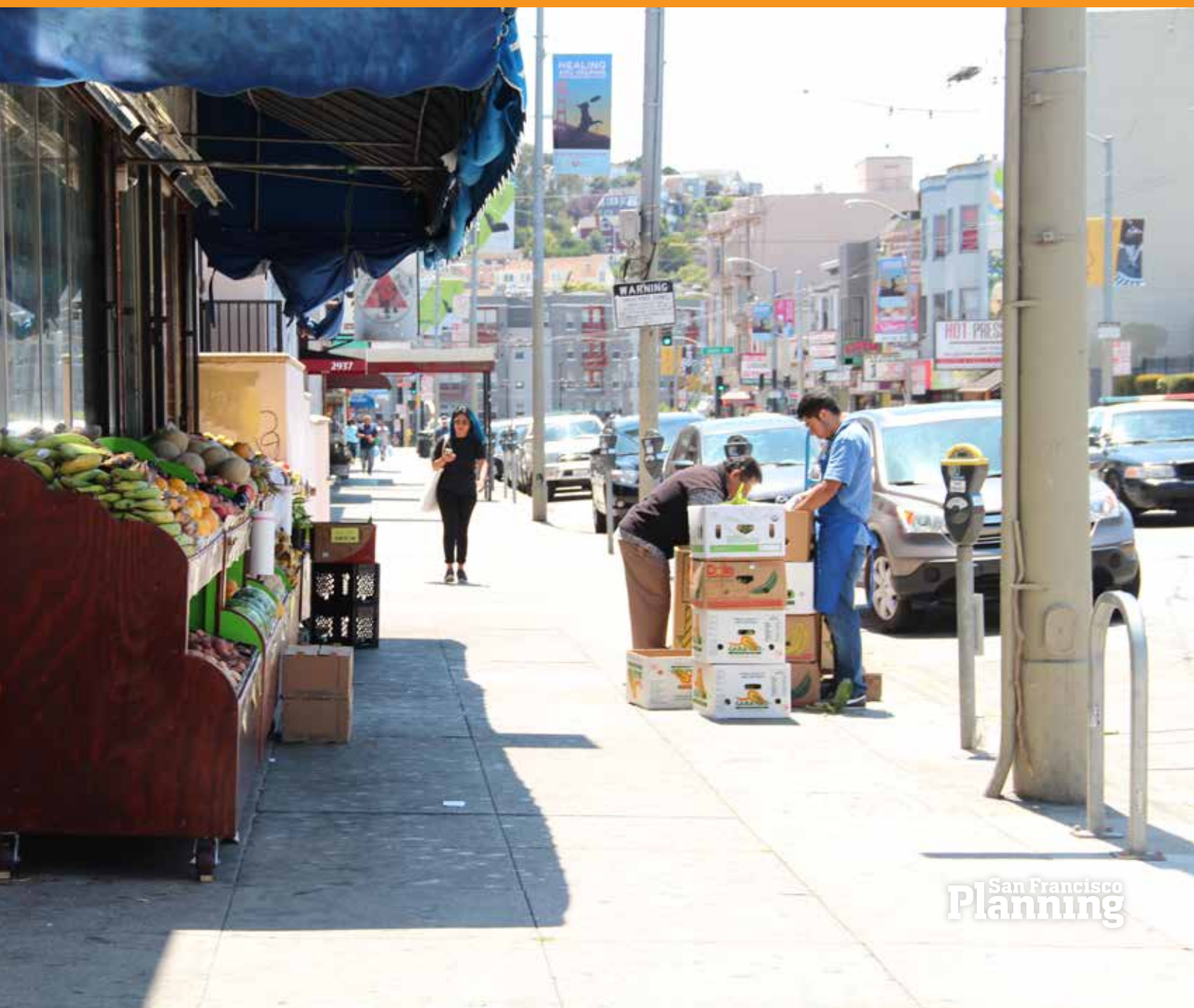


MISSION AREA PLAN MONITORING REPORT 2011–2015





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Front Cover: Mission Street at 25th Street looking south

MISSION AREA PLAN MONITORING REPORT

2011–2015

San Francisco Planning Department
September 2016



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1. Introduction: Mission Area 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 to develop them into "live-work" lofts serving primarily as a residential use.

Moreover, much of the Eastern Neighborhoods is well-served by public transportation, have vibrant cultural amenities, and feature many attractive

older buildings. These neighborhood assets and employment opportunities have served as magnets for high wage earners and housing developers, creating an 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 also 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 challenges that motivated the Eastern Neighborhoods community planning process

MAP 1

Mission Area Plan Area Boundaries



were evident in the Mission when the plans were adopted and continue to be relevant today. The boundaries of the Mission Area Plan Area, shown in [Map 1](#), run along Duboce/13th to the north, Potrero Avenue to the east, Guerrero Street to the west, and Cesar Chavez Street to the south.¹

The Mission is highly dense with neighborhood amenities, including a variety of shops and restaurants, an architecturally rich and varied housing stock, vibrant cultural resources, and excellent transit access. Traditionally a reservoir of affordable housing relatively accessible to recent immigrants and artists, housing affordability in the Mission has significantly declined in the past decade as demand has rapidly outpaced new housing supply and due to statewide restrictions on tenant protection laws (such as the Ellis Act), which allows landlords to evict residents from rent controlled apartments. Despite inclusionary housing requirements that mandate that a certain percentage of new units be affordable to low and moderate income households, new housing has been largely unaffordable to existing residents.

Mission residents and business owners highlighted a number of policy goals, in addition to the Eastern Neighborhoods-wide objectives, that should be considered for the Area Plan:

- » Preserve diversity and vitality of the Mission
- » Increase the amount of affordable housing
- » Preserve and enhance the existing Production, Distribution and Repair businesses
- » Preserve and enhance the unique character of the Mission's distinct commercial areas
- » Promote alternative means of transportation to reduce traffic and auto use
- » Improve and develop additional community facilities and open space
- » Minimize displacement

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.² [Appendix A](#) includes the language in the Administrative Code mandating the Monitoring Reports. 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 as of the end of the reporting period. Some of this development activity was considered under the Eastern Neighborhoods Environmental Impact Report (EN PEIR), certified 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, 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.

¹ Unless otherwise noted, this report will refer to the Mission Area Plan Area, Mission neighborhood, and "the Mission" interchangeably, as the area shown on Map 1. Other official and community definitions of the boundaries of the Mission neighborhood exist. Where those are used within this report, they will be specifically referenced.

² 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 outlined by the individual plans.

- 4) Certain smaller projects did not rely on the rezoning under the EIRs and are therefore excluded.

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 *Mission 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 *Mission Area Plan* in 2008, this report contains information and analysis about a period of intense market development and political activity in the Mission. This 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.

2. Commercial Activity and Job Creation

One of the defining characteristics of the Mission neighborhood is its remarkable mix of uses and diversity of businesses, including manufacturing, restaurants and bars, a broad range of retail activities, institutional and educational uses, hospitals, and more. The neighborhood commercial corridors along Mission, Valencia, and 24th Streets support a variety of retail activities including shops and services, housing, and small offices, which serve their immediate neighborhood and also residents from throughout the city and region. Indeed, these commercial corridors have become part of San Francisco's tourism circuit, attracting visitors from around the world.³

The primarily residential portions of the Mission, which occupy the blocks on the southeast and western edges of the neighborhood, are also peppered with neighborhood serving businesses including corner stores, dry cleaning services, restaurants, cafes, and bars. Lastly, the Mission is home to a thriving collection of PDR businesses. The Northeast Mission Industrial Zone (NEMIZ) clusters many of these industrial activities and spaces, but a variety of smaller PDR businesses (such as auto repair garages, light manufacturing work, and the like) are scattered throughout the neighborhood. This mix of uses is an important source of employment opportunities for neighborhood, city and Bay Area residents; contributing to the overall vitality and culture of the Mission.

2.1 Commercial Space Inventory

[Table 2.1.1](#) illustrates the mix of non-residential space in the Mission as of 2015. The table reflects the balanced mix of uses described above, as office, retail, and PDR activities each occupy roughly a quarter of the commercial space in the neighborhood. Cultural, institutional, and educational and medical uses make up roughly another 20% of non-residential buildings and tourist hotels take up about another 1%. The table

³ For example, a recent New York Times feature highlighting 18 San Francisco attractions to visit on a 36-hour stay in the city included 6 sites within the Mission Area Plan Area and another 3 within 2 blocks of its boundaries. See http://www.nytimes.com/2015/11/01/travel/what-to-do-in-36-hours-in-san-francisco.html?_r=0

FIGURE 2.0.1**Produce Market on Mission Street**

Photo by SF Planning, Pedro Peterson

also shows the importance of the Mission in the San Francisco's stock of industrial lands. Though the neighborhood only accounts for 5% of the city's overall commercial space, its share of PDR space is much higher, at 8%. However, as will be

discussed in the sections below, in recent decades PDR space has been subject to intense pressures from uses that are able to pay higher land rents, such as office and market-rate residential.

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

Non-Residential Land Use	Mission		San Francisco		Mission as % of San Francisco
	Square Feet	%	Square Feet	%	
Cultural, Institution, Educational	1,760,105	15%	29,898,514	13%	6%
Medical	698,877	6%	17,468,039	7%	4%
Office	3,079,231	27%	107,978,954	45%	3%
Production, Distribution and Repair	2,896,338	25%	36,265,832	15%	8%
Retail	3,022,780	26%	42,299,526	18%	7%
Visitor / Lodging	92,560	1%	4,053,422	2%	2%
Total	11,549,891	100%	237,964,287	100%	5%

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

Table 2.1.2 shows commercial and other non-residential development activity in the Mission Area 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. Between 2011 and 2015, 206,000 square feet of PDR land was converted to other uses, especially housing, equivalent to roughly 6% of PDR space in the Mission.

Two properties account for more than 75% of the PDR conversion during this period. In 2012, the Planning Department legitimized a conversion of roughly 95,000 square feet of PDR to office at 1550 Bryant; the actual conversion occurred prior to the enactment of Eastern Neighborhoods without the benefit of a permit. The legitimization program (see section 2.3.1), which was enacted

concurrently with Eastern Neighborhoods, enabled the space to be legally permitted as office. Another property at Mission Street and 15th Street, a vacant and non-functioning former printing shop, accounted for another 63,000 square feet of PDR conversion. This project was approved prior to adoption of the Mission Area Plan, but completed construction in 2013. The building was demolished to build a 194-unit residential building, shown in Photo 2.1.1, which includes 40 affordable units (21% of the total). The property is zoned neighborhood commercial transit (NCT) and urban mixed-use (UMU), designations created by the Eastern Neighborhoods Area Plans specifically to transition struggling industrial properties in transit-rich corridors to dense residential uses. Table 2.1.2 also shows the loss of 25,000 square feet of institutional space in 2015, which took place because the San Francisco SPCA demolished a building on their campus to convert into a dog park in order to better meet their animal

FIGURE 2.1.1
1880 Mission Street



Photo by SF Planning, Pedro Peterson

rescue activities. The table also shows a modest gain of office and retail space during the reporting period. One illustrative project is the development at 1501 15th Street, which redeveloped a vacant lot of a former gas station into a mixed-use building with 40 residential units (7 of them below market rate) and roughly 8,000 square feet of ground floor commercial space.

slightly more than 7% of citywide office development between 2011 and 2015.

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

For comparison purposes, Table 2.1.3 shows the commercial development activity throughout San Francisco. Overall, while the Mission saw a decrease of roughly 68,000 square feet, the city gained 2.8 million square feet, mostly serving office and medical uses. The Mission accounted for about 20% of the city's loss of PDR and

TABLE 2.1.2

Net Change in Commercial Space Built, Mission 2011–2015

Year Completed	Cultural, Institutional, Educational	Medical	Office	Production, Distribution and Repair	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	–	–	–	(10,800)	–	–	(10,800)
2012	–	–	108,400	(98,326)	4,320	–	14,394
2013	–	–	–	(70,762)	–	–	(70,762)
2014	–	15,200	–	(26,423)	(3,696)	–	(14,919)
2015	(25,211)	–	–	–	39,495	–	14,284
Total	(25,211)	15,200	108,400	(206,311)	40,119	–	(67,803)

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

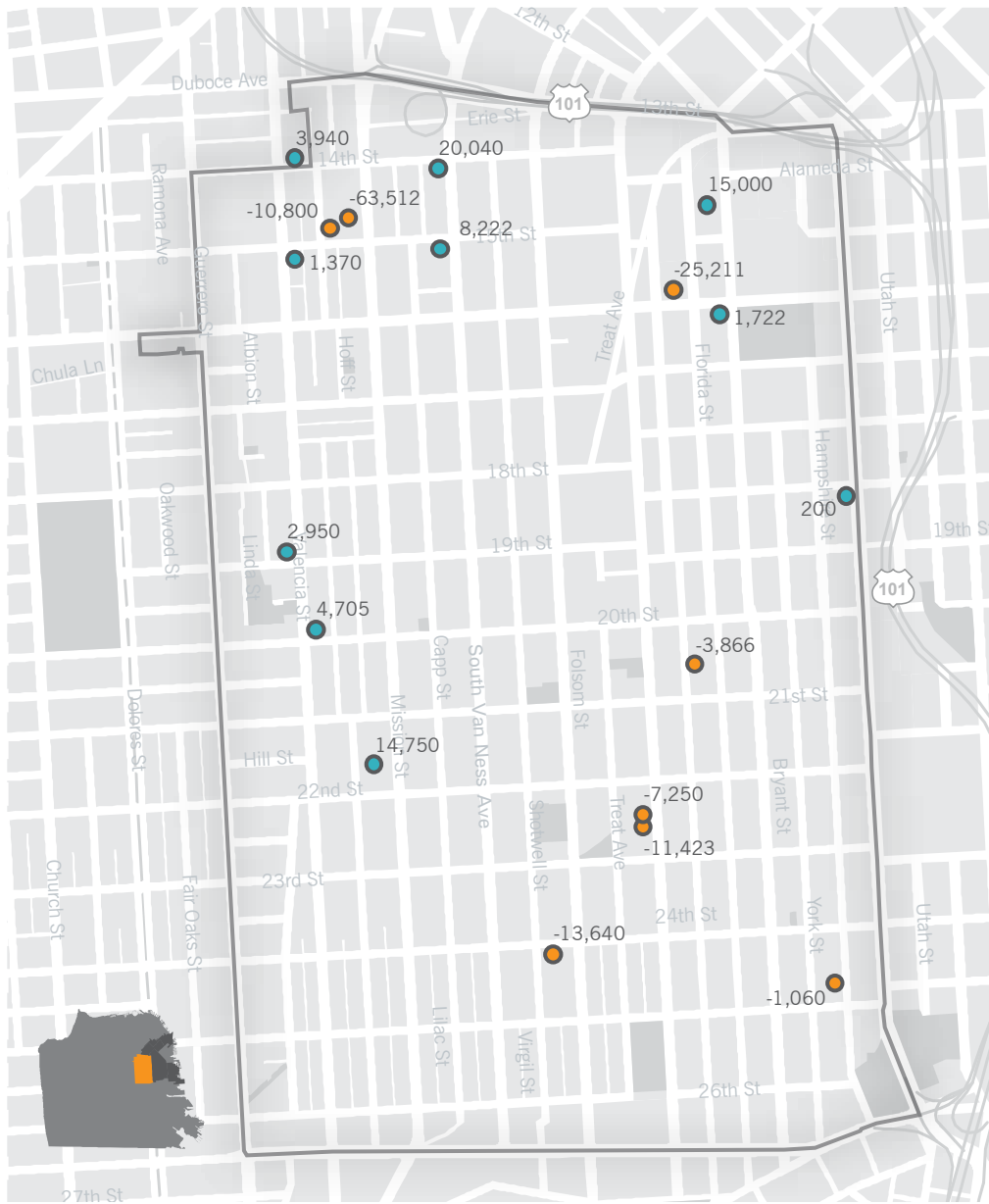
Net Change in Commercial Space, San Francisco 2011–2015

Year Completed	Cultural, Institutional, Educational	Medical	Office	Production, Distribution and Repair	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.

MAP 2

Completed Projects Causing Net Change in Commercial Space, Mission 2011–2015



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

2.2 Commercial Development Pipeline

The development pipeline is best understood as two separate subcategories, shown in [Table 2.2.1](#) as “Under Review” and “Entitled.” Entitled projects are those that have received Planning Department approvals and are under construction or awaiting financing or other hurdles to break ground. Such projects can be expected to be completed with some confidence, although some of them may take years to finally complete their construction and receive certificates of occupancy. Projects that are under review projects are those that have filed application with the Planning and/or Building Departments, but have not been approved. These projects have to clear several hurdles, including environmental (CEQA) review, and may require conditional use permits or variances. Therefore, under review projects should be considered more speculative.

The commercial development pipeline in the Mission shows a continuation of the trends that have taken place during the reporting period of 2011-15 ([Table 2.2.1](#)). The Mission will continue to see some of its PDR space converted to other uses,

particularly residential, as well as the development of some office, medical, and institutional space. However, the City continues to enforce PDR protection policies in specially designated zones in the Mission, such as PDR-1 and PDR-2.

The projects in the pipeline that have received entitlements show a slight net gain (5,000 square feet) of non-residential uses in the Mission in the near future. If all of these developments are completed, the Planning Department expects a loss of about 360,500 square feet of PDR space and concomitant gain of roughly 535,500 square feet in other commercial space, including institutional, medical, office and retail uses. Entitled projects that propose to convert PDR to other uses are mostly small spaces (up to about 6,000 square feet) that will be redeveloped as residential or mixed-use residential buildings. One representative project is at 346 Potrero Avenue, currently under construction, where 3,000 square feet of PDR has been converted to a mixed use building with approximately 1,600 square feet of ground floor retail and 70 residential units, 11 of which are affordable.

TABLE 2.2.1

Commercial and Other Non-Residential Development Pipeline, Mission Q4 2015

Development Status	Cultural, Educational, Institutional	Medical	Office	Production, Distribution and Repair	Retail	Visitor/Lodging	Total Commercial Sq Ft
Under Construction	–	–	–	(12,461)	7,396	–	(5,065)
Planning Entitled	3,957	16,000	4,672	(18,607)	4,682	–	10,704
Planning Approved	2,757	–	–	(2,914)	–	–	(157)
Building Permit Filed	–	–	–	(1,939)	844	–	(1,095)
Building Permit Approved/ Issued/ Reinstated	1,200	16,000	4,672	(13,754)	3,838	–	11,956
Under Review	282,932	–	160,591	(329,490)	51,672	–	169,219
Planning Filed	282,932	–	159,388	(303,697)	55,186	–	182,933
Building Permit Filed	–	–	1,203	(25,793)	10,876	–	13,714
Total	286,889	16,000	165,263	(360,558)	67,264	–	174,858

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.

One example of a project that is currently under review, the “Armory Building” at 1800 Mission, has requested to convert roughly 120,000 square feet of PDR space into office use. Another large-scale project currently under review would build 176,000 square feet of non-profit service delivery office space at 1850 Bryant Street. If all projects that are under review come to fruition, the Mission will see roughly 360,000 square feet of PDR transition to other uses.

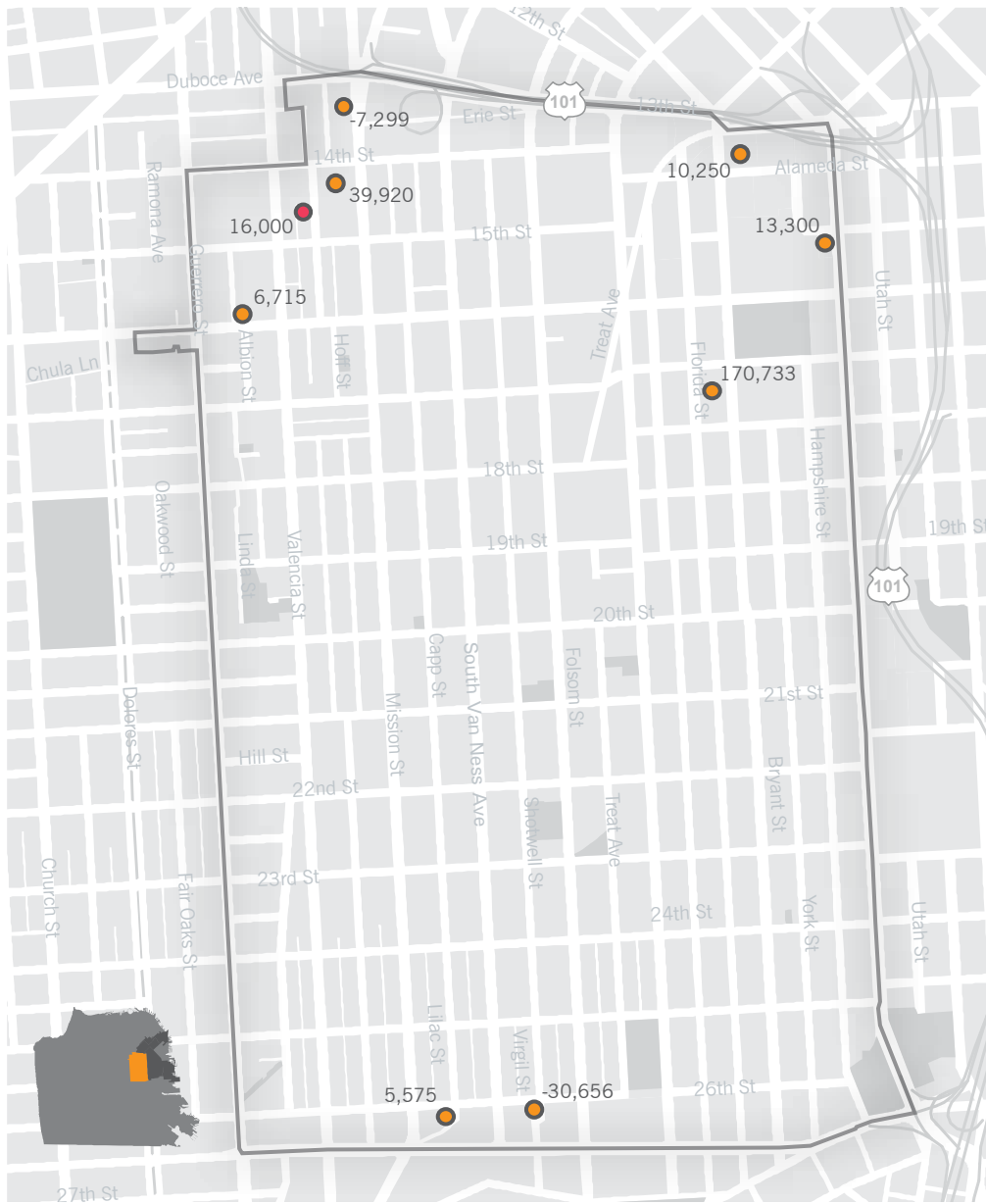
Table 2.2.2 shows the commercial development pipeline for San Francisco for comparison. The development pipeline in the Mission represents less than 1% of the citywide pipeline. Map 3 shows the locations of the larger proposed commercial developments in the plan area. (See Appendix C for detailed information about pipeline projects.)

TABLE 2.2.2

Commercial and Other Non-Residential Development Pipeline, San Francisco Q4 2010

Development Status	Cultural, Educational, Institutional	Medical	Office	Production, Distribution and Repair	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, Mission 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, the Mission (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, and therefore can outbid PDR businesses for parcels that are not specifically zoned for industrial use. 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. Of the 2.9 million square feet in PDR space in the Mission in 2015, more than half was scattered throughout zoning districts not specifically geared towards industrial uses, such as neighborhood commercial (NC) zones. Roughly 770,000 (26%) were located in PDR protection districts (PDR-1 and PDR-2) and 20% were in the mixed use UMU district. By comparison, the split between PDR space in PDR protection, mixed use, and other districts in the Eastern Neighborhoods is 38%, 34%, and 29%, respectively. According to Co-Star data, asking lease rates for PDR space in the Eastern Neighborhoods are currently \$22 per square foot (NNN) and vacancy rates are 4.4%.⁴

Since the adoption of the Mission Area Plan, PDR space has continued to be converted to other uses in the neighborhood, as [Tables 2.1.2](#) and [2.2.1](#) illustrate. A detailed investigation of the conversion of PDR space in the Mission shows that such conversions have occurred largely outside of the zoning districts created specifically to protect PDR uses (in the case of the Mission, PDR-1 and PDR-2). The only project that recorded a loss of PDR space in a PDR protection zone during this period, 1550 Bryant, involved the legitimization of office conversion undertaken prior to adoption of the plan under an amnesty program that expired in 2013 (discussed in subsection 2.3.1, below). In addition to the project at 1880 Mission, detailed above, other completed projects in the Mission that have converted PDR space have done so in order to build new housing, either with a higher percentage of inclusionary units than required by the City's inclusionary housing ordinance or by paying in-lieu fees, as shown in [Table 2.3.2](#). These projects have all been built in either the transitional UMU district or in districts like NCT and RH-3, which were not intended as PDR protection areas under the Mission Area Plan. The Planning Department has also undertaken some legislative action to strengthen PDR zoning and enable to location, expansion, and operation of PDR businesses. In addition to some “clean

⁴ 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, Mission and Eastern Neighborhoods, 2015

Zoning District Type	Mission	%	Eastern Neighborhoods	%
PDR Protection (1)	767,087	26%	3,465,888	38%
Mixed Use (2)	582,510	20%	3,098,198	34%
Other (3)	1,546,741	53%	2,669,555	29%
Total	2,896,338	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

TABLE 2.3.2**Projects Converting PDR Space in Mission Area Plan Area, 2011–2015**

Project	Zoning	Net PDR	Net Office	Net Retail	Net Units	Affordable Units	Percent Affordable
1550 Bryant Street	PDR-1-G	(93,400)	108,400	0	0	0	N/A
1880 Mission Street	NCT/UMU	(63,512)	0	0	194	40	21%
2652 Harrison Street	UMU	(7,250)	0	0	20	Fee payment	N/A
2660 Harrison Street	UMU	(11,423)	0	11,423	3	Below threshold	N/A
3135 24th Street	NCT	(15,000)	0	1,360	9	Below threshold	N/A
1280 Hampshire Street	RH-3	(1,060)	0	0	3	Below threshold	N/A

Source: San Francisco Planning Department

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

up” language making it easier for PDR businesses to receive permits and share retail spaces, the Department also created a program to allow more office development in certain parcels as a way to subsidize more development of PDR space. Recognizing the financial difficulties of developing new industrial buildings in large “soft site” lots, this program gives developers the ability to construct office space in parcels zoned PDR-1 and PDR-2, located north of 20th Street. The parcels must be at least 20,000 square feet as long as existing buildings are not developed to more than 0.3 floor-to-area (FAR) ratio. At least 33% of the space in the new developments must be dedicated to PDR uses. To date, only one development at 100 Hooper Street in the Showplace Square/ Potrero Hill Plan Area has taken advantage of this program.

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 received about 44 complaints of alleged violation for illegal conversions of PDR space. Most of these cases (42) are in the Eastern Neighborhoods, 20 of which are in the Mission Area Plan Area. Of these cases, six were found to not be in violation of PDR protection rules, 11 are under or pending review, and three have been found to be in violation. The three cases are on Alabama Street between 16th and Mariposa Streets on parcels zoned PDR-1-G. Owners were issued notices of violation and office tenants were compelled to vacate the properties, as shown in [Appendix E](#).

TABLE 2.3.3**Enforcement Cases for Illegal PDR Conversions, Mission, Eastern Neighborhoods, and Citywide, 2015**

Case Type	Number of Cases		
	Mission	Eastern Neighborhoods	Citywide
Closed - Violation	3	6	7
Closed - No Violation	6	9	9
Under Review	1	4	4
Pending Review	10	23	24
Total	20	42	44

Source: San Francisco Planning Department

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 closed and that were actually found to be in violation of the code. 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 session 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. Future trainings will be held based on interest.

2.4 Employment

The Mission Area 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.⁵ Altogether, employment in the Mission grew from roughly 18,000 jobs in 2010 to almost 39,000 with a related increase from 2,700 to 3,000 establishments, according to the California Employment and Development Department (EDD). The next subsections discuss job growth in the Mission by land use category.

2.4.1 Office Jobs

The largest increase in jobs in the Mission between 2010 and 2015 was in office occupations. According to EDD, the neighborhood experienced an almost 70% increase in office jobs in those 5 years. However, the number of office establishments only increased by about 25%, indicating a shift towards office firms with a

⁵ See annual San Francisco Planning Department Commerce & Industry Inventory, 2008 – 2015.

TABLE 2.4.1**Employment, Mission and San Francisco, Q2 2015**

Landuse	Mission				San Francisco			
	Establishments	%	Jobs	%	Establishments	%	Jobs	%
Cultural, Institutional, Educational	119	4%	17,454	45%	2,010	3%	73,182	11%
Medical	1,223	41%	2,409	6%	21,833	37%	60,214	9%
Office	511	17%	6,344	16%	15,628	27%	293,014	44%
Production, Distribution and Repair	349	12%	3,723	10%	5,280	9%	88,135	13%
Retail	605	20%	8,802	23%	8,241	14%	130,550	20%
Visitor / Lodging	10	0%	41	0%	311	1%	16,688	2%
Other	187	6%	254	1%	4,961	9%	6,953	1%
Total	3,004	100%	39,027	100%	58,264	100%	668,736	100%

Source: California Employment Development Department

larger number of employees or occupying formerly vacant space. In 2015 the Mission held about 3% of all of the city's office jobs and 2% of its establishments (see [Chart 2.4.1](#)).

2.4.2 Retail Jobs

As discussed above, the Mission has also emerged as an important retail destination in San Francisco, with the restaurants, cafes, bars, and shops in the main commercial corridors (particularly Mission, Valencia, 16th, and 24th Streets) attracting visitors from throughout the city, region, and beyond. The number of retail jobs in the Mission increased by 24% between 2010 and 2015 to about 8,800 in more than 600 establishments. The neighborhood represents 7% of the city's retail jobs and establishments.

2.4.3 PDR Jobs

PDR continues to play a critical role in the city's economy, providing quality jobs to employees with a broad range of educational backgrounds, supporting local businesses up- and downstream (for example, many of the city's top restaurants source products from local PDR businesses), and infusing the region with innovative products. Though the trends in loss of PDR space have been widely documented, the city and the Mission both added

PDR jobs since 2010. The Mission experienced a 7% increase in PDR employment (to 3,700 jobs) between 2010 and 2015 and 9% increase in number of firms (to 350). Within the three-digit NAICS classifications that make up the Planning Department's definition of PDR, employment increased across several occupational categories, including "other manufacturing", "film and sound recording", and "printing and publishing" occupations and decreased in "construction", "apparel manufacturing" and "transportation and warehousing" occupations, as shown in Appendix F.

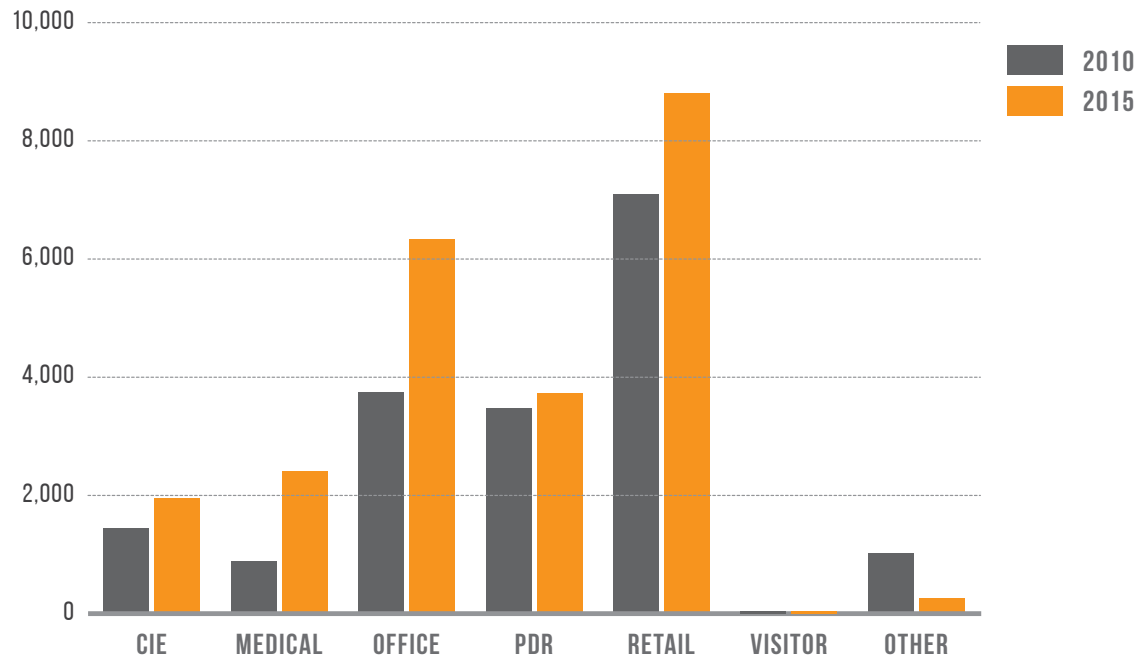
As with other occupations, these increases likely reflect a recovery from the recession as well as the emergence of "maker" businesses and production of customized and high-end consumer products, such as the firm shown in [Photo 2.4.1](#). The success of the Plan in curbing large-scale conversion of PDR space has likely played a key role in ensuring that these re-emergent industrial activities are able to locate within San Francisco. The Mission has roughly 4% of the PDR jobs and 7% of the establishments within the city.

2.4.4 Employment and Commercial Space Trends

Over the past five years, the Mission has added a substantial number of jobs, more than 30%

FIGURE 2.4.1

Jobs by Land Use, Mission, Q3 2010 and 2015

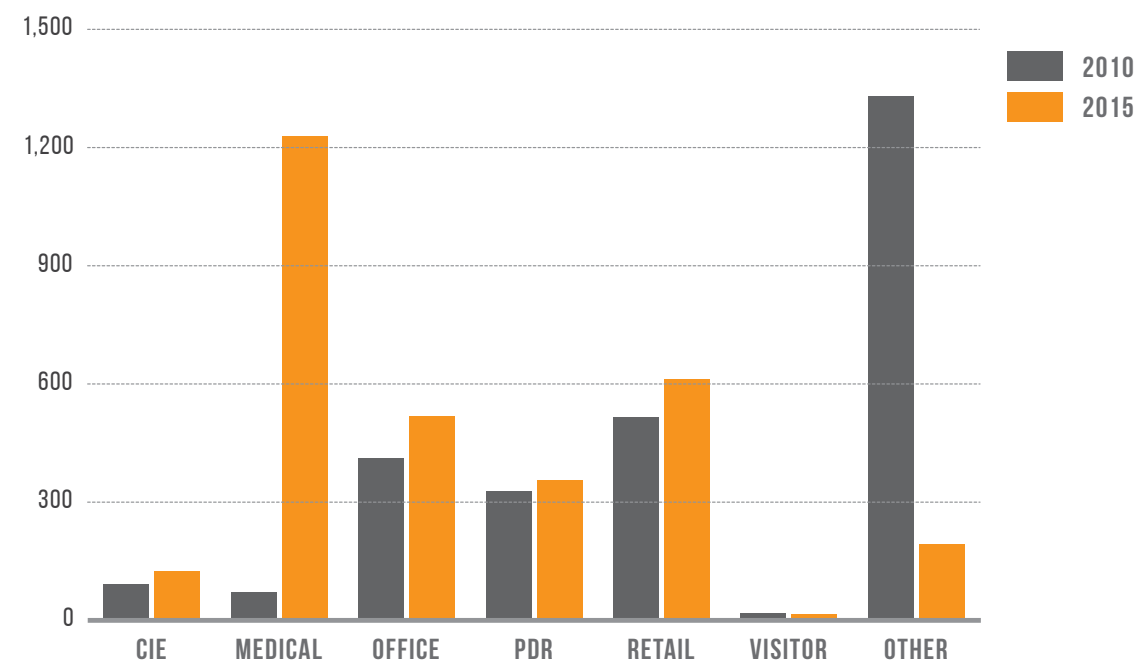


Source: California Employment Development Department

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 2.4.2

Establishment by Land Use, Mission, 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".

growth, even as its commercial space square footage increased by a small amount (4,000 square feet). In part, 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.⁶ 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.⁷ 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.

2.4.5 Sales and Property Taxes

Since the Eastern Neighborhood Area Plans were adopted, the City has also seen sharp increases in collections of sales and property taxes. In the Mission, sales tax collections increased every year from 2011 to 2014, going from \$4.5 million to \$6.2 million in five years, an increase of almost 40%. By comparison, sales tax collections citywide increased by 26% during this period. Property tax collection also increased substantially in the Eastern Neighborhoods. In the Mission, the city collected roughly \$38 million in property taxes in 2008, the year before the plan was adopted. By 2015, property taxes in the Mission increased by 56% to \$59 million, as shown on [Table 2.4.3](#).

⁶ Although data to show vacancy rates for the Mission Area 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.

⁷ See Gensler. 2013. *US Workplace Survey Key Findings*.

FIGURE 2.4.3

Dandelion Chocolate, 2600 16th Street



Photo by SF Planning, Pedro Peterson

TABLE 2.4.2**Sales Taxes Collected in Mission Area Plan Area, 2011–2015**

Year	Mission	% change from previous year	San Francisco	% change from previous year
2011	\$4,486,667	–	\$75,198,021	–
2012	\$4,913,267	9.5%	\$80,709,201	7.3%
2013	\$5,292,732	7.7%	\$84,261,806	4.4%
2014	\$5,598,902	5.8%	\$89,605,413	6.3%
2015	\$6,227,719	11.2%	\$94,546,142	5.5%
Total	\$26,519,287		\$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
Mission	\$37,908,346	\$58,957,413
Central Waterfront	\$5,704,111	\$10,338,391
East SoMa	\$46,831,664	\$63,172,434
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.

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 American cities and coastal communities throughout California. As discussed in the previous section, the Bay Area, city, and Mission 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 families to remain in San Francisco.

In the past five years, the Mission has been a focal point of struggles over housing as well as efforts by the City to ensure that its residents can

continue to live there. One of the main goals of the *Mission Area Plan* is to increase the production of housing affordable to a wide-range of incomes. The environmental analysis conducted for the EN EIR estimated that between 800 and 2,000 additional units could be developed as a result of the rezoning associated with the *Mission Area Plan*.⁸ The Plan 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.

⁸ Eastern Neighborhoods Rezoning and Area Plans Environmental Impact Report (2005).

3.1 Housing Inventory and New Housing Production

The Planning Department's latest housing inventory, using US Census and permit data, shows that the Mission has roughly 25,000 housing units as of the end of 2015; this represents 6.6% of the citywide total.⁹ Table 3.1.1 shows a net gain of approximately 564 units in the past five years in the Mission, compared with 861 net units added between 2006 and 2010. Of the new units produced, 76 were conversions from non-residential uses and the rest were completed from new construction.

During the first two years of the reporting period, 2011 and 2012, the construction sector was still recovering from the slow-down of the recession, and only 47 new units were built. Between 2013 and 2015, however, the Mission added 518 new units, or 173 units per year. This yearly average

is almost identical to the average between 2006 and 2010, when the Mission added 164 units per year. Table 3.1.2 shows the citywide figures for comparison. Nearly 6% of the net increase in the city's housing stock in the last five years was in the Mission area.

Map 4 shows the location of recent housing construction. The vast majority of new units added during the 2011-2015 reporting period are located north of 16th Street and west of Mission Street. All of the new residential development in the southern portion of the Mission during this period has been in projects adding one or two net units. Additional details about these new development projects can be found in Appendix B.

⁹ 2015 San Francisco Housing Inventory.

TABLE 3.1.1
New Housing Production, Mission, 2011–2015

Calendar Year	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change in Number of Units
2011	–	14	(1)	(15)
2012	47	–	11	58
2013	242	1	16	257
2014	75	1	2	76
2015	140	–	48	188
Total	504	16	76	564

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

New Housing Production Mission 2011–2015



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

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.

The pipeline for new housing development in the Mission as of the end of 2015 is 1,855 units, of

which 1,467 are under review. Roughly 400 units are entitled, of which half are currently under construction, as shown on [Table 3.2.1](#). The pipeline for the Mission accounts for 9% of the total number of projects in the city, though only 3% 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.

The current housing pipeline is much more robust than it was at the end of 2010, shown in the previous Monitoring Report. In that year, only seven projects (with a total of nine units) were under construction, 25 projects with 422 units were entitled, and 53 projects with 585 units were under review. As of the end of 2015, twice as many projects were under review for more than three times the number of units, reflecting a much stronger market and willingness by developers to build new housing.

[Map 5](#) shows the location of these proposed housing projects by development status. By-and-large,

TABLE 3.2.1
Housing Development Pipeline, Mission, and San Francisco, Q4 2015

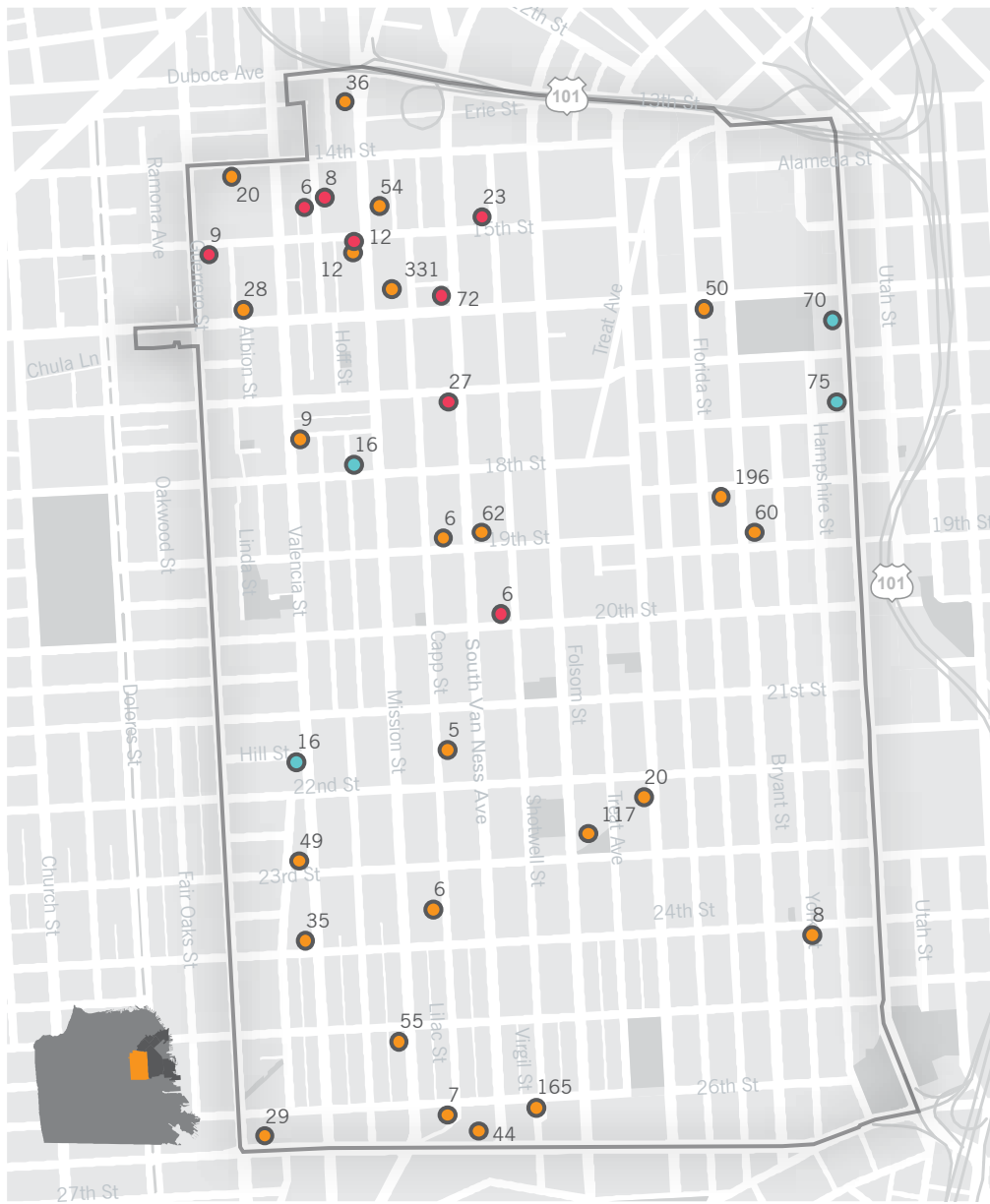
Development Status	Mission			San Francisco		
	No. of Units	No. of Affordable Units	No. of Projects	No. of Units	No. of Affordable Units	No. of Projects
Construction	200	22	17	8,816	979	232
Planning Entitled	188	18	29	31,546	6,141	353
Planning Approved	14	–	5	27,617	12	80
Building Permit Filed	16	–	5	1,529	73	36
Building Permit Approved/ Issued/ Reinstated	158	18	19	2,400	6,056	237
Under Review	1,467	43	65	21,752	1,797	708
Planning Filed	909	37	25	17,575	1,574	206
Building Permit Filed	558	6	40	4,177	223	502
Total	1,855	83	111	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.

MAP 5

Housing Development Pipeline by Development Status, Mission, Q4 2015



- Entitled
- Under Construction
- Under Review

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

projects that are entitled and under construction are located north of 20th Street. The southern portion of the Mission Area Plan Area has a number of proposed projects that are currently under review, although only one project is under construction, at 1050 Valencia Street. [Appendix C](#) provides a detailed list of these housing pipeline projects.

3.3 Affordable Housing in the Mission

San Francisco and the Mission Area Plan Area have a number of policies in place to facilitate the development of affordable housing. This section describes some of these policies and discusses affordable housing development in the Plan Area over the past five years.

3.3.1 Affordable Housing Efforts: Citywide, Eastern Neighborhoods, and Mission

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. Households living in SFHA-managed properties pay no more than 30% of their income on rent, and the average household earns roughly \$15,000. Four of these properties are located within the Eastern Neighborhoods boundaries: two in the Mission and two in Potrero Hill.

The City has also launched HOPE SF, 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 specified in Section 415 of the Planning Code. This program requires that developments of 10 or more units of market rate housing must restrict 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 two projects. Proposition C, approved by San Francisco voters in June 2016, increases the minimum inclusionary housing requirement to 25% on projects larger than 25 units. The Board of Supervisors may change this amount periodically based on feasibility studies by the Controller's Office. 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 Board recently adopted an ordinance to encourage accessory dwelling units (ADUs) throughout the City, expanding on previous legislation allowing such units 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.¹⁰

Another policy that has the potential to add thousands of units of affordable housing to the city's stock is the Affordable Housing Bonus

¹⁰ 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.

Program, which is currently under review by the City. The Board recently approved the portion of the program that allows developers to build up to three stories above existing height limits in 100% affordable projects. Another component of the program that is under consideration would allow developers in certain areas to build up to an additional two stories of market rate housing above what is allowed by their height limit district, in exchange for providing additional affordable housing, with a special focus on middle-income households. With the exception of 100% affordable projects, the local 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 limited in recent decades.

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. For example, 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 themselves. The Plans also require bedroom mixes in its mixed use districts to encourage 2- and 3-bedroom units that are suit-

able 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. The Mission in particular has been a symbol of the pressures of exploding housing costs on neighborhood stability and character.

As [Table 3.4.1](#) shows, 56 income-restricted affordable units were built during the 2011-15 five-year monitoring period, compared to 446 developed over the previous five years (2006-2010). The main difference between the two periods is that no publicly subsidized developments were built in the Mission in the most recent five-year stretch, while two large, fully affordable projects were built in 2006 and 2009 (Valencia Gardens and 601 Alabama, respectively) with a total of 411 units.

The 56 units built between 2011 and 2015 make up 11% of the 504 newly constructed units built in the Mission (shown on [Table 3.1.1](#)), slightly lower than the inclusionary housing minimum of 12%. The percentage is lower than the minimum because seven projects (shown on [Table 3.4.3](#)) chose to pay a fee to the City in lieu of building the units on-site. These fees raised \$7.3 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 the Mission in this period, if successfully leveraged into additional external funding and used to build projects on

publicly controlled land, could yield an additional 30 units.¹¹ Moreover, projects with fewer than 10 units are exempt from the inclusionary housing requirement.

Out of the 56 inclusionary units, 40 were rental units targeted to low-income households (55% of AMI) at the 194-unit development at 1880 Mission Street. The rest were ownership units restricted to moderate-income households (90% AMI). An additional 20 secondary or “granny” units, which are not restricted by income, but are

generally considered “more affordable” by design to moderate-income households were added in the Plan Area. [Appendix B](#) lists the affordable housing developments completed between 2011 and 2015.

The inclusionary housing production in the Mission accounts for 7% of the citywide production (853 units, as shown in [Table 3.4.2](#) between 2011 and 2015). Because no publicly subsidized developments were completed in this period, the Mission only built 2% of the city’s income-restricted units (2,497) during the period.

¹¹ 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, Mission, 2011–2015

Calendar Year	Public Subsidy	Inclusionary	Secondary Units	Total
2011	–	–	5	5
2012	–	2	2	4
2013	–	40	3	43
2014	–	8	3	11
2015	–	6	7	13
Total	–	56	20	76

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

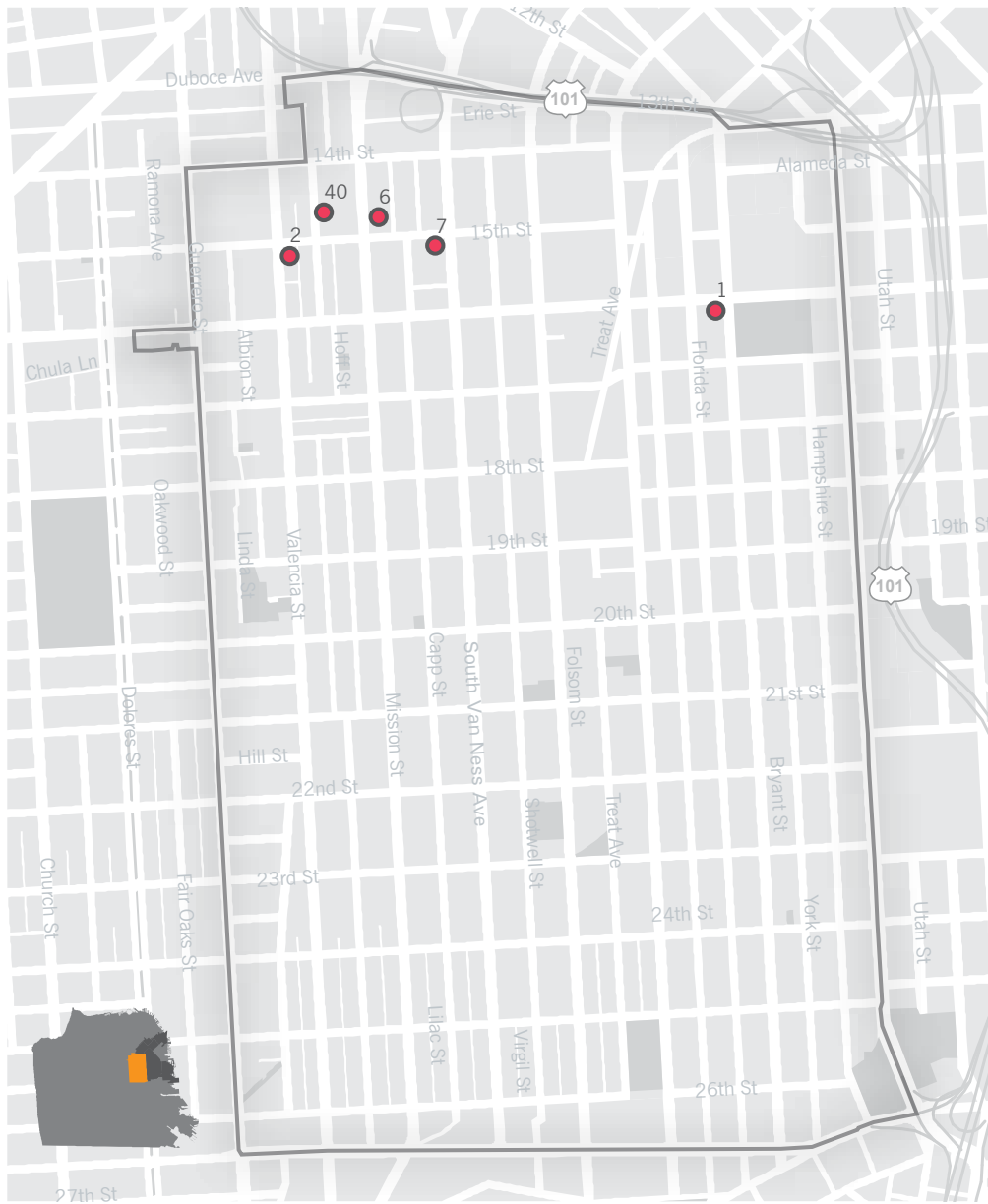
Source: San Francisco Planning Department and Mayor’s Office of Housing and Community Development

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, Mission, 2011–2015**

ADDRESS	YEAR	TOTAL FEE AMOUNT
3500 19TH ST	2012	\$1,119,972
3418 26TH ST	2012	\$685,574
2652 HARRISON ST	2012	\$975,904
899 VALENCIA ST	2013	\$1,119,260
1050 VALENCIA ST	2013	\$756,939
3420 18TH ST	2015	\$1,001,589
1450 15TH ST	2015	\$1,654,354
Total		\$7,313,592

Source: Department of Building Inspection

MAP 6**New Affordable Housing, Mission, 2011–2015**

● Inclusionary affordable units in market-rate 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 families and disruption in tight-knit communities such as the Mission. The *Mission Area 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 those of low 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 can claim to be going out of the rental business in order to force residents to vacate

their homes.

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 Mission Area Plan Area and San Francisco between 2011 and 2015 and comparing the most recent five years with the preceding 5-year period.

3.5.1 Units lost to alteration or demolition

In this most recent reporting period, 30 units were demolished or lost through alteration in the Mission ([Table 3.5.1](#)) or less than 3% of units demolished citywide. In the previous reporting period, 15 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, Mission, 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	–	7	–	–	7	14	21
2012	–	–	–	–	–	–	–
2013	–	–	–	–	–	1	1
2014	3	–	–	–	3	1	4
2015	4	–	–	–	4	–	4
TOTAL	7	7	–	–	14	16	30

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	–	110	427	537
2014	24	20	1	–	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

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 76% of households in the Mission were renters. According to the American Community Survey, there was no change in the owner/renter split in the Mission or in San Francisco between 2009 and 2014. Almost 8% of San Francisco's rental units are in the Mission as of 2014, the same figure as in 2009.¹²

Table 3.5.3 shows that in the last five years, 284 units in 105 buildings in the Mission were converted to condominiums, compared to 307 units in 133 buildings between 2006 and 2010. In all, approximately 0.6% of all rental units in the Mission were converted to condominiums between 2011 and 2015. This represents 11% of all condo conversions citywide.

¹² 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 the Mission. The neighborhood boundaries for the Mission in the Neighborhood Profiles do not match perfectly with the Plan Area boundaries, though they are very close. Therefore, these percentages should be read as approximations.

TABLE 3.5.3**Condo Conversion, Mission and San Francisco, 2011–2015**

Year	Mission		San Francisco		Mission as % of Citywide Total	
	No of Bldgs	No of Units	No of Bldgs	No of Units	No of Bldgs	No of Units
2011	23	55	200	472	12%	12%
2012	18	43	201	488	9%	9%
2013	17	42	147	369	12%	11%
2014	29	81	239	727	12%	11%
2015	18	63	149	500	12%	13%
Totals	105	284	936	2,556	11%	11%

Source: DPW Bureau of Street Use and Mapping

3.5.3 Evictions

Evictions by owners that choose to move in to their occupied rental units or use the Ellis Act provisions to withdraw their units from the rental market also cause changes to the housing stock. These evictions effectively remove units from the rental housing stock and are, in most cases, precursors to condo conversions.

Table 3.5.4 shows that owner move-ins led to evictions in 103 units (compared to 73 units between 2006 and 2010). The annual trend from 2011 and 2014 (between 13 and 22) was similar to the annual evictions for the previous 5-year reporting period, but these types of evictions surged to 35 in 2015. Similarly, Ellis Act withdrawals led to 113 evictions during the most recent reporting period (compared to 71 in the

previous period). Owner move-in evictions in the Mission accounted for 8% of the citywide total while the Plan Area accounted for 18% of Ellis Act evictions in San Francisco between 2011 and 2015.

During these five years, an estimated 1% of rental units in the Mission experienced owner move-in and Ellis Act evictions. However, this number may not capture buy-outs or evictions carried out illegally without noticing the San Francisco Rent Board. Other types of evictions, also tabulated in Table 3.5.4, 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.

TABLE 3.5.4
Evictions, Mission, 2011–2015

Year	Mission			San Francisco			Mission 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	13	4	64	123	54	1102	11%	7%	6%
2012	19	23	74	172	99	1343	11%	23%	6%
2013	22	51	95	275	229	1368	8%	22%	7%
2014	14	16	120	315	101	1550	4%	16%	8%
2015	35	19	100	425	142	1518	8%	13%	7%
Totals	103	113	453	1,310	625	6,881	8%	18%	7%

Source: San Francisco Rent Board

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

3.6 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 of 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 Mission Area Plan Area generated roughly \$900,000 to be used for affordable housing development by the city.

TABLE 3.6.1

Jobs Housing Linkage Fees Collected, Mission, FY 2011/12–2015/16

Fiscal Year	Revenue
2011–12	\$–
2012–13	\$893,542
2013–14	\$–
2014–15	\$6,205
2015–16	\$–
Total	\$899,747

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

TABLE 4.1.1

Commute Mode Split, Mission and San Francisco

Transport Mode	Mission		San Francisco		Mission as % of San Francisco
	No of Commuters	%	No of Commuters	%	
Car	9,057	29%	199,470	44%	5%
Drove Alone	7,809	25%	165,151	36%	5%
Carpooled	1,248	4%	34,319	8%	4%
Transit	12,942	41%	150,222	33%	9%
Bike	2,852	9%	17,356	4%	16%
Walk	3,532	11%	46,810	10%	8%
Other	844	3%	10,579	2%	8%
Worked at Home	2,410	8%	32,233	7%	7%
Total	31,637	100%	456,670	100%	7%

Source: 2014 American Community Survey 5-year estimate

4. Accessibility and Transportation

The Mission Area 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 Mission travel to work by car than the rest of San Francisco (29% 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 widely used commute mode in the Mission is public transit, which is used by 41% of residents (compared to 33% citywide), and other alternative commute modes also play an important role, including biking at 9% (more than twice the citywide share), walking at 11%, and working at home at 8%. In order to maintain this characteristic and move towards lower dependency on private automobiles, the Mission 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.

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 5th 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 *Mission Area 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 improvements in the vicinity of 16th Street, in the center of the Mission around 20th Street and through the southern part of the Mission including Cesar Chavez Street. Additionally north-south connections are suggested for Potrero Avenue and Folsom Streets. Numerous pedestrian improvements have also been proposed in the *Mission Public Realm Plan*.

The Mission District Streetscape Plan furthered the Mission Area Plan and EN Implementation Docu-

ment by identifying general district-wide strategies for improving streets and by providing conceptual designs for 28 discreet projects. The Plan looked to create identifiable plazas and gateways, improve alley and small streets, provide traffic calming in the predominately residential neighborhoods, re-envision the Districts thoroughways, and mixed-use (i.e. light industrial) streets; and further enliven the commercial corridors at key locations. Several of the Mission District Streetscape Plan projects have been implemented including, but not limited to, the Mission District Folsom Street road diet improvements, Bryant Street streetscaping, and the Bartlett Street Streetscape Improvement Project.

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 will be developed in the future.

In 2014, San Francisco adopted Vision Zero, a commitment to eliminating traffic-related fatalities by 2024. The City has identified capital projects 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 the Mission, shown on [Table 4.2.1](#). Pedestrian safety improvements such as new crosswalks and “daylighting” (increasing the visibility of pedestrian crossings) will be constructed along Mission Street between 18th and 23rd Streets. Additionally, a variety of multimodal improvements, such as daylighting and vehicle turn restriction, are being implemented at the intersection of Valencia Street and Duboce Avenue. A new traffic signal has also recently been installed at the intersection of 16th and Capp Streets.

Lastly, the southwest Bart plaza was reconstructed in 2014 to emphasize flexible open space over the previous cluttered configuration; elements include removed fencing, new paving, landscaping and street furniture.

TABLE 4.2.1.

Vision Zero Projects in Mission Area Plan Area

Project Name	Start Date (EST)	Completion Date (EST)	Current Phase	Total Budget (EST)
16th Street at Capp Street – New Traffic Signal	Winter 2013/2014	Fall 2016	Complete	\$350,000
Cesar Chavez SR2S Project	Spring 2014	Winter 2016/17	Design	\$385,000
Valencia St./Duboce Ave Multimodal Improvements	Winter 2014/2015	Summer 2015	Design	\$5,000,000
11th St./13th St./Bryant St. Bicycle and Pedestrian Spot Improvements	Winter 2014/2015	Fall 2015	Design	\$150,000
Potrero Ave., from Division to Cesar Chavez Streetscape Project	Winter 2014/2015	Winter 2017/18	Design	\$4,100,000
Mission Street, from 18th to 23rd (Pedestrian Safety Intersection Improvements)	Winter 2014/2015	Summer 2015	Design	\$86,000
Pedestrian Countdown Signal (3 Signals)	Spring 2015	Winter 2016/17	Design	\$417,000

Source: San Francisco Municipal Transportation Agency

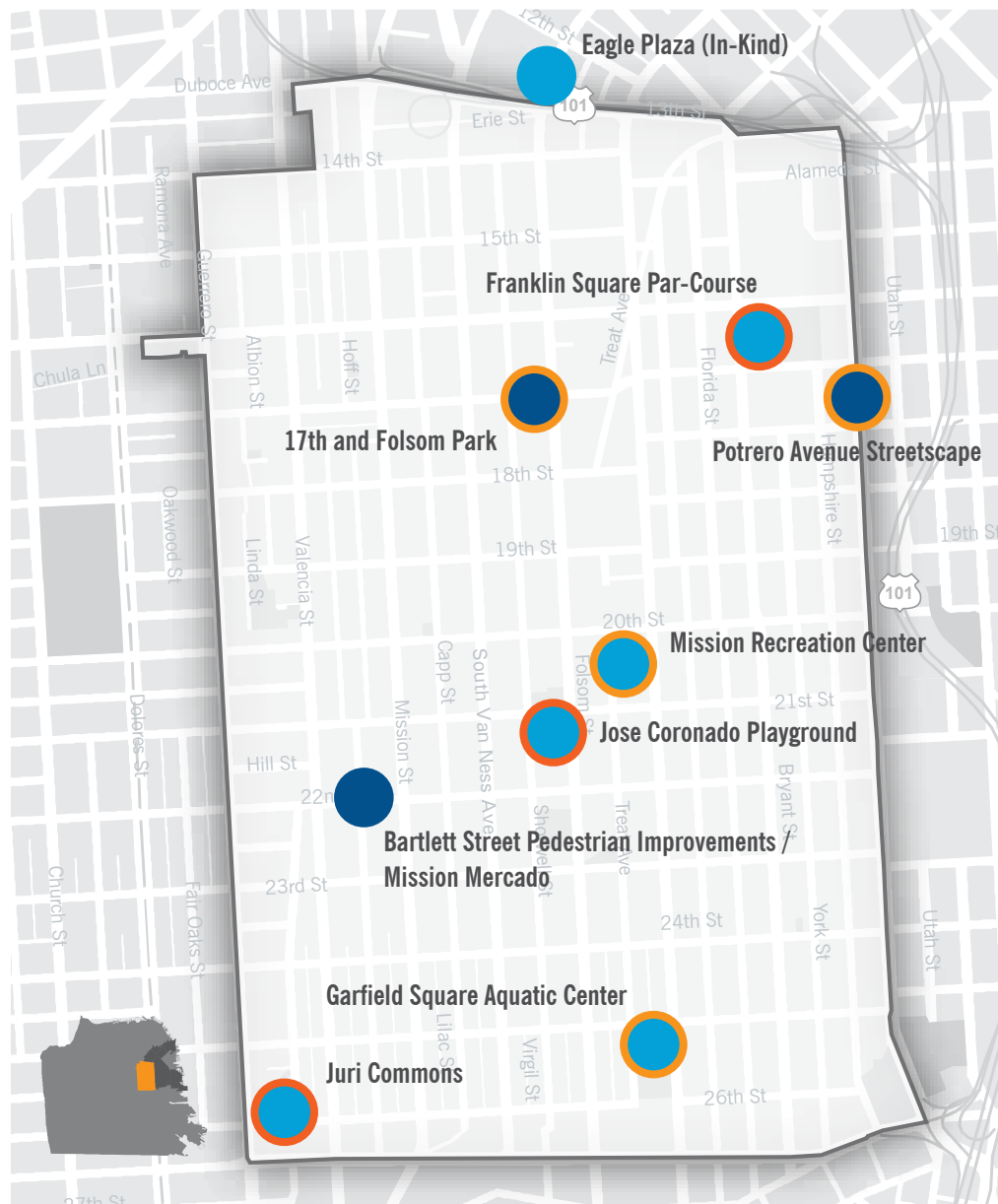
5. Community Improvements

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 descrip-

tion 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 Mission Area Plan Area between 2011 and 2015.

MAP 7

Community Improvements in the Mission, 2011–2015



Project Status

- Complete
- Construction / Near Construction
- Planned

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 metrics that establish 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 J](#).

5.2 Recreation, Parks, and Open Space

The *Mission Area Plan* also calls for the provision of new recreation and park facilities and maintenance of existing resources. Some portions of the Mission historically have been predominantly industrial, and not within walking distance of an existing park and many areas lack adequate places to recreate and relax. Moreover, the Mission has a concentration of family households with children (27% of Mission households), which is higher than most neighborhoods in the city. Specifically, the *Plan* identifies a need for 4.3 acres of new open space to serve both existing and new residents, workers and visitors. The Plan proposes to provide this new open space by creating at least one substantial new park in the Mission.

A parcel at 2080 Folsom Street (at 17th Street) owned by the San Francisco Public Utilities Commission was identified as a suitable site for a new park in an underserved area of the Mission. After a series of community meetings in 2010, three design alternatives were merged into one design. The new 0.8 acre park, shown in figure 5.2.1, will include a children's play area, demonstration garden, outdoor amphitheater and seating, among other amenities. The project is under construction and is expected to be completed by winter 2017.

FIGURE 5.2.1

Rendering of Park at 17th and Folsom Streets and Adjacent New Housing Development



Source: San Francisco Recreation & Parks.

Another facility planned for the Plan Area, still in conceptual phase, is the Mission Recreation Center. Located on a through block facing both Harrison Street and Treat Avenue between 20th and 21st Street, the facility includes an interior gymnasium and fitness center, along with an outdoor playground located in an interior courtyard. Recreation and Park staff is planning for a major renovation and reconfiguration of the facility that could include relocating the play equipment so that it is visible from the public right-of-way and adding additional courts to the building.

Lastly, Garfield Pool is scheduled to be rehabilitated through the 2012 Park Bond. Recreation and Park staff plan to further enhance the facility

to a higher capacity Aquatics Center, which, besides refurbishing the pool, would also include adding amenities such a multi-purpose room and a slide. Other possible improvements could include a redesign of the pool structure. Design for the pool rehabilitation is expected to be complete by late 2016 with construction bid award and the construction planned to begin in 2017.

5.3 Community Facilities and Services

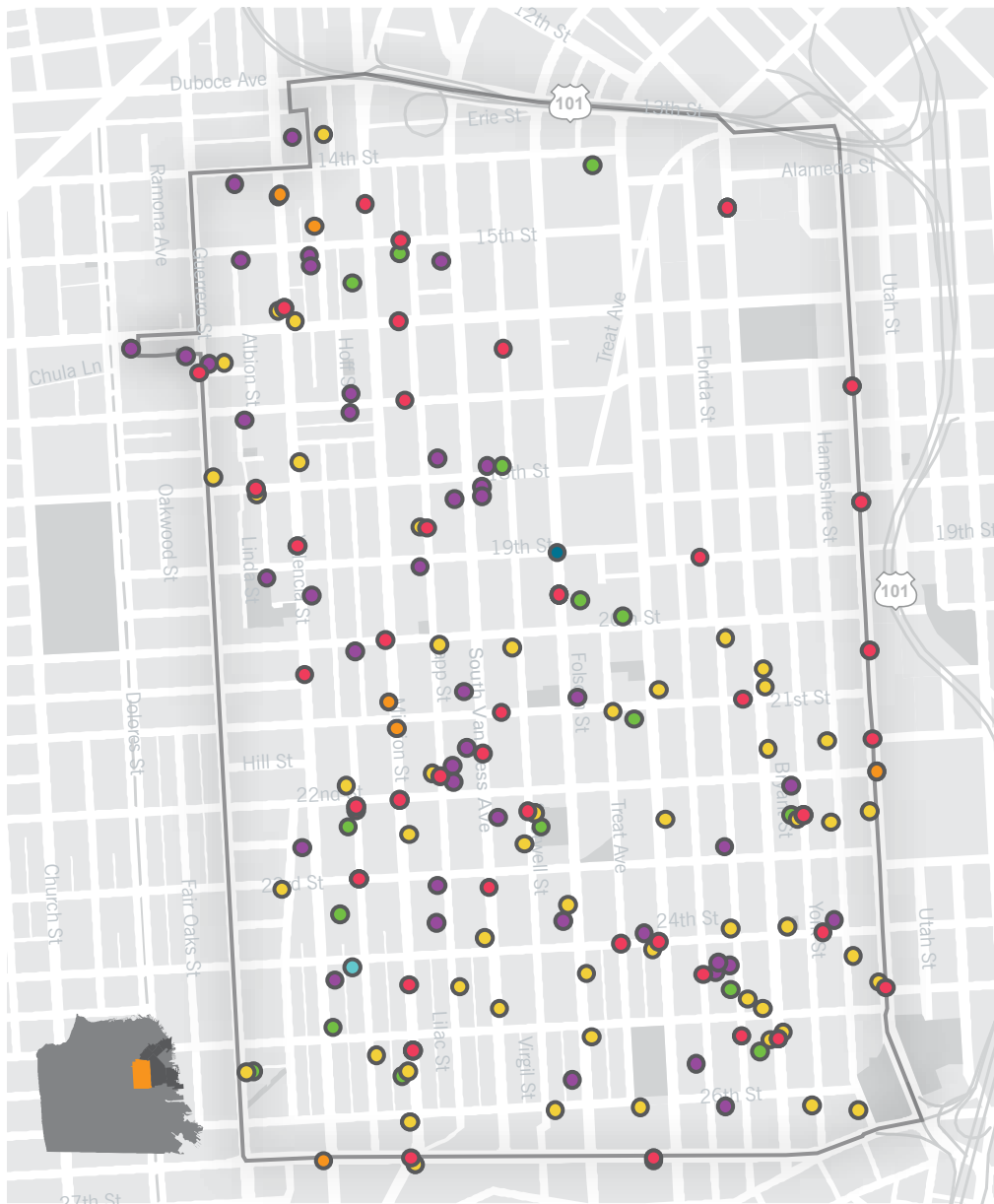
As a significant amount of new housing development is expected in the Mission, new residents will increase the need to add new community facilities and to maintain and expand existing ones. Community facilities can include any type

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 the Mission. Section 6, below, 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 the Mission. Community based organizations currently provide a wide range of services at over 50 sites throughout the Mission, ranging from clinics and legal aid, to job and language skills training centers and immigration assistance. Cultural and arts centers are also prominent in the Mission.

MAP 8

Community Facilities in the Mission



- 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 East and Western SoMa Plan Areas. 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](#) shows 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, the Mission is home to almost 600 neighborhood serving businesses and establishments employing over 8,000 people. Although these tend to be smaller businesses frequented by local residents and workers, some also serve a larger market (such as popular restaurants). As shown in [Table 4.5.1](#), the top 10 neighborhood serving establishments in the Mission include eating places (full- and limited-service restaurants, bakeries, etc.), schools, grocery stores, bars, and pharmacies. These businesses are typically along the Mission, Valencia, and 24th Street neighborhood commercial districts, as shown on [Map 9](#).

TABLE 5.5.1**Neighborhood Serving Establishments, Mission**

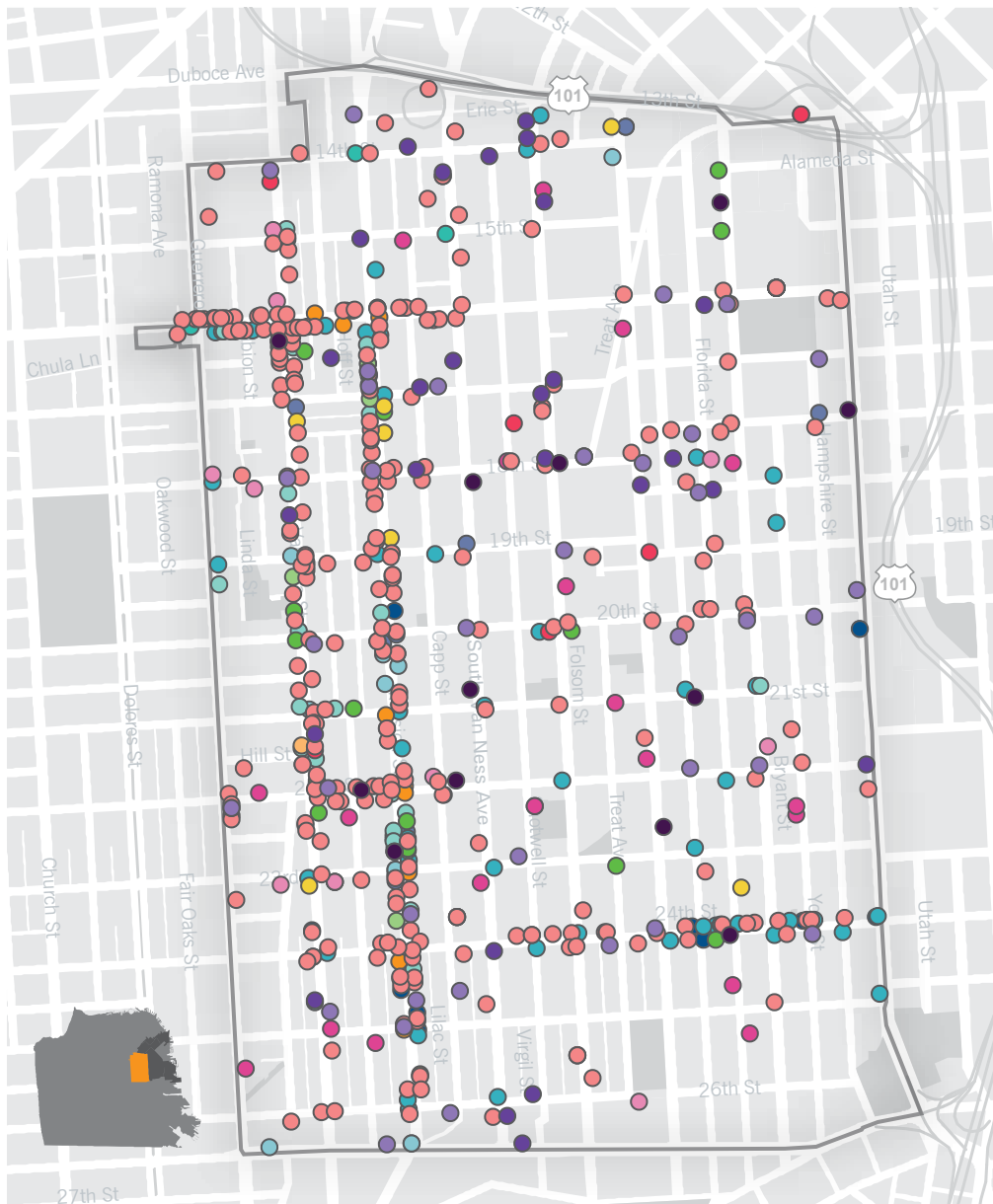
Type	Establishments	Employment
Full-Service Restaurants	155	2,581
Snack and Nonalcoholic Beverage Bars	31	908
Limited-Service Restaurants	62	884
Supermarkets and Other Grocery (except Convenience) Stores	36	521
Elementary and Secondary Schools	20	516
Drinking Places (Alcoholic Beverages)	36	388
Electronics Stores	13	246
Retail Bakeries	12	143
Commercial Banking	7	139
Pharmacies and Drug Stores	10	129
Sporting Goods Stores	7	125
Junior Colleges	2	110
Used Merchandise Stores	6	96
All Other Specialty Food Stores	3	87
Fitness and Recreational Sports Centers	5	85
Discount Department Stores	1	76
Civic and Social Organizations	9	64
Dry cleaning and Laundry Services (except Coin-Operated)	7	61
General Automotive Repair	20	57
Pet Care (except Veterinary) Services	10	52
Women's Clothing Stores	9	50
Nail Salons	8	48
Office Supplies and Stationery Stores	2	48
Child Day Care Services	10	47
Shoe Stores	5	41
Savings Institutions	4	40
Book Stores	5	39
Men's Clothing Stores	6	38
All Other General Merchandise Stores	6	38
Religious Organizations	5	34
Family Clothing Stores	3	34
Beauty Salons	9	34
Pet and Pet Supplies Stores	3	32
Barber Shops	1	30
Gasoline Stations with Convenience Stores	3	28
Clothing Accessories Stores	5	26
Meat Markets	6	24
Beer, Wine, and Liquor Stores	6	20
Sewing, Needlework, and Piece Goods Stores	2	19
Fruit and Vegetable Markets	4	12

Type	Establishments	Employment
Cosmetics, Beauty Supplies, and Perfume Stores	3	12
Food (Health) Supplement Stores	1	9
Other Automotive Mechanical and Electrical Repair and Maintenance	3	9
Convenience Stores	4	8
Hobby, Toy, and Game Stores	1	8
Other Clothing Stores	3	8
Coin-Operated Laundries and Dry cleaners	3	6
Cafeterias, Grill Buffets, and Buffets	1	5
Video Tape and Disc Rental	1	2
Other Personal and Household Goods Repair and Maintenance	2	2
Automotive Transmission Repair	1	1
Libraries and Archives	1	1
Total	578	8,018

Source: California Employment Development Department

MAP 9

Neighborhood Serving Businesses in the Mission



- | | |
|---|--|
| ● 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 | |
- Note: Based on 3-digit NAICS code occupation

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	\$4,740,000
TRANSPORTATION / TRANSIT	\$16,940,000
COMPLETE STREETS	\$6,730,000
RECREATION AND OPEN SPACE	\$17,520,000
CHILDCARE	\$2,420,000
Total	\$48,350,000

Source: San Francisco Planning Department

Note: Amount collected includes in-kind improvements.

Over the 2016-2020 period, the City is projected to collect \$145 million from the Eastern Neighborhoods impact fee program, as shown on [Table 6.2.3](#).

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

As shown in [Table 5.2.1](#), approximately \$5.4 million have been collected from 58 projects in the Mission Area Plan Area to date. 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
Mission	\$5,357,000	58
East SoMa	\$14,635,000	35
Western SoMa	\$6,940,000	15
Central Waterfront	\$10,034,000	19
Showplace/ Potrero	\$11,384,000	23
Total	\$48,350,000	150

6.3 IPIC Process

The Infrastructure Plan Implementation Committee was established in Administrative Code Chapter 36, Section 36.3; 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 to 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

As this report has shown, market pressures and evictions affecting the neighborhood intensified in the Mission District over the six years that followed the adoption of the Eastern Neighborhoods Area Plans and the recovery from the Great Recession. This has necessitated a focused effort to help protect and alleviate the impact on those most affected by the affordability crisis. As a result, the Mission Action Plan 2020 (MAP2020) was launched in early 2015 to take a closer look at the pressures affecting the neighborhood and generate a set of solutions for implementation to help stabilize housing, arts, nonprofits, and businesses.

MAP2020 will also set targets and define solutions for neighborhood sustainability for 2020 and beyond. The solutions may encompass land use and zoning, financing, and identification of opportunity sites and programs; monitoring mechanisms will also be put into place. This first phase of MAP 2020 - solutions development - will be completed by end of Summer 2016. Implementation of certain measures is already underway, with additional implementation (writing legislation, launching new studies, ramping up programs, etc.) scheduled to commence this fiscal year (FY2016) now that a MAP2020 budget has been approved by the Mayor and the Board.

To date, the MAP 2020 collaboration includes a broad range of non-profit and advocacy groups as well as public agencies including the Dolores Street Community (DSCS), the Cultural Action Network (CAN), the Mission Economic Development Agency (MEDA), Calle 24, Pacific Felt Factory, members of the Plaza 16 coalition, the

Planning Department, the Mayor's Office of Housing and Community Development (MOHCD), the Office of Economic and Workforce Development (OEWD), the Health Services Agency (HSA), Department of Building Inspection (DBI), and the Fire Department. The Mayor's Office and District Supervisor Campos have also supported this effort.

These stakeholders are collaborating through working groups co-led by a both City and community leads. A robust community outreach and engagement process has incorporated focus groups and individual presentations to organizations and coalitions such as: tenants' rights organizations, SRO tenants, Mission Girls, PODER, United to Save the Mission, real estate developers, SPUR, San Francisco Housing Action Coalition (SFHAC), San Francisco Bay Area Renters Federation (SFBARF), and others, with the goal of informing and including relevant stakeholders affected by and/or responsible for potential solutions.

Topic-specific working groups have collectively drafted short, medium, and long term strategies, including tenant protections and housing access, housing preservation, housing production, economic development, community planning, SRO acquisition and/or master leasing, and homelessness. The Plan will be presented to the Planning Commission, for endorsement in early Fall 2016.



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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>