affordable Housing Bonus Program (AHBP), which is currently under review by the City. The program would allow developers in certain areas to build an additional two stories above what is allowed by their height limit district, in exchange for providing additional affordable housing, with a special focus on middle-income families that currently cannot access housing through the market. With the exception of 100% affordable projects, the Bonus Program would not apply to parcels in the Eastern Neighborhoods, as most do not currently have density restrictions. The program is intended to expand housing development options outside of the Eastern Neighborhoods, where housing development has been

7 Wegmann, Jake, and Karen Chapple. "Hidden density in single-family neighborhoods: backyard cottages as an equitable smart growth strategy." *Journal of Urbanism: International Research on Placemaking and Urban Sustainability* 7.3 (2014): 307-329.

limited in recent decades. For more information on the AHBP, visit www.sf-planning.org/AHBP.

In addition to the Citywide programs described above, the Eastern Neighborhoods Area Plans also placed a high priority on the production and protection of affordable housing, and created policies to expand access to housing opportunities to low and moderate-income families. In addition to the Citywide inclusionary program described above, which applies throughout the Eastern Neighborhoods, market-rate housing developments in the Urban Mixed Use (UMU) district are required to restrict between 14.4% and 17.6% of their units to families at or below 55% of AMI for rental and 90% of AMI for ownership, depending on the amount of “upzoning” given to the property by the Plans. If these units are provided off-site, the requirement ranges from 23% to 27%. In the UMU and Mission NCT district, developers also have the option of dedicating land to the City that can be developed as 100% affordable projects.

Developers also have the option of paying a fee in lieu of developing the units themselves, which the City can use to finance the development of 100% affordable projects. Funds collected through these “in-lieu fees” are managed by the Mayor’s Office of Housing and Community Development and can be spent anywhere in the city. However, 75% of fees collected in the Mission NCT and East SoMa MUR

districts are required to be spent within those districts. The Plans also require bedroom mixes in its mixed use districts to encourage 2- and 3-bedroom units that are suitable to families, including the units sold or leased at below-market rates. Lastly, in order to reduce the costs and incentivize housing production, the Plans removed density controls and parking requirements in many of its zoning districts, particularly those well-served by public transit and pedestrian and bike infrastructure.

3.4 New Affordable Housing Production, 2011–2015

As discussed in this report’s introduction, expanding access to affordable housing opportunities was a high priority for the communities in the Eastern Neighborhoods during the planning process, and it has only gained more urgency in recent years.

As [Table 3.4.1](#) shows, 158 affordable units were built in East SoMa during the 2011-15 five-year monitoring period, which is a 38% increase over the previous five years (2006-2010). The 160 units built between 2011 and 2015 make up 22% of the 707 newly constructed units built in East SoMa (shown on [Table 3.1.1](#)), almost double the inclusionary housing minimum of 12%. East SoMa saw two 100% affordable housing projects completed between 2011 and 2015, and the

FIGURE 3.3

1049 Howard Street, a 100% affordable housing project



Source: SF Planning, Paolo Ikezoe

two largest mixed-income residential projects completed during the period in East SoMa both provided around 15% of units on-site as BMRs. Fifty-nine inclusionary units built in East SoMa during the period were rental units targeted to low-income households (55% of AMI), and an additional 30 inclusionary units were ownership units targeted towards households making up to 90% of AMI. (Appendix B Table B-7)

The two 100% affordable housing projects in East SoMa were 1049 Howard Street, which opened in 2012; and 374 5th Street, which opened in 2013.

Several residential projects elected to pay an in-lieu fee rather than provide affordable units on-site, as is allowed under the City's inclusionary program. These fees raised \$11.5 million for the City's housing development program managed by MOHCD. New affordable units are estimated to cost roughly \$550,000 in construction costs (not including land), towards which MOHCD contributes about \$250,000, requiring the developer to raise the rest from Federal, State, and other

sources. Therefore, it is estimated that the "in-lieu fees" collected in East SoMa in this period, if successfully leveraged into additional external funding and used to build projects on publicly controlled land, could yield an additional 46 units.⁸

The inclusionary housing production in East SoMa accounts for 10% of the citywide production (853 units, as shown in Table 3.4.2 between 2011 and 2015). Roughly 4% of the 1,600 publicly subsidized affordable units constructed in San Francisco during the period were located in East SoMa.

Looking into the future, East SoMa has 121 affordable entitled units in the pipeline, including 90 that are already under construction. Citywide, there are roughly 7,120 entitled affordable units in the pipeline.

⁸ The development costs of affordable housing units are rough estimates based on recent projects that have received assistance from MOHCD.

TABLE 3.4.1
Affordable Housing Production, East SoMa, 2011–2015

Calendar Year	Public Subsidy	Inclusionary	Secondary Units	Total
2011	–	–	1	1
2012	25	21	–	46
2013	44	1	–	45
2014		67	–	67
2015	–	–	1	1
TOTAL	69	89	2	160

Source: San Francisco Planning Department and Mayor's Office of Housing and Community Development

Note: Secondary units are considered "naturally affordable" and are not income restricted like units produced through the inclusionary housing program or through public subsidies.

TABLE 3.4.2**Affordable Housing Production, San Francisco, 2011–2015**

Calendar Year	Public Subsidy	Inclusionary	Secondary Units	Total
2011	141	4	60	205
2012	377	98	38	513
2013	464	216	30	710
2014	449	249	57	755
2015	213	286	53	552
TOTAL	1,644	853	238	2,735

Source: San Francisco Planning Department and Mayor's Office of Housing and Community Development

Note: Secondary units are considered "naturally affordable" and are not income restricted like units produced through the inclusionary housing program or through public subsidies.

TABLE 3.4.3**Housing Developments Opting for Affordable Housing "In-lieu" Fee, East SoMa, 2011–2015**

ADDRESS	YEAR	TOTAL FEE AMOUNT
246 RITCH ST	2012	\$739,207
468 CLEMENTINA ST	2013	\$491,808
119 07TH ST	2015	\$2,440,158
237 SHIPLEY ST	2015	\$838,732
923 FOLSOM ST	2015	\$7,001,838
GRAND TOTAL		\$11,511,743

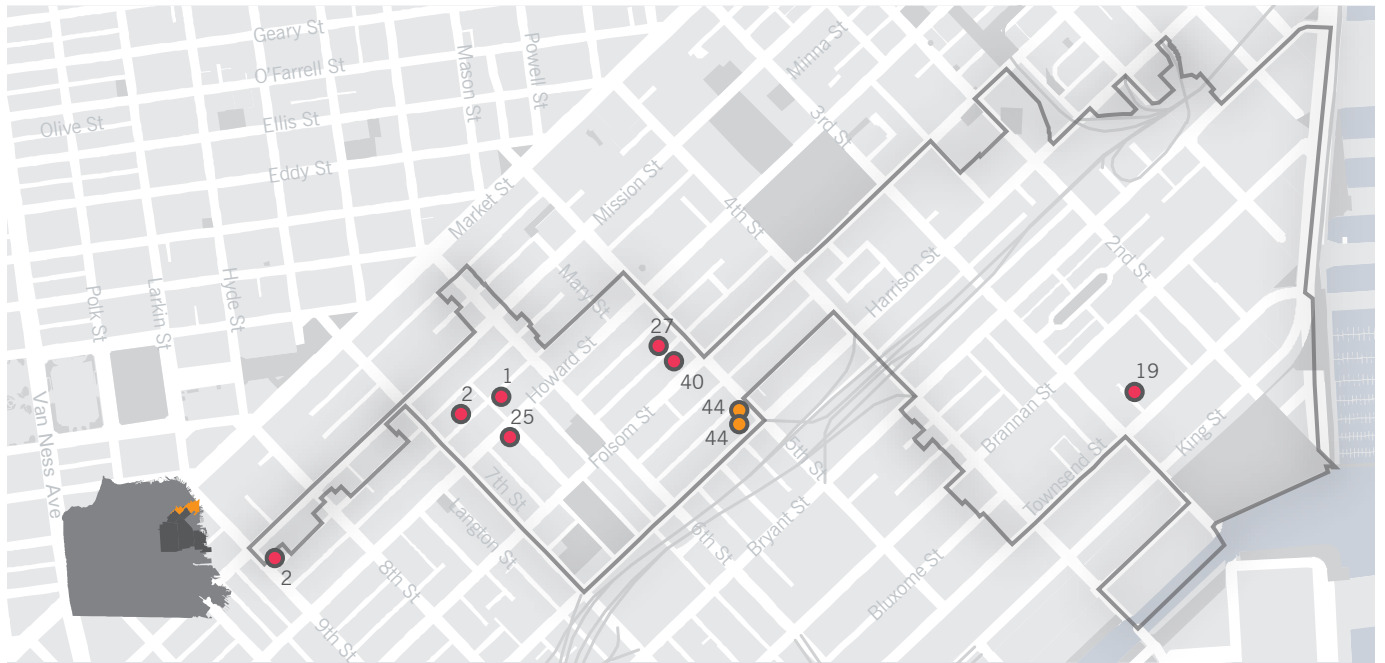
Source: Department of Building Inspection

FIGURE 3.4**923 Folsom Street, under construction**

Source: SF Planning, Paolo Ikezoe

MAP 6

New Affordable Housing, East SoMa, 2011–2015



- Market-rate Project with Inclusionary Housing
- 100% Affordable Project

3.5 Housing Stock Preservation

A key component in promoting neighborhood affordability and stability is to preserve the existing stock of housing. New housing development in San Francisco is costly and preserving homes can prevent displacement of vulnerable households. The East SoMa Plan supports the preservation of the area's existing housing stock and prohibits residential demolition unless this project ensures sufficient replacement of housing units. Restrictions on demolitions also help to preserve affordable and rent-controlled housing and historic resources.

A neighborhood's housing stock can also change without physical changes to the building structure. Conversions of rental housing to condominiums can turn housing that is rent controlled and potentially accessible to moderate income households to housing that can be occupied by a narrower set of residents, namely, those with access to down payment funds and enough earning power to purchase a home. Lastly, rental units can be "lost" to evictions of various types, from owners moving in to units formerly occupied by tenants to the use of the Ellis Act provisions in which landlords who wish to no longer rent their property can evict tenants.

One important priority of the Plan's housing stock preservation efforts is to maintain the existing stock of single room occupancy (SRO) hotels, which often serve as a relatively affordable option for low income households. [Appendix H](#) includes a list of SRO properties and number of residential units.

The following subsections document the trends in these various types of changes to the housing stock in the East SoMa Plan Area and San Francisco between 2011 and 2015 and comparing the most recent five years with the preceding five-year period.

3.5.1 Units lost to alteration or demolition

In this most recent reporting period, only two units were demolished or lost through alteration in East SoMa ([Table 3.5.1](#)), less than 0.3% of units demolished citywide. In the previous reporting period, seven units were lost to demolition or alteration. [Table 3.5.2](#) shows San Francisco figures for comparison. Illegal units removed also result in loss of housing; corrections to official records, on the other hand, are adjustments to the housing count.

TABLE 3.5.1

Units Lost, East SoMa, 2011–2015

Calendar Year	Units Lost Through Alterations by Type of Loss					Units Demolished	Total Units Lost
	Illegal Units Removed	Units Merged into Larger Units	Correction to Official Records	Units Converted	Total Alterations		
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	2	2
TOTAL	0	0	0	0	0	2	2

Source: San Francisco Planning Department

TABLE 3.5.2**Units Lost, San Francisco, 2011–2015**

Calendar Year	Units Lost Through Alterations by Type of Loss					Units Demolished	Total Units Lost
	Illegal Units Removed	Units Merged into Larger Units	Correction to Official Records	Units Converted	Total Alterations		
2011	39	22	1	3	65	84	149
2012	2	23	1	1	27	127	154
2013	70	38	2	0	110	427	537
2014	24	20	1	0	45	95	140
2015	100	12	1	3	116	25	141
TOTAL	235	115	6	7	363	758	1,121

Source: San Francisco Planning Department

TABLE 3.5.3**Evictions, East SoMa, 2011–2015**

Year	East SoMa			San Francisco			East SoMa as % of Citywide Total		
	Owner Move In	Ellis Act Withdrawal	Other	Owner Move In	Ellis Act Withdrawal	Other	Owner Move In	Ellis Act Withdrawal	Other
2011	0	0	7	123	54	1102	0%	0%	1%
2012	0	0	21	172	99	1343	0%	0%	2%
2013	1	0	11	275	229	1368	0%	0%	1%
2014	0	0	20	315	101	1550	0%	0%	1%
2015	2	0	18	425	142	1518	0%	0%	1%
Totals	3	–	77	1,310	625	6,881	0%	0%	1%

Source: San Francisco Rent Board

Note: Evictions classified under “Other” include “at fault” evictions such as breach of contract or failure to pay rent.

3.5.2 Condo Conversions

Condo conversions increase San Francisco’s homeownership rate, estimated to be at about 37% in 2014. However, condo conversions also mean a reduction in the city’s rental stock. In 2014, an estimated 78% of households in East and West SoMa were renters. According to the American Community Survey, there was no change in the owner/renter split in East SoMa or in San Francisco between 2009 and 2014.⁹

In the last five years, no units in East SoMa were converted to condominiums.

⁹ San Francisco Neighborhood Profiles, American Community Survey 2010–2014. San Francisco Planning Department 2016. According to the Census, there are roughly 19,000 renter-occupied units in East SoMa.

3.5.3 Evictions

Another indicator of change in the existing housing stock, are owner move-in and Ellis Act evictions. These evictions effectively remove units from the rental housing stock and are, in most cases, precursors to condo conversions.

Table 3.5.3 shows that in the last five years in East SoMa, there were owner move-in evictions in three units and no units were withdrawn from the rental stock under the Ellis Act. Owner move-in and Ellis Act evictions in East SoMa are extremely rare, compared to other areas of the city. Other types of evictions, noted in Table 3.5.2, include evictions due to breach of rental contracts or non-payment of rent; this could also include evictions

to perform capital improvements or substantial rehabilitation.

3.6 Jobs Housing Linkage Program (JHLP)

Prompted by the *Downtown Plan* in 1985, the City determined that large office development, by increasing employment, attracts new residents and therefore increases demand for housing. In response, the Office Affordable Housing Production Program (OAHPP) 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 (JHLP) and revised to require all commercial projects with a net addition of 25,000 gross square feet or more to contribute to the fund. Between fiscal year 2011–12 and 2015–16, commercial developments in the East SoMa Plan Area generated roughly \$15,200,000 to be used for affordable housing development by the city.

TABLE 3.6.1
Jobs Housing Linkage Fees Collected, East SoMa,
FY 2011–12–2015–16

Fiscal Year	Revenue
2011–12	\$–
2012–13	\$2,037,266
2013–14	\$7,407,153
2014–15	\$5,430,135
2015–16	\$345,646
Total	\$15,220,199

*Department of Building Inspection as of 6/1/16

4. Accessibility and Transportation

The East SoMa Plan Area is characterized by a multitude of mobility options and its residents access employment and other destinations through a variety of transport modes. A much lower share of commuters in the East SoMa travel to work by car than the rest of San Francisco (27% to 44%, respectively), a comparison that is true for people who drive alone as well as those who carpool. As [Table 4.1.1](#) shows, the most popular means of commuting among East SoMa residents is on foot; 37% of residents (compared to just 10% citywide) walk to work, not surprising given East SoMa's proximity to the largest concentration of jobs in the Bay Area in downtown San Francisco. Other non-auto commute modes also play an important role, including transit at 24% and biking at 4%. Approximately 6% of East SoMa residents work from home. In order to maintain this characteristic and move towards lower dependency on private automobiles, the East SoMa Area Plan's objectives related to transportation all favor continued investments in public transit and improving pedestrian and bicycle infrastructure rather than facilitating auto ownership, circulation, and parking.

TABLE 4.1.1**Commute Mode Split, East SoMa and San Francisco, 2011–2015**

Transport Mode	East SoMa		San Francisco		East SoMa as % of San Francisco
	No of Commuters	%	No of Commuters	%	
Car	2,926	27%	199,470	44%	1%
Drove Alone	2,601	24%	165,151	36%	0%
Carpooled	325	3%	34,319	8%	1%
Transit	2,538	24%	150,222	33%	1%
Bike	384	4%	17,356	4%	1%
Walk	3,909	37%	46,810	10%	1%
Other	194	2%	10,579	2%	0%
Worked at Home	690	6%	32,233	7%	1%
Total	10,641	100%	456,670	100%	1%

Source: 2014 American Community Survey 5-year estimate

4.1 Eastern Neighborhoods TRIPS Program

The Eastern Neighborhoods Transportation Implementation Planning Study (EN TRIPS) Report assessed the overall transportation needs for the Eastern Neighborhoods and proposed a set of discreet projects that could best address these needs in the most efficient and cost beneficial manner. EN Trips identified three major projects for prioritization:

- (1) Complete streets treatment for a Howard Street / Folsom Street couplet running between 5nd and 11th Street
- (2) Complete streets and transit prioritization improvements for a 7th Street and 8th Street couplet running between Market and Harrison Street in East SoMa
- (3) Complete streets and transit prioritization improvements for 16th Street (22-Fillmore) running between Church Street and 7th Street.

Other broader improvements were also discussed including street grid and connectivity improvements through the northeast Mission and Showplace Square, bicycle route improvements throughout particularly along 17th Street, and mid-block signalizations and crossings in South of Market.

4.2 Pedestrian and Bicycle Improvements

The *East SoMa Plan* calls for the creation of a network of “Green Connector” streets with wider sidewalks and landscaping improvements that connects open spaces and improves area walkability. The Plan proposes to enhance Folsom Street to connect the emerging Transbay and Rincon Hill areas, East and West SoMa, and the Mission District. Additional street improvements are proposed for lightly used alleyways with a more mixed-use or commercial character.

In January 2011, San Francisco’s Better Streets Plan, adopted by the Board of Supervisors in December 2010, went into effect. The plan contains design guidelines for pedestrian and streetscape improvements and describes streetscape requirements for new development. Major themes and ideas include distinctive, unified streetscape design, space for public life, enhanced pedestrian safety, universal design and accessibility, and creative use of parking lanes. The Better Streets Plan only describes a vision for ideal streets and seeks to balance the needs of all street users and street types. Detailed implementation strategies are developed based on specific project proposals.

In 2014, San Francisco adopted Vision Zero, a commitment to eliminating traffic-related fatalities by 2024. The City has identified capital project to improve street safety, which will build on existing pedestrian, bicycle, and transit-rider safety programs. The first round will include 245 projects, including several in East SoMa, shown on [Table 4.2.1](#). Second Street and 6th Street will receive the most significant improvements, with traffic calming, bike lanes and other streetscape improvements currently in design or under construction.

5. Community Improvements

The Eastern Neighborhoods Plan included Public Benefits a framework for delivering infrastructure and other public benefits. The public benefits framework was described in the Eastern Neighborhoods “Implementation Document,” which was provided to the public, the Planning Commission, and the Board of Supervisors at the time of the original Eastern Neighborhoods approvals. This Implementation Document described infrastructure and other public benefits needed to keep up with development, established key funding mechanisms for the infrastructure, and provided a broader strategy for funding and maintaining newly needed infrastructure. Below is a description of how the public benefit policies were originally derived and expected to be updated. [Map 7](#) shows the location of community improvements underway or completed in the East SoMa Plan Area between 2011 and 2015.

TABLE 4.2.1.
Vision Zero Projects in East SoMa Plan Area

Project Name	Start Date (EST)	Current Phase	Total Budget (EST)
Folsom and Essex Protected Bikeway	Winter 2013-14	Construction	\$174,000
Embarcadero Enhancement Project	Summer 2014	Design	\$4,710,000
Market and Mission Road Diet Treatments	Winter 2014-15	Design	\$198,000
2nd Street Improvement Project Early Implementation	Summer 2015	Construction	\$160,000
2nd Street Improvement Project Early Implementation	Fall 2016	Construction	\$15,620,000
5th Street Green Backed Sharrows	Spring 2015	Construction	\$93,000
Howard Streetscape Project	Summer 2014	Design	\$2,135,000
6th Street & Minna Street New Signal	Winter 2014-15	Completed	\$350,000
6th Street Improvements Project	Winter 2014-15	Design	\$3,992,000
Pedestrian Countdown Signal 3 Signals	Spring 2015	Design	\$2,500,000
6th Street & Howard Street	Winter 2014-15	Completed	\$26,000
HSIP New Signals	Winter 2014-15	Design	\$1,125,000

Source: San Francisco Municipal Transportation Agency

MAP 7

Community Improvements in East SoMa, 2011–2015



Project Status

- Complete
- Construction / Near Construction
- Planned
- Conceptual

Project Size

- Major
- Community

5.1 Need, Nexus and Feasibility

To determine how much additional infrastructure and services would be required to serve new development, the Planning Department conducted a needs assessment that looked at recreation and open space facilities and maintenance, schools, community facilities including child care, neighborhood serving businesses, and affordable housing.

A significant part of the Eastern Neighborhoods Plans was the establishment of the Eastern Neighborhoods Community Impact Fee and Fund. Nexus studies were conducted as part of the original Eastern Neighborhoods effort, and then again as part of a Citywide Nexus and Levels-of-Service study described below. Both studies translated need created by development into an infrastructure cost per square foot of new development. This cost per square foot determines the maximum development impact fee that can be legally charged. After establishing the absolute maximum fee that can be charged legally, the City then tests what maximum fee can be charged without making development infeasible. In most instances, fees are ultimately established at lower than the legally justified amount determined by the nexus. Because fees are usually set lower than what could be legally justified, it is understood that impact fees cannot address all needs created by new development.

Need for transportation was studied separately under EN Trips and then later under the Transportation Sustainability Program. Each infrastructure or service need was analyzed by studying the General Plan, departmental databases, and facility plans, and with consultation of City agencies charged with providing the infrastructure or need.

As part of a required periodic update, in 2015, the Planning Department published a Citywide Needs Assessment that created levels-of-service metrics for new parks and open space, rehabilitated parks and open space, child care, bicycle facilities, and pedestrian facilities (“San Francisco Infrastructure Level of Service Analysis”).

Separate from the Citywide Nexus published in 2015, MTA and the Planning Department also produced a Needs Assessment and Nexus Study to analyze the need for additional transit services, along with complete streets. This effort was to provide justification for instituting a new Transportation Sustainability Fee (TSF) to replace the existing Transit Development Impact Fee (TDIF). In the analysis, the derived need for transit from new development is described providing the same amount transit service (measured by transit service hours) relative to amount of demand (measured by number of auto plus transit trips).

Between the original Needs Assessment, and the Level-of-Service Analysis, and the TSF Study the City has established the metrics below that establishes what is needed to maintain acceptable infrastructure and services in the Eastern Neighborhoods and throughout the City. These metrics of facilities and service needs are included in [Appendix I](#).

5.2 Recreation, Parks, and Open Space

The *East SoMa Plan* also calls for the provision of new recreation and park facilities and maintenance of existing resources. East SoMa’s historically industrial nature has resulted in relatively few neighborhood open spaces, and many areas lack adequate access to places to recreate and relax. The Plan specifically calls for the Planning Department to work with the Recreation and Parks Department (RPD) to identify a site in East SoMa for a new public park. While efforts to secure land for a new open space continue, RPD is currently undertaking a major renovation project on South Park, in the heart of East SoMa. Scheduled for completion in Fall of 2016, the multi-million dollar renovation will include upgrades to the park’s infrastructure, including new paths, irrigation, drainage, site lighting, site furnishings, 24 mature trees and landscaping.

Another facility renovation planned for East SoMa, still in planning phase, is the Gene Friend Recreation Center. Located on the corner of 6th and Folsom Streets, the facility includes an interior gymnasium and fitness center as well as

FIGURE 5.1

Design renderings of South Park renovation (currently underway)



Source: San Francisco Recreation & Parks.

an outdoor lawn and play area for children. RPD is partnering with the Trust for Public Land to undertake a major renovation and refurbishment of the facility, one of the few serving all of SoMa.

5.3 Community Facilities and Services

As a significant amount of new housing development is expected in East SoMa, new residents will increase the need to add new community facilities and to maintain and expand existing ones. Community facilities can include any type of service needed to meet the day-to-day needs of residents. These facilities include libraries, parks and open space, schools and child care. Community based organizations also provide many services to area residents including health, human services, and cultural centers. Section 5.3 describes efforts to increase and improve the supply of recreation and park space in East SoMa. Section 6 discusses the process of implementation of the community

benefits program, including the collection and management of the impact fees program.

Map 8 shows existing community facilities in East SoMa. Community based organizations currently provide a wide range of services at over 20 sites throughout East SoMa, ranging from clinics and legal aid, to job and language skills training centers and immigration assistance.

MAP 8**Community Facilities in East SoMa**

- Hospitals
- Libraries
- Community Based Organizations
- Child Care Facilities
- Schools
- Fire Stations
- Churches

5.4 Historic Preservation

A number of Planning Code amendments have been implemented in support of the Historic Preservation Policies within the Eastern Neighborhoods Plan Areas. These sections of the Planning Code provide for flexibility in permitted uses, thus encouraging the preservation and adaptive reuse of historic resources. The most effective incentive to date is the application of Section 803.9 of the Planning Code within the South of Market Plan area. Approximately 10 historic properties have agreed to on-going maintenance and rehabilitation plans in order to preserve these significant buildings.

5.4.1 Commercial Uses in Certain Mixed-Use Districts

Within certain Mixed-Use Districts, the Planning Code principally or conditionally permits various commercial uses that otherwise are not permitted. The approval path for these commercial uses varies depending on the (1) zoning district, (2) historic status, and (3) proposed use. The table in [Appendix K](#) illustrates Planning Code Section 803.9. Depending on the proposed use, approval may be received from either the Zoning Administrator (ZA) or with Conditional Use Authorization from the Planning Commission. Depending on the zoning district, the historic status may either be: Article 10 Landmark (A10), Contributing Resources to Article 10 Landmark Districts (A10D), Article 11 Category I, II, III and IV (A11), Listed in or determined eligible for National Register (NR), or Listed in or determined eligible for California Register (CR).

For use of this Planning Code section, the Historic Preservation Commission must provide a recommendation on whether the proposed use would enhance the feasibility of preserving the historic property. Economic feasibility is not a factor in determining application of the code provision. The incentive acknowledges that older buildings generally require more upkeep due to their age, antiquated building systems, and require intervention to adapt to contemporary uses. The property owner commits to preserving and maintaining the building, restoring deteriorated or missing features,

providing educational opportunities for the public regarding the history of the building and the district, and the like. As a result the owner is granted flexibility in the use of the property.

Department staff, along with advice from the Historic Preservation Commission, considers the overall historic preservation public benefit in preserving the subject property. Whether the rehabilitation and maintenance plan will enhance the feasibility of preserving the building is determined on a case-by-case basis. Typically, the Historic Preservation Maintenance Plan (HPMP) from the Project Sponsor will outline a short- and long-term maintenance and repair program. These plans vary in content based on the character-defining features of the property and its overall condition. Maintenance and repair programs may include elements, like a window rehabilitation program, sign program, interpretative exhibit, among others.

5.5 Neighborhood Serving Establishments

Neighborhood serving businesses represent a diversity of activities beyond typical land use categories such as retail. This section defines neighborhood serving as those activities of an everyday nature associated with a high “purchase” frequency (see [Appendix L](#) for a list of business categories used). Grocery stores, auto shops and gasoline stations, banks and schools which frequently host other activities, among many other uses, can be considered “neighborhood serving.”

By this definition, East SoMa is home to 145 neighborhood serving businesses and establishments employing roughly 3,400 people. Since 2010, East SoMa has gained almost 630 full-service restaurant jobs, though the number of restaurant establishments has remained roughly the same. In general, places to eat and drink are the most common neighborhood serving establishments in the plan area. East SoMa’s relative lack of typical neighborhood commercial strips is evident in the few retail and personal service establishments present throughout the neighborhood.

As shown in [Table 5.5.1](#), the top 10 neighborhood serving establishments in East SoMa include

eating places (full- and limited-service restaurants, bakeries, etc.), bars, grocery stores, banks, and auto repair shops. These businesses are spread throughout the Plan Area, as shown on [Map 9](#).

TABLE 5.5.1**Neighborhood Serving Establishments, East SoMa**

Type	Establishments	Employment
Full-Service Restaurants	37	1,494
Drinking Places (Alcoholic Beverages)	14	350
Snack and Nonalcoholic Beverage Bars	9	237
Limited-Service Restaurants	19	233
Supermarkets and Other Grocery (except Convenience) Stores	5	225
Commercial Banking	4	178
General Automotive Repair	12	115
Children's and Infants' Clothing Stores	1	80
Elementary and Secondary Schools	1	59
Shoe Stores	1	43
Beauty Salons	3	43
Cosmetics, Beauty Supplies, and Perfume Stores	3	43
Pharmacies and Drug Stores	3	42
Video Tape and Disc Rental	2	33
Women's Clothing Stores	1	29
Convenience Stores	2	28
Gasoline Stations with Convenience Stores	3	24
Fitness and Recreational Sports Centers	5	22
Pet Care (except Veterinary) Services	4	20
Sporting Goods Stores	1	12
Clothing Accessories Stores	2	10
Pet and Pet Supplies Stores	1	7
Automotive Exhaust System Repair	1	5
Cafeterias, Grill Buffets, and Buffets	1	4
Other Personal and Household Goods Repair and Maintenance	1	4
Electronics Stores	4	4
Child Day Care Services	1	2
Car Washes	1	2
Religious Organizations	1	1
Retail Bakeries	1	–
Other Automotive Mechanical and Electrical Repair and Maintenance	1	–
Total	145	3,349

Source: California Employment Development Department

MAP 9

Neighborhood Serving Businesses in East SoMa



- | | |
|---|--|
| ● 311 - Food Manufacturing | ● 522 - Credit Intermediation |
| ● 443 - Electronics and Appliance | ● 532 - Rental and Leasing Services |
| ● 445 - Food and Beverage | ● 611 - Educational Services |
| ● 446 - Health and Personal Care | ● 624 - Social Assistance |
| ● 447 - Gas Stations | ● 713 - Amusement, Gambling and Recreation |
| ● 448 - Clothing and Accessories | ● 722 - Food Services and Drinking Places |
| ● 451 - Sporting goods, Hobby, Musical Instrument and Books | ● 811 - Repair and Maintenance |
| ● 452 - General Merchandise | ● 812 - Personal and Laundry Services |
| ● 453 - Miscellaneous | ● 813 - Religious and Civic Organizations |
| ● 519 - Other Information | |

6. Implementation of Proposed Programming

Along with establishing fees and providing a programmatic framework of projects, the EN approvals included amendments to the City's Administrative Code establishing a process to choose infrastructure projects for implementation on an ongoing basis.

6.1 Eastern Neighborhoods Citizens Advisory Committee

The Eastern Neighborhoods Citizens Advisory Committee (EN CAC) started meeting on a monthly basis in October 2009. The CAC is comprised of 19 members of the public appointed by the Board of Supervisors or the Mayor. The CAC focuses on implementation of the Eastern Neighborhoods Implementation Program and priority projects. Together with the IPIC, discussed below, the CAC determine how revenue from impact fees are spent. The CAC also plays a key role in reviewing and advising on the Five-Year Monitoring Reports.

The EN CAC has held monthly public meetings since October 2009. For more information on the EN CAC, go to <http://encac.sfplanning.org>.

6.2 Eastern Neighborhoods Community Facilities and Infrastructure Fee and Fund

The Eastern Neighborhoods Community Facilities and Infrastructure Fee includes three tiers of fees that are based on the amount of additional development enabled by the 2009 Eastern Neighborhoods rezoning. In general, Tier 1 fees are charged in areas where new zoning provided less than 10 feet of additional height. Tier 2 fees are for those areas that included between 10 and 20 feet of additional height, and Tier 3 fees are for areas that included for 20 feet or more of additional height. Fees are adjusted every year based on inflation of construction costs.

Below is a chart of the original fees (2009) and the fees as they exist today.

TABLE 6.2.1

Eastern Neighborhoods Infrastructure Impact Fees per Square Foot, 2009 and 2016

	Original Fee		2016 Fee	
	Residential	"Non-Residential"	Residential	"Non-Residential"
Tier 1	\$8.00	\$6.00	\$10.19	\$7.65
Tier 2	\$12.00	\$10.00	\$15.29	\$12.74
Tier 3	\$16.00	\$14.00	\$20.39	\$17.84

Source: San Francisco Planning Department

The fees established above are proportionally divided into five funding categories as determined by the needs assessment, nexus studies, and feasibility studies, including housing, transportation/transit, complete streets, recreation and open space, and child care. In the Mission District NCT and MUR (Mixed-Use Residential) Districts, 75% of fees collected from residential development is set aside for affordable housing for the two respective Plan Areas. The first \$10,000,000 collected are targeted to affordable housing preservation and rehabilitation. To date, the City has collected more than \$48 million in impact fees, as shown on [Table 6.2.2](#).

TABLE 6.2.2**Eastern Neighborhoods Infrastructure Impact Fees
Collected to Date**

Category	Collected
HOUSING	\$4,742,000
TRANSPORTATION / TRANSIT	\$16,936,000
COMPLETE STREETS	\$6,733,000
RECREATION AND OPEN SPACE	\$17,518,000
CHILDCARE	\$2,416,000
Total	\$48,345,000

Source: San Francisco Planning Department

Note: Amount collected includes in-kind improvements

TABLE 6.2.3**Eastern Neighborhoods Infrastructure Impact Fees
Projected, 2016–2020**

Category	Collected
HOUSING	\$26,411,000
TRANSPORTATION / TRANSIT	\$30,302,000
COMPLETE STREETS	\$38,542,000
RECREATION AND OPEN SPACE	\$43,912,000
CHILDCARE	\$5,931,000
Total	\$145,098,000

Source: San Francisco Planning Department

Over the 2016-2020 period, the City is projected to collect \$140 million from the Eastern Neighborhoods impact fee program, as shown on [Table 6.2.3](#).

As shown in [Table 6.2.4](#), approximately \$14.6 million were collected from 39 projects in the East SoMa Plan Area between 2011 and 2015. Overall, roughly \$48.4 million has been collected in all of the Eastern Neighborhoods, including Western SoMa.

TABLE 6.2.4**Eastern Neighborhoods Infrastructure Impact Fees
Collected, 2011–2015**

Area	Revenue	Projects
East SoMa	\$14,635,000	39
Western SoMa	\$6,940,000	11
Mission	\$5,357,000	43
Central Waterfront	\$10,034,000	19
Showplace/Potrero	\$11,384,000	26
TOTAL	\$48,350,000	138

Source: San Francisco Planning Department

6.3 IPIC Process

The Infrastructure Plan Implementation Committee was established in Article 36 of the San Francisco Administrative Code. The IPIC's purpose is to bring together City agencies to collectively implement the community improvement plans for specific areas of the City including the Eastern Neighborhood Plan Areas. The IPIC is instrumental in creating a yearly expenditure plan for impact fee revenue and in creating a bi-annual "mini" Capital Plan for the Eastern Neighborhoods. The annual Expenditure Plan is specific to projects that are funded by impact fees. The bi-annual Eastern Neighborhoods Capital Plan also includes infrastructure projects that are funded by other sources, and projects where funding has not been identified.

6.4 Eastern Neighborhood MOU

In 2009, the Planning Department entered into a Memorandum of Understanding with SF Public Works, SFMTA, Rec and Park, and MOHCD to assure commitment to implementing the EN Plans. A key component of the agreement was the establishment of a list of priority projects:

- » Folsom Street
- » 16th Street
- » Townsend Street
- » Pedestrian Crossing at Manalo Draves Park
- » 17th and Folsom Street Park
- » Showplace Square Open Space

6.5 First Source Hiring

The First Source Hiring Program was first adopted in 1998 and modified in 2006. The intent of First Source is to connect low-income San Francisco residents with entry-level jobs that are generated by the City's investment in contracts or public works or by business activity that requires approval by the City's Planning Department or permits by the Department of Building Inspection. CityBuild works in partnership with Planning Department and DBI to coordinate execution of First Source Affidavits and MOUs.

CityBuild is a program of the Office of Economic and Workforce Development and is the First Source Hiring Administrator. In accordance with Chapter 83: First Source Hiring Program, developers must submit a First Source Affidavit to the Planning Department prior to planning approval. In order to receive construction permit from DBI, developers must enter into a First Source Hiring MOU with CityBuild. Developers and contractors agree to work in good faith to employ 50% of its entry-level new hiring opportunities through the CityBuild First Source Hiring process.

Projects that qualify under First Source include:

- » any activity that requires discretionary action by the City Planning Commission related to a commercial activity over 25,000 square feet including conditional use authorization;
- » any building permit applications for a residential project over 10 units;
- » City issued public construction contracts in excess of \$350,000;
- » City contracts for goods and services in excess of \$50,000;
- » leases of City property;
- » grants and loans issued by City departments in excess of \$50,000.

Since 2011, CityBuild has managed 442 placements in 72 First Source private projects in the three zip codes encompassing the Eastern Neighborhoods Plan Areas (94107, 94110, 94103), not including projects in Mission Bay, approved under the former Redevelopment Agency. They have also placed 771 residents from the three-zip code area in projects throughout the city.

In 2011, the City also implemented a first of its kind, the Local Hire Policy for Construction on publicly funded construction projects. This policy sets forth a mandatory hiring requirement of local residents per trade for construction work hours. This policy superseded the First Source Hiring Program on public construction contracts. Since 2011, a cumulative 37% of the overall 6.2 million work hours have been worked by local residents and 58% of 840,000 apprentice work hours performed by local residents.

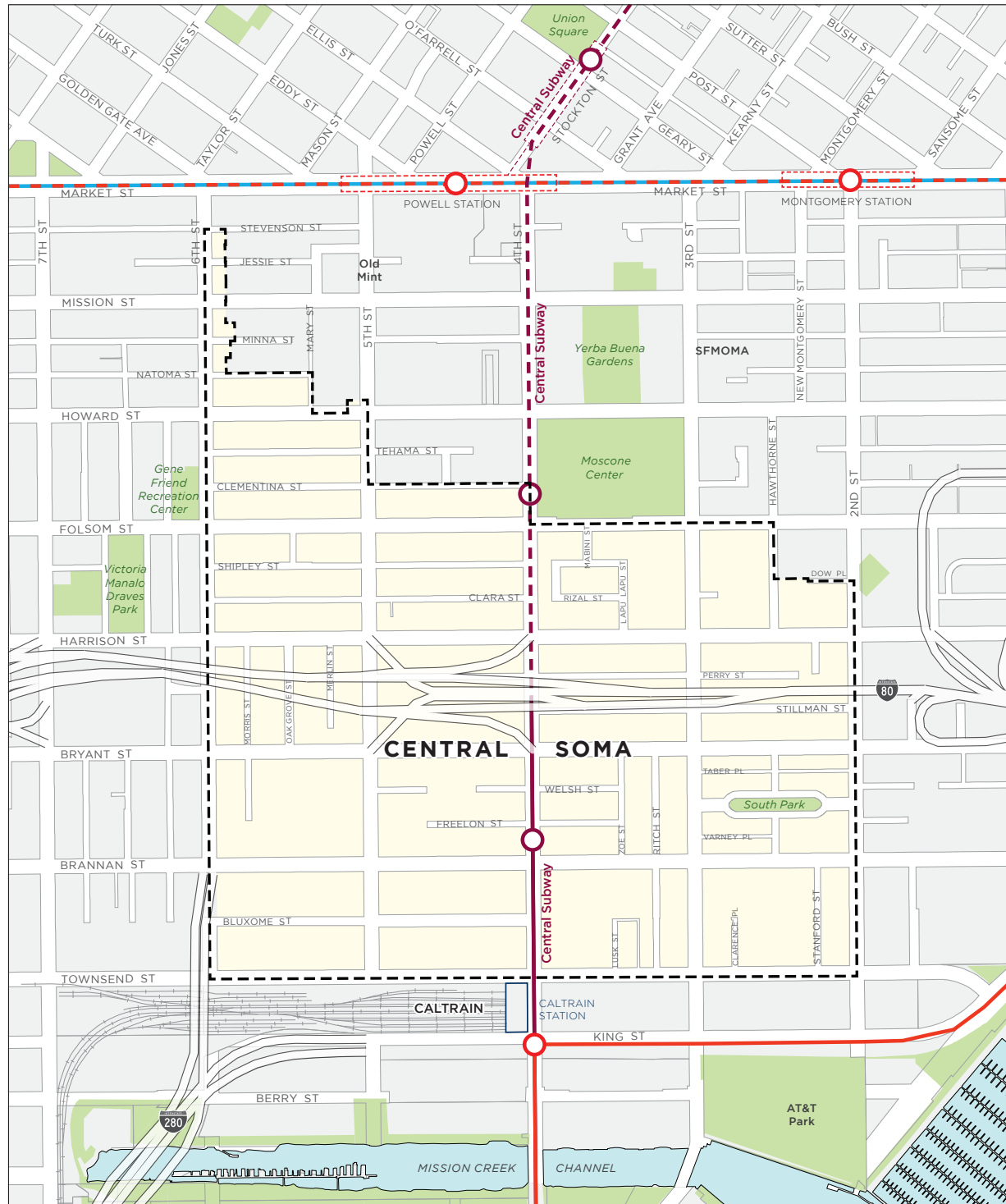
7. Ongoing Planning Efforts

The *Central SOMA Plan* (currently underway) continues many of the goals of the East SoMa Plan, and proposes changes to land use and development controls in that area of overlap.

At the time of the *East SoMa Plan*'s adoption in 2009, consensus had not been reached on how to prepare the neighborhood for the arrival of the Central Subway, a 1.7 mile transit investment connecting the Caltrain station to Chinatown. The East SoMa Plan did not include rezoning of the industrial-protection Service Light Industrial (SLI) district in the area, and explicitly deferred land use change in the SLI to a subsequent, more focused, planning process that takes into account a comprehensive study of the City's growth needs, as well as the transportation opportunity represented by the Central Subway. The Central Subway is expected to move 76,000 daily riders through the corridor by 2030, with a peak hourly capacity of almost 5,000 riders in each direction. Stations will include new underground facilities in Chinatown, at Union Square/Market Street, and at Moscone Center/Folsom Street, with a new above-ground station at Brannan Street at Fourth Street. In addition to the subway, other transportation improvements are planned to address SoMa circulation needs including the Downtown Rail Extension which will extend Caltrain underground through the study area to the Transbay Transit Center, MUNI improvements such as transit-only lanes along Mission Street, and anticipated improvements to the Bicycle Network such as new cycle lanes along 2nd and 5th Streets. For more information on the *Central SoMa Plan*, visit <http://sfplanning.org/central-soma-plan>.

FIGURE 7.1

The Central SOMA Plan Area



Source: San Francisco Planning, Central SoMa Draft Plan.



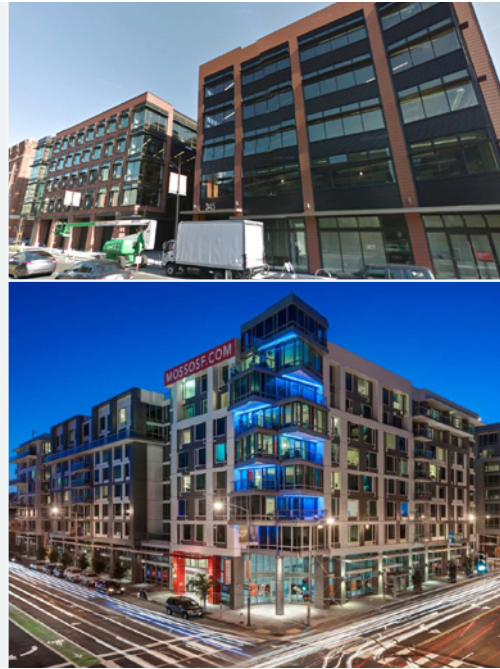
2,000 Feet

- - - Central Subway
under construction, expected to open in 2019
- - - BART/Muni Metro Subway
- Muni Metro (Surface)

FIGURE 7.2

Growth potential under the Central SOMA Plan

New potential for up to
45,000 new jobs
7,800 new housing units



Source: San Francisco Planning, Central SoMa Draft Plan.

FIGURE 7.3

The Central Subway station at Folsom and Fourth Streets, currently under construction



Source: SF Planning, Paolo Ikezoe



Mayor

Edwin M. Lee

Board of Supervisors

London Breed, *President*

Eric Mar

Mark Farrell

Aaron Peskin

Katy Tang

Jane Kim

Norman Yee

Scott Wiener

David Campos

Malia Cohen

John Avalos

Planning Commission

Rodney Fong, *President*

Dennis Richards, *Vice President*

Michael Antonini

Rich Hillis

Christine D. Johnson

Kathrin Moore

Cindy Wu

San Francisco Planning

John Rahaim, *Director of Planning*

Gil Kelley, *Director of Citywide Planning*

Teresa Ojeda, *Manager, Information & Analysis Group*

Pedro Peterson, *Project Manager/Planner*

Paula Chiu, *Planner*

Audrey Harris, *Planner*

Adrienne Hyder, *Graphic Design/Cartography*

Paolo Ikezoe, *Planner*

Mathew Snyder, *Planner*

Michael Webster, *Cartography*

Citizens Advisory Committee of the Eastern Neighborhoods Plan

Current Members:

Chris Block, Walker Bass, Chirag Bhakta, Joe Boss,

Don Bragg, Marcia Contreras, John Elberling,

Keith Goldstein, Oscar Grande, Bruce Kin Huie,

Henry Karnilowitz, Toby Levy, Robert Lopez,

Fernando Martí, Dan Murphy, Kristian Ongoco,

Abbie Wertheim

Previous Members:

Alisa Shen, Arthur Reis, Maureen Sedonaen, Kate Sofis,

Cyndy Comerford, Julie Leadbetter

The Planning Department would also like to acknowledge the efforts of community organizations and the thousands of community members who have worked with us over the years to develop the Eastern Neighborhoods Community Plans.

For Information on the Eastern Neighborhoods Area Plans, visit:

<http://easternneighborhoods.sfplanning.org>