

WESTERN SOMA PLAN MONITORING REPORT 2011–2015





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San Francisco, CA 94103-3114
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1. Introduction: Western SoMa Plan¹

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

Moreover, most of the residential areas in these neighborhoods are well-served by public transpor-

tation (including two BART stops in the Mission), have vibrant cultural amenities, and feature many attractive older buildings. These neighborhood assets and new employment opportunities have served as strong magnets for high wage earners and market rate housing developers, creating a strong influx of new, more affluent residents.

Beginning in the late 1990s, the City, residents, community activists, and business owners recognized the need for a comprehensive, community-based planning process to resolve these conflicts and stabilize the neighborhoods into the future. The Eastern Neighborhoods community planning process was launched in 2001 to determine how much of San Francisco's remaining industrial lands should be preserved and how much could appropriately be transitioned to other uses.

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

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

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

¹ Unless otherwise noted, this report will refer to the Western SoMa Community Plan, Western SoMa Area Plan, and "Western SoMa" interchangeably, as the area shown on Map 1.

1.1 About the Western SoMa Community Plan

The challenges that motivated the Eastern Neighborhoods community planning process were evident in Western SoMa around the time the plans were adopted and continue to be relevant today. The Plan was a direct response to early detection of displacement of small businesses, population shifts, social instability and escalating conflicts between competing uses². As mentioned earlier in this report, the Western SoMa community requested more time to complete their planning process. In doing so, the department partnered with the Western SoMa Citizens Planning Task Force in an eight-year public planning process to create the *Western SoMa Community Plan*. Drafted in September 2008, updated in October 2011 and adopted in 2013, the plan is a comprehensive vision for shaping growth on the western side of the South of Market area.

Key objectives of the *Western SoMa Community Plan* include:

- » Reducing land use conflicts between industry, entertainment and other competing uses, such as office and housing;
- » Protecting existing residential uses on the alleys;
- » Retaining existing jobs in the area;
- » Improving the public realm for pedestrians and bicyclists; and
- » Encouraging diverse and affordable housing.

Achieving these objectives will help create a complete neighborhood with a high diversity of land uses.

The new plan supports and builds on the Eastern Neighborhoods Plans' vision for the traditionally industrial and mixed use areas in the eastern part of the City. It complements the Plans' patterns of land use, urban form, public space, circulation, and historic preservation, while making adjustments based on understanding of key issues through community outreach to the residents and

workers in the area. The planning process also included associated legislation to amend the General Plan, Administrative Code, Planning Code, and Zoning Map to implement the Plan over time. An Implementation Document was created to outline the Plan's Public Benefits Program, which addresses the specific public benefit needs of the area and explains the mechanisms to provide the necessary funding for those benefits.

As part of the project, the department completed the environmental impact report that analyzed the potential environmental effects associated with the *Western SoMa Community Plan* at a program level, and also analyzed impacts of the rezoning of adjacent parcels and the 350 Eighth Street project at a project-specific level. At the time, it would have allowed the demolition of a couple of buildings to accommodate about 634,000 square feet of mixed use in the old SLR zoning, now rezoned as WSoMa Mixed Use-General District (WMUG). The environmental impact report was certified and the Planning Commission adopted the Plan on December 6, 2012. On March 19, 2013, the Board of Supervisors adopted the *Western SoMa Community Plan* and its associated legislation amendments.

For more information on the *Western SoMa Community Plan*, visit: <http://westernsoma.sfplanning.org>.

Map 1 shows the *Western SoMa Community Plan* area boundaries. The plan area, also known as a special use district (SUD), can be described very broadly as progressing from non-residential uses on the Townsend Street high-tech corridor northwards, with diverse local and regional serving job-producing uses to the south side of Harrison Street and the elevated highway. North of Harrison Street, development goals call for an increasingly residential neighborhood character of smaller scale that embraces a "mix of uses" and new mixed-used development.

² *Western SoMa Community Plan*: Introduction: http://www.sf-planning.org/ftp/General_Plan/Western_SoMa_Area_Plan.pdf

MAP 1

Western SoMa Community Plan Area Boundaries



1.2 Summary of Ordinance and Monitoring Requirements

The ordinances that enacted the Eastern Neighborhoods Area Plans³ – including Western SoMa – require the Planning Department to produce five-year reports monitoring residential and commercial developments in those neighborhoods, impact fees generated, and public and private investments in community benefits and infrastructure. The first set of monitoring reports for Mission Area Plan, East SoMa Area Plan, Showplace Square/Potrero Hill Area Plan, and Central Waterfront Area Plan 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 Area Plan 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 approved by the Board of Supervisors in 2009; and Western SoMa EIR, approved in 2008 certified in 2012. However, a few of the developments that have been completed during this period and some of the proposed projects in the pipeline did not (or will not) receive their environmental clearance through these two EIRs, primarily for these four reasons:

- 1) The developments were entitled prior to the adoption of the Area 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 Area Plans Plan adoption was allowed.
- 3) Some large-scale developments and Area Plans that are within or overlap Project Area boundaries (such as Central SoMa and Pier

70) will undergo separate environmental review processes.

- 4) Certain smaller projects are exempt from extensive environmental review due to their limited size and impact 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 “tiered off” the EN EIR through a Community Plan Exemption (CPE) rely on the EN PEIR. For a list of projects that received their entitlements through a CPE relying on the EN PEIR, please refer to [Appendix D](#).

Because the *Western SoMa Community Plan* was adopted in 2013, no monitoring reports have been produced for that Plan area. 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 Community 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 Western SoMa and other Eastern Neighborhoods will be released in years ending in 1 and 6.

While the initial Monitoring Reports covered only the small amount of development activities in the years immediately preceding and following the adoption of the *Eastern Neighborhood Area Plans* in 2008, this report contains information and analysis about a period of intense market development and pending zoning changes in Western SoMa and greater Central SoMa areas. 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

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

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 & Job Creation

One of the defining characteristics of the Western SoMa neighborhood is its remarkable mix of local and regional uses and diversity of businesses, including manufacturing and other PDR businesses, restaurants and bars, automotive repair shops, cultural, institutional and educational uses, and more. Folsom Street has become one of the main commercial corridors of Western SoMa, specifically between 7th and 10th streets (Folsom Street Neighborhood Commercial District). Northward of Townsend Street presents itself as a high-tech corridor, while the south side of Harrison Street focuses on the production of diverse local and regional serving jobs. North of Harrison Street embraces small scale mixing of uses with an increasingly residential-based neighborhood.

2.1 Commercial Space Inventory

Table 2.1.1 illustrates the mix of non-residential space in Western SoMa as of 2015. The table reflects the mix of uses as does Figure 2.0.1, noting that office and PDR activities each occupy over a third of the commercial space in the neighborhood each. Cultural, institutional and educational, medical and retail uses together make up another 27% of non-residential buildings and tourist hotels take up about another one percent. The table also shows the importance of Western SoMa in San Francisco's stock of industrial and office lands. Though the neighborhood only accounts for two percent of the City's overall commercial space, its share of PDR space is much higher, at five percent. However, as will be discussed in the sections below, in recent years a considerable amount of PDR space in Western SoMa has been converted to other uses, such as office and housing.

FIGURE 2.0.1

Example of Mixed-Uses: Basil Thai on Folsom Street



Source: SF Planning, Paolo Ikezoe

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

Non-Residential Land Use	Western SoMa		San Francisco		Western SoMa as % of San Francisco
	Square Feet	%	Square Feet	%	
Cultural, Institution, Educational	433,728	8%	29,898,514	13%	1%
Medical	149,084	3%	17,468,039	7%	1%
Office	2,143,216	38%	107,978,954	45%	2%
Production, Distribution, and Repair	1,910,828	34%	36,265,832	15%	5%
Retail	922,642	16%	42,299,526	18%	2%
Visitor / Lodging	65,401	1%	4,053,422	2%	2%
Total	5,624,899	100%	237,964,287	100%	2%

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

Table 2.1.2 shows commercial and other non-residential development activity in Western SoMa 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, almost 93,000 square feet of PDR land was converted to other uses, especially office and housing. In 2015, one property located at 410 Townsend Street was a direct subject of the *Western SoMa Community Plan* rezoning. The use of the building was changed from PDR to Office; and no actual work was done to require a permit. The property was zoned West SoMa Mixed Use-Office (WMUO), a designation created by the *Western SoMa Community Plan* to encourage office uses along with small-scale light industrial and arts activities, specifically to establish an explicit preference for 21st Century high tech and digital-media uses. Two projects that lost PDR space constructed new dwelling units, including the construction of new affordable dwelling units. In 2015, the existing 6,120 square feet of PDR space located at 870 Harrison Street was demolished for the new construction of 26 dwelling units, including four inclusionary affordable units (15% of the total), as shown in Figure 2.1.1. An existing building with 5,775 square feet of PDR space, located at 121 9th Street, was

demolished and replaced by a mixed-use 20 unit building, including two inclusionary units made affordable to households earning between 80 and 120% of the area median income.

Map 2 shows the location of the larger-scale non-residential developments (more than 5,000 square feet net loss or gain. (See Appendix Table B-5 for detailed information.)

FIGURE 2.1.1
870 Harrison Street

Source: SF Planning, Paolo Ikezoe

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

Year	Cultural, Institutional, Educational	Medical	Office	Production, Distribution, and Repair	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	–	–	–	(5,775)	800	–	(4,975)
2012	–	–	(11,600)	–	–	–	(11,600)
2013	–	–	(7,550)	(100)	–	(3,930)	(11,580)
2014	–	–	–	–	–	–	–
2015	–	–	90,826	(87,120)	(4,500)	–	(794)
Total	–	–	71,676	(92,995)	(3,700)	(3,930)	(28,949)

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**

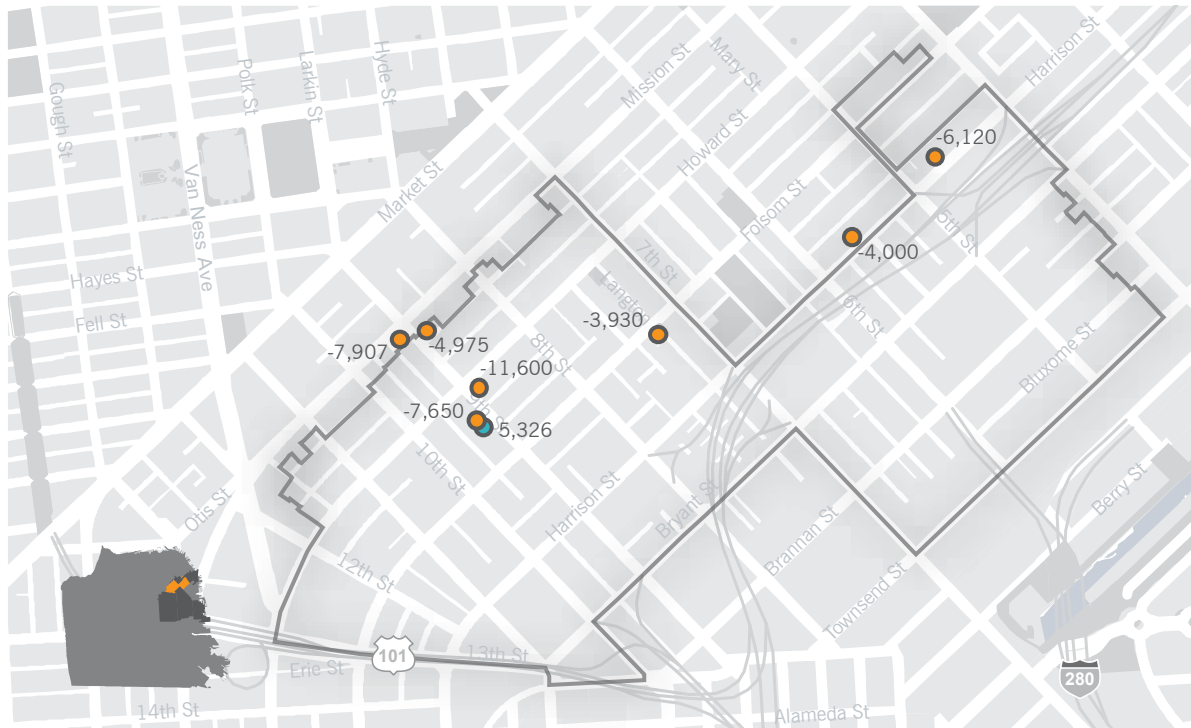
Year Completed	Cultural, Institutional, Educational	Medical	Office	Production, Distribution, and Repair	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	10,477	–	40,019	(18,075)	16,854	–	49,275
2012	(52,937)	–	24,373	(164,116)	32,445	–	(160,235)
2013	66,417	–	335,914	(236,473)	5,941	(69,856)	101,943
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	–	340,696
Total	449,304	1,835,700	1,464,811	(1,024,596)	132,534	(6,570)	2,851,183

Source: San Francisco Planning Department

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

MAP 2

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



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

2.2 Commercial Development Pipeline

The commercial development pipeline in Western SoMa shows a different view of development than that occurring during the reporting period of 2011-15 ([Table 2.2.1](#)). Western SoMa will still see development of a significant amount of PDR space, as well as the development of some retail, cultural, institutional and educational, and visitor space; and larger amounts of office space.

It is important to note that the pipeline numbers include two separate subcategories, shown in [Table 2.2.1](#) as “Planning Entitled” and “Under Review.” Projects under review are those that have filed an application with the Planning and/or Building Departments and have yet to receive necessary approvals and permits, including environmental (CEQA) review. Projects under review are just in the beginnings of the various permitting phases that projects must endure before it is finally completed. Therefore, these projects should be considered more speculative. On the other hand, entitled projects are those that have received Planning Department approvals and are considered much more certain, although many of them may take years to finally complete their construction and receive certificates of occupancy.

Projects that are under review in Western SoMa total about a net gain of 2.2 million in square footage of commercial space. A majority of this gain will potentially come in the form of office space. The biggest loss in square footage will be in PDR space. One example of a project that is currently under review, 598 Brannan Street, has requested to convert roughly 30,300 square feet of PDR space into office use. Adjacent to this site is the San Francisco Flower Mart, located at 630-698 Brannan Street, that will potentially see a loss of 15,000 square feet of PDR space to be replaced by about 15 million square feet of office space and about 30,000 square feet of retail space. If all of these projects under review come to fruition, Western SoMa will see roughly 116,600 square feet of PDR transition to other uses.

The projects in the pipeline that have been entitled show about an 823,000 square footage gain of non-residential uses in Western SoMa in

the near future. If all of these developments are completed, the Planning Department expects about an 809,300 square footage gain in office space and a loss of about 38,000 square feet of PDR space. There will also be a modest gain in cultural, institutional and educational and retail space, as well as a net gain in visitor space with the potential development of 690 5th Street located in the designated area that supports 21st Century high tech industry. Entitled projects that propose to convert PDR to other uses are mostly medium-sized spaces (up to about 28,000 square feet) that will be redeveloped as predominantly office buildings. The largest single entitled project is a proposed 526,807 square foot office building that will be developed at 610-620 Brannan Street.

[Table 2.2.2](#) shows the commercial development pipeline for San Francisco for comparison. The development pipeline in Western SoMa represents about 13% that of the citywide pipeline. [Map 3](#) shows the locations of the larger proposed commercial developments in the Plan area. (See [Appendix Table C-5](#) for detailed information.)

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

Development Status	Cultural, Educational, Institutional	Medical	Office	Production, Distribution, and Repair	Retail	Visitor/ Lodging	Total Commercial Sq Ft
Under Construction	–	–	33,000	(23,946)	53,000	–	62,054
Planning Entitled	3,800	–	809,299	(37,988)	6,739	41,000	822,850
Planning Approved	–	–	809,299	(37,988)	2,073	41,000	814,384
Building Permit Filed	–	–	–	–	–	–	–
Building Permit Approved/ Issued/ Reinstated	3,800	–	–	–	4,666	–	8,466
Under Review	59,070	–	2,203,723	(48,832)	22,725	–	2,236,686
Planning Filed	59,070	–	2,201,698	(48,832)	32,583	–	2,244,519
Building Permit Filed	–	–	2,025	–	(9,858)	–	(7,833)
Total	62,870	–	3,046,022	(110,766)	82,464	41,000	3,121,590

Source: San Francisco Planning Department

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

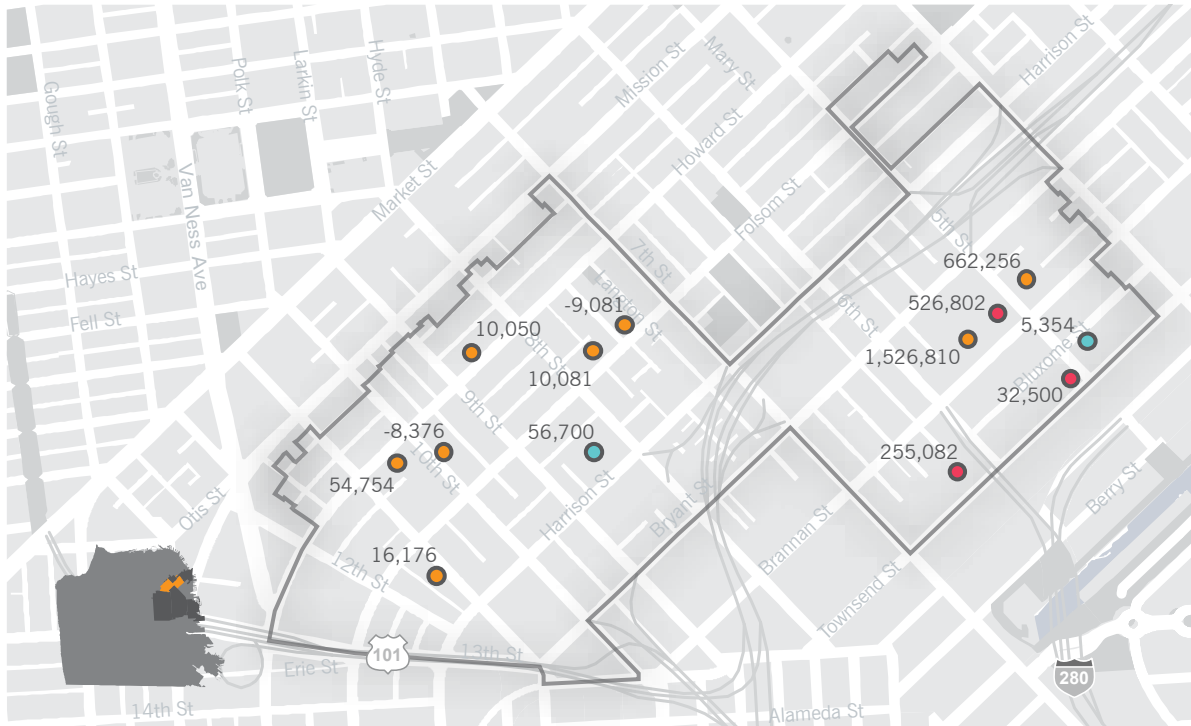
TABLE 2.2.2**Commercial and Other Non-Residential Development Pipeline, San Francisco Q4, 2015**

Development Status	Cultural, Educational, Institutional	Medical	Office	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, Western SoMa, Q4 2015



- Entitled
- Under Construction
- Under Review

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

2.3 Changes in PDR Uses

As discussed above, Western SoMa (and the Eastern Neighborhoods more broadly), have experienced economic changes that have made many areas highly attractive to residential and office development. These types of uses are generally able to afford higher land costs than industrial uses, and therefore can outbid PDR businesses for industrially-zoned land. According to Co-Star data, asking lease rates for PDR space in the Eastern Neighborhoods are currently \$22 (NNN) and vacancy rates are 4.4%.⁴

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 1.9 million square feet in PDR space in Western SoMa in 2015, almost 30% was scattered throughout zoning districts not specifically geared towards industrial uses, such as neighborhood commercial (NC) zones. Roughly 715,430 (37%) were located in PDR protection districts (SALI) and 35% were in the mixed use districts (WMUG and WMUO), as shown on [Table 2.3.1](#). By comparison, in the Eastern Neighborhoods, the split between PDR space in PDR protection, mixed use, and other districts is 38%, 34%, and 29%, respectively.

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, Western SoMa and Eastern Neighborhoods, 2015

Zoning District Type	Western SoMa	%	Eastern Neighborhoods	%
PDR Protection (1)	715,432	37%	3,465,888	38%
Mixed Use (2)	660,254	35%	3,098,198	34%
Other (3)	535,142	28%	2,669,555	29%
Total	1,910,828	100%	9,233,641	100%

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

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

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

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

Since the adoption of the *Western SoMa Community 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 Western SoMa, however, shows that such conversions have occurred largely outside of the zoning districts created specifically to protect PDR uses (in the case of Western SoMa, SALI). In addition to the project at 410 Townsend Street, detailed above, other completed projects in Western SoMa that have converted PDR space have largely done so in order to build new housing, either with a higher percentage of inclusionary units than required by the Plan area or by paying in-lieu fees, as shown in [Table 2.3.2](#).

The Planning Department has also undertaken some legislative action to strengthen PDR zoning and enable location, expansion, and operation of PDR businesses. In addition to making it easier for PDR businesses to receive permits and share retail spaces, the Department created a program called the Office/PDR Cross-Subsidy Program in June 2014 to allow more office development on certain parcels as a way to subsidize more development of PDR space (Planning Code section 210.3.c). 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 located at 100 Hooper Street has taken advantage of this program.

2.3.1 PDR Enforcement

Illegal conversions of Production, Distribution and Repair (PDR) uses have recently become an issue in the Eastern Neighborhood Area Plans that the City has sought to resolve (see [Table 2.3.3](#)). In 2015, the Planning Department has received about 44 complaints of alleged violation for illegal conversions from PDR to Office space. Forty-two of these cases were found in the Eastern Neighborhoods. Out of the 42 complaints in the Eastern Neighborhoods, nine of the cases were not found to be in violation and six were found to be in violation. The remaining cases were pending review. In Western SoMa there was only one illegal conversion from PDR to office space on a parcel zoned SALI, where office is not permitted per the Planning Code. Owners were issued notices of violation and office tenants were compelled to vacate the properties. [Appendix E](#) shows the enforcement cases that were closed and that were actually found to be in violation of the code.

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

Project	Zoning	Net PDR	Net Office	Net Retail	Net Units	Affordable Units	Percent Affordable
410 TOWNSEND ST	WMUO	-76,000	76000	0	0	Below threshold	
870 HARRISON ST	WMUG	-6,120	0	0	26	4	15%
121 09TH ST	RCD	-5,775	0	800	20	20	100%
248–252 09TH ST	RCD	-5,000	14826	-4,500	15		
234 09TH ST	RCD	-100	-7,550	0	1	Below threshold	
Total		(92,995)	83,276	(3,700)	62	24	39%

Source: San Francisco Planning Department

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

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

Case Type	Number of Cases		
	Western SoMa	Eastern Neighborhoods	Citywide
Closed - Violation	1	6	7
Closed - No Violation	1	9	9
Under Review	2	4	4
Pending Review	3	23	24
Total	7	42	44

Source: San Francisco Planning Department

Many of the case 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. Generally, the complaints filed with the Planning Department are regarding the conversion of PDR uses to office space, which are not permitted within these zoning districts. However, some filed complaints 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. In addition, many of these office conversions are not recent, and they did not take advantage of the Eastern Neighborhoods Legitimization Program – 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.

When these alleged violations were investigated, 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 conversions of PDR space the Planning Department worked with the Department of Building Inspection (DBI) and developed a few changes in permit review. 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 depart-

ments' 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 on this land use violation 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 requiring a PDR tenant 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, training for real estate brokers was conducted in 2015. The purpose of the voluntary training was to help explain what PDR is and what resources Planning has available for them to utilize prior to leasing a property. The training also outlined the enforcement process, including the process for requesting a Letter of Determination for appropriate use of PDR space. Future trainings will be scheduled based on interest.

2.4 Employment

The *Western SoMa Community 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 Western SoMa grew from roughly 15,470 jobs in 2010 to almost 23,740 in 2015 with a related increase from 1,006 to 1,234, respectively in total establishments, according to the California Employment and Development Department (EDD). The subsections below discuss job growth in Western SoMa by land use category and [Figures 2.4.1](#) and [2.4.2](#) show total jobs and establishments, respectively by land use category.

2.4.1 Office Jobs

The largest increase in jobs in Western SoMa between 2010 and 2015 was in office occupations. According to EDD, the neighborhood experienced an almost 72% increase in office jobs in those five years. However, the number of office establishments only increased by about 43%, indicating a shift towards office firms with a larger number of employees or occupying formerly vacant space. In 2015, Western SoMa held about

5% of all of the City’s office jobs and 2% of its establishments ([Table 2.4.1](#)).

2.4.2 Retail Jobs

As discussed above, Western SoMa has also emerged as a retail destination in San Francisco, with the restaurants, bars, regional shopping and grocery stores in the main commercial corridors (particularly throughout the Folsom Street Commercial District and Regional Commercial District zoned areas along 9th and 10th streets) attracting visitors from throughout the City, region, and beyond. The number of retail jobs in Western SoMa increased by 42% between 2010 and 2015 to about 4,330 jobs in almost 230 establishments. The neighborhood represents 3% 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 (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,

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

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

Landuse	Western SoMa				San Francisco			
	Establishments	%	Jobs	%	Establishments	%	Jobs	%
Cultural, Institutional, Educational	30	2%	512	2%	2,010	3%	73,182	11%
Medical	263	21%	1,142	5%	21,833	37%	60,214	9%
Office	363	29%	13,194	56%	15,628	27%	293,014	44%
Production, Distribution, and Repair	268	22%	4,198	18%	5,280	9%	88,135	13%
Retail	226	18%	4,327	18%	8,241	14%	130,550	20%
Visitor / Lodging	7	1%	195	1%	311	1%	16,688	2%
Other	77	6%	168	1%	4,961	9%	6,953	1%
Total	1,234	100%	23,736	100%	58,264	100%	668,736	100%

Source: California Employment Development Department

the City and Western SoMa both added PDR jobs since 2010. Western SoMa experienced a 34% increase in PDR employment (to almost 4,200 jobs) between 2010 and 2015 and 6% decrease in number of firms (to 268) indicating larger firms. Western SoMa has roughly 5% of the PDR jobs and 5% of the establishments in the City, as shown in [Appendix F](#).

2.4.4 Employment and Commercial Space Trends

Over the past five years, Western SoMa has added a substantial number of jobs, more than 50% growth, even as its commercial space square footage increased by a small amount (about 8,270 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.

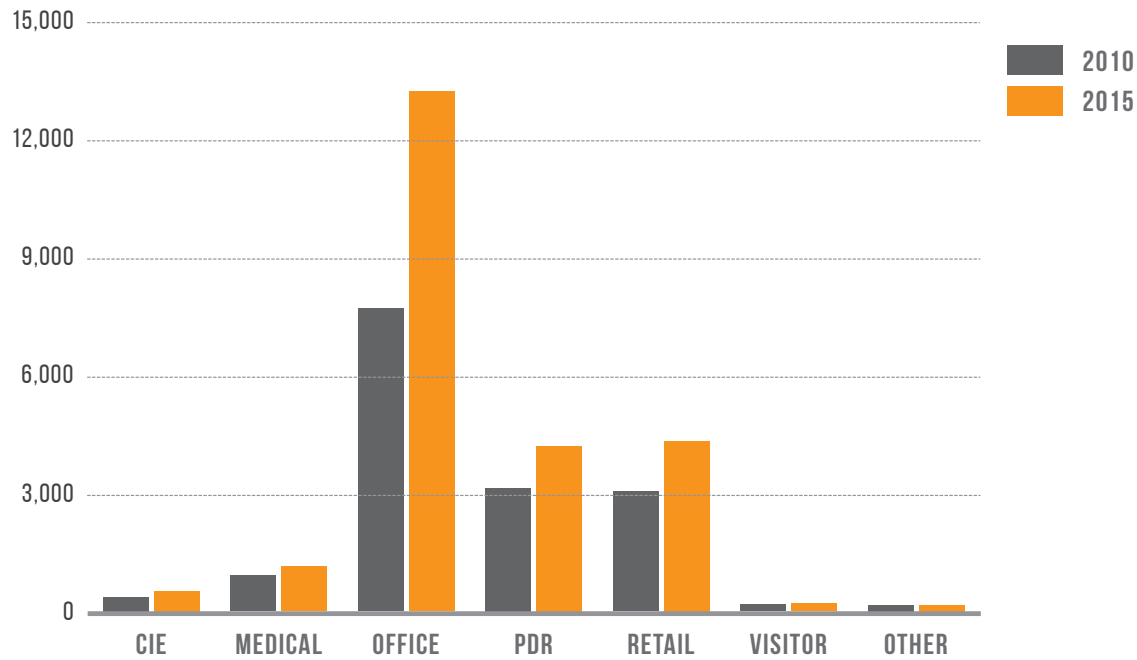
2.4.5 Sales and Property Taxes

Since the Eastern Neighborhood Area Plans were adopted, the City has also seen sharp increases in collections of sales and property taxes. In Western SoMa, sales tax collections increased every year from 2011 to 2015, going from \$3.9 million to \$5.1 million in four years, an increase of 29% (see [Table 2.4.2](#)). By comparison, sales

tax collections citywide increased by 26% during this period. Property tax collection also increased substantially in the Eastern Neighborhoods. In Western SoMa, the city collected roughly \$17 million in property taxes in 2008, the year before the Plan was adopted. By 2015, property taxes in Western SoMa increased by 42% to \$24 million, as shown on [Table 2.4.3](#).

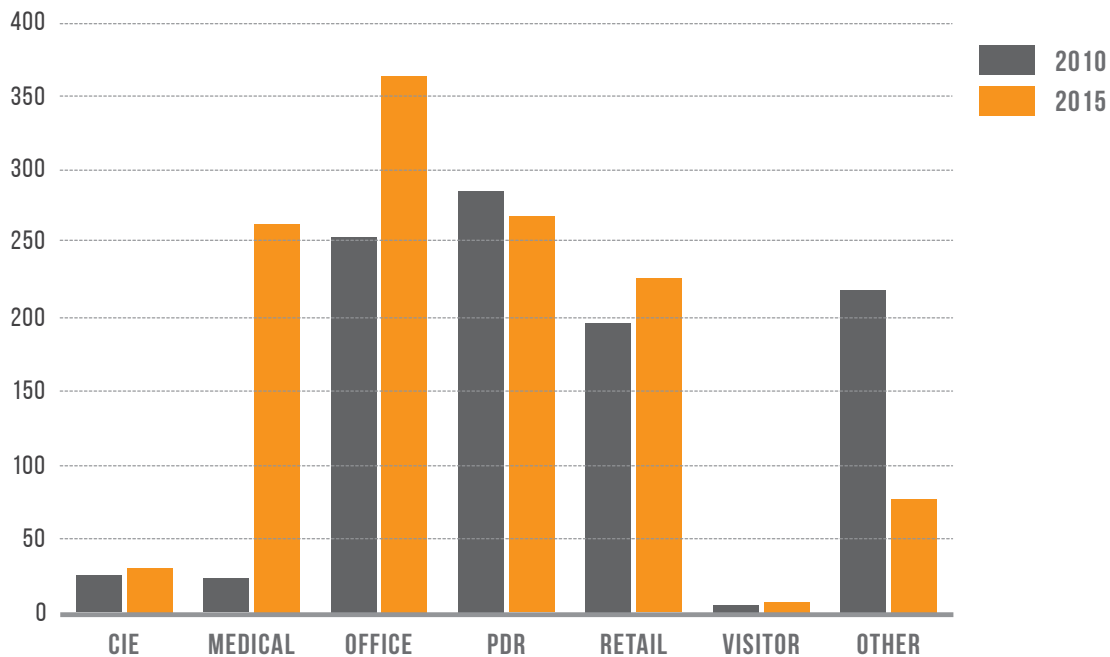
⁶ Although data to show vacancy rates for the *Western SoMa Community Plan* area is not available, commercial real estate brokerage firms like Cushman & Wakefield show that vacancy rates for different types of land uses decreased substantially in San Francisco between 2011 and 2015 across different sectors. See Cushman & Wakefield San Francisco Office Snapshot Q4 2015 and Retail Snapshot Q4 2015.

⁷ See 2013 US Workplace Survey by Gensler.

FIGURE 2.4.1**Jobs by Land Use, Western SoMa, Q3 2010 and 2015**

Source: California Employment Development Department

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

FIGURE 2.4.2**Establishment by Land Use, Western SoMa, Q3 2010 and 2015**

Source: California Employment Development Department

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

TABLE 2.4.2**Sales Taxes Collected in Western SoMa and San Francisco, 2011–2015**

Year	Western SoMa	% change from previous year	San Francisco	% change from previous year
2011	\$3,980,308	–	\$75,198,021	–
2012	\$4,316,833	8.5%	\$80,709,201	7.3%
2013	\$4,585,269	6.2%	\$84,261,806	4.4%
2014	\$4,892,336	6.7%	\$89,605,413	6.3%
2015	\$5,140,165	5.1%	\$94,546,142	5.5%
Total	\$22,914,911		\$424,320,583	

Source: San Francisco Controller's Office.

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

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

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

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 Eastern Neighborhoods 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 Western SoMa has been a focal point of preserving neighborhood resources and 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 *Western SoMa Community Plan* is to encourage diverse and affordable housing. The Plan also recognizes the value of the existing housing stock and calls for its preservation. The Plan's Task Force called on the Planning Department's staff and consultants to conduct a unique housing opportunities site analysis (“Western SoMa Housing Strategic Analysis Memo”) with a goal of identifying development sites in the zoning districts for formal Residential Enclave (RED) zoning in the West SoMa SUD. Under the SUD, if new housing is to be built, it has to be an integral part of the existing neighborhoods. This means that housing production should support the existing neighborhood pattern, residential services and amenities. Dwelling unit mergers and residential conversions of rent-controlled units are strongly discouraged and housing demolitions are allowed only on condition of adequate unit replacement.

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

Calendar Year	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change in Number of Units
2011	24	–	–	24
2012	–	–	4	4
2013	–	–	(12)	(12)
2014	–	–	5	5
2015	41	–	14	55
Total	65	–	11	76

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

3.1 Housing Inventory and New Housing Production

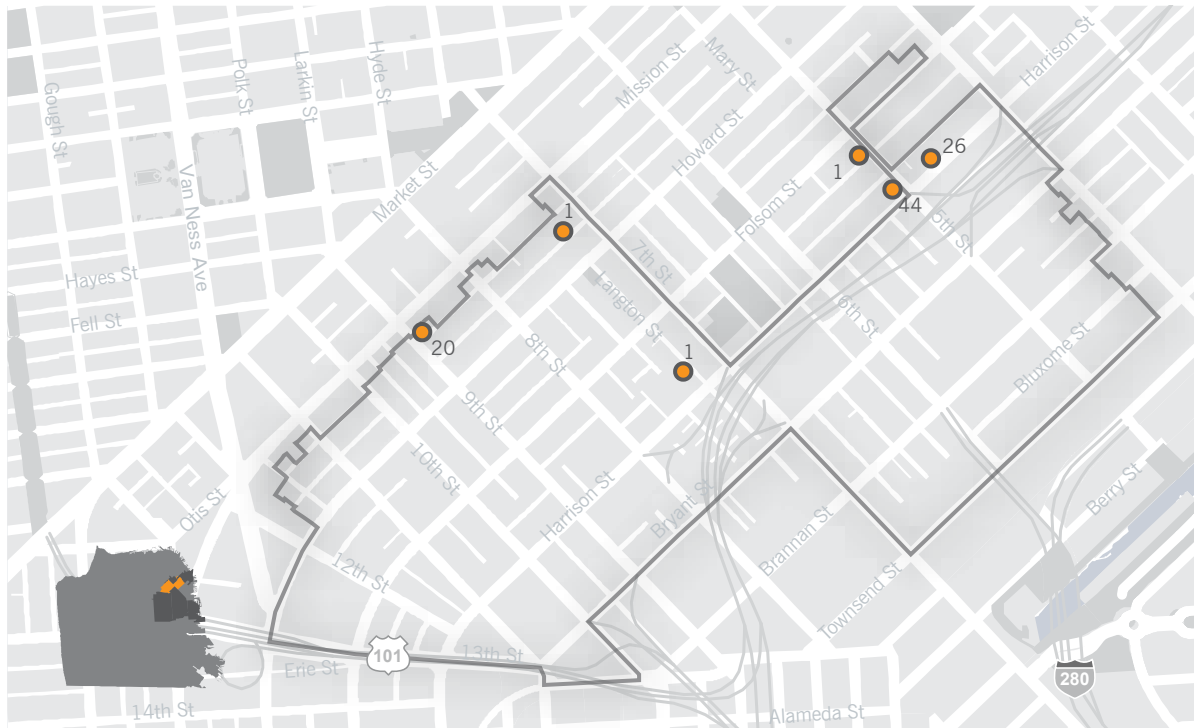
The Planning Department's latest housing inventory, using US Census and permit data, shows that all of South of Market has roughly 11,380 housing units as of the end of 2015; this represents 3% of the citywide total.⁸ Table 3.1.1 shows that 76 net new units were built in the past five years in Western SoMa, compared with approximately 497 units built between 2006 and 2010. Of the net new units produced, 14 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 28 net units were built. Between 2013 and 2015, however, Western SoMa added 48 new units, or about 16 units per year. Table 3.1.2 shows the citywide figures for comparison. About one percent

of the net increase in the City's housing stock in the last five years was in the Western SoMa. Map 4 shows the location of recent housing construction. Additional details about these new development projects can be found in Appendix Table B-10.

⁸ 2015 San Francisco Housing Inventory.

MAP 4

New Housing Production Western SoMa 2011–2015



● Net Units

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 projects under review 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 Western SoMa as of the end of 2015 is 1,288 units, of which 872 are under review. Roughly 416 units are under construction as shown on [Table 3.2.1](#). The pipeline for the Western SoMa accounts for one percent of the total number of projects in the City, though only two percent 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.

[Map 5](#) shows the location of these proposed housing projects by development status. [Appendix Table C-10](#) provides a detailed list of these housing pipeline projects.

TABLE 3.2.1

Housing Development Pipeline, Western SoMa and San Francisco, Q4 2015

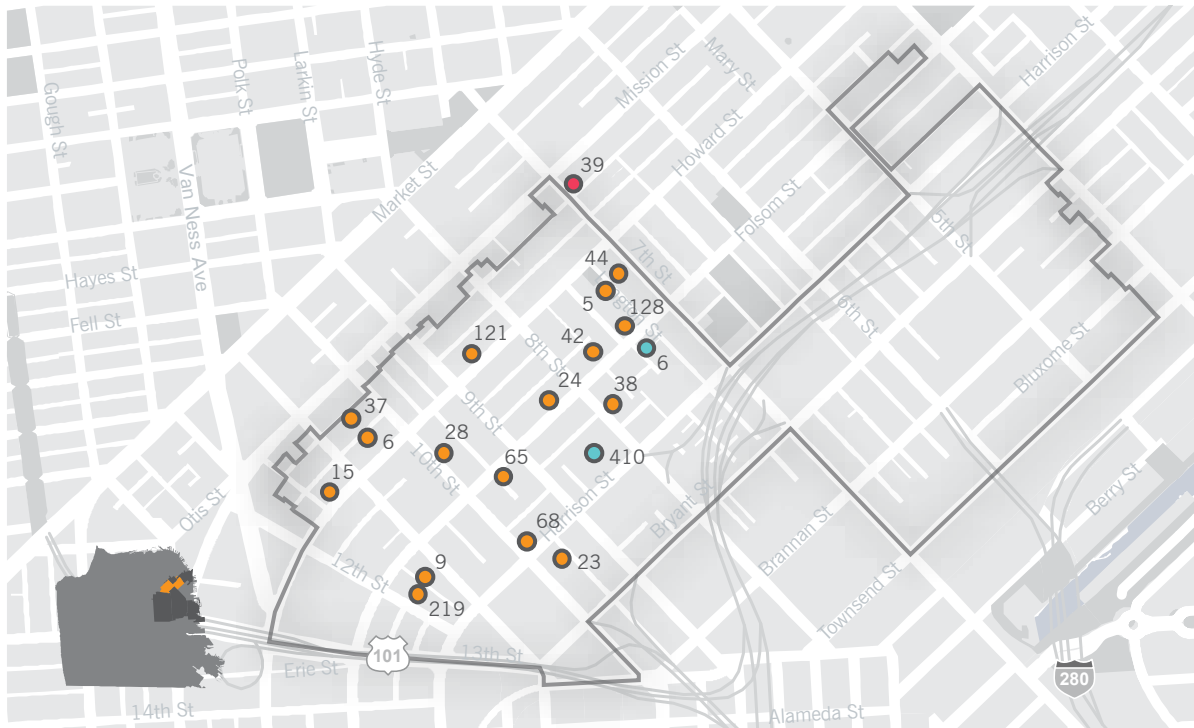
Development Status	Western SoMa			San Francisco		
	No. of Units	No. of Affordable Units	No. of Projects	No. of Units	No. of Affordable Units	No. of Projects
Construction	416	62	2	8,816	979	232
Planning Entitled	–	–	–	31,546	6,141	353
Planning Approved	–	–	–	27,617	12	80
Building Permit Filed	–	–	–	1,529	73	36
Building Permit Approved/ Issued/ Reinstated	–	–	–	2,400	6,056	237
Under Review	872	36	16	21,752	1,797	708
Planning Filed	726	36	10	17,575	1,574	206
Building Permit Filed	146	2	6	4,177	223	502
Total	1,288	98	18	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, Western SoMa, Q4 2015



- Entitled
- Under Construction
- Under Review

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

3.3 Affordable Housing in Western SoMa

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

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

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

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

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

The Mayor, Board of Supervisors, Planning Department, and Mayor's Office of Housing have recently passed or introduced legislation to further expand the supply of affordable housing throughout the City. The City currently has legislation to encourage the development of accessory dwelling units (ADUs) within existing residential buildings in Supervisor Districts 3 and 8. These ordinances remove obstacles to the development of ADUs, including density limits and parking requirements, in order to incentivize a housing type that has been identified as a valuable option for middle-class households that do not require a lot of space.⁹ A proposal to expand a similar policy to the rest of the City is currently under discussion.

Another policy that has the potential to add thousands of units of affordable housing to the city's stock is the Affordable Housing Bonus Program, which is currently under review by the City. As one of the legislative options, the program would allow developers in certain areas to build an additional two stories above what is allowed by their height limit district, in exchange for providing additional affordable housing, with a special focus on middle-income families that currently cannot access housing through the market. With

9 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.

the exception of 100% affordable projects, the Bonus Program would not apply to parcels in the Eastern Neighborhoods, as most do not currently have density restrictions. The program is intended to expand housing development options outside of the Eastern Neighborhoods, where housing development has been 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. Project sponsors in the certain parts of the Eastern Neighborhoods Area Plans may also apply for the alternative of dedicating land for affordable housing. However, this does not apply to the Western SoMa Area Plan. Most units sold under the Inclusionary Program sell for 90% of Area Median Income (AMI) and most rental units rent for 55% of AMI. 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. The Plan also requires bedroom mixes in its mixed use districts to encourage 2- and 3-bedroom units that are suitable to families, including the units sold or leased at below-market rates. Lastly, in order to reduce the costs and incentivize housing production, the Plan 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 Net New Affordable Housing Production

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. Western SoMa, along with the other Eastern Neighborhood Area Plans has been a symbol of the pressures of exploding housing costs on neighborhood stability and character.

As [Table 3.4.1](#) shows, only six affordable units were built during the 2011-15 five-year monitoring period. The six units built between 2011 and 2015 make up eight percent of the 76 net new units built in Western SoMa (shown previously in [Table 3.1.1](#)), lower than the inclusionary housing minimum of 12%. The percentage is lower than the minimum because one project (shown on [Table 3.4.3](#)) chose to pay a fee to the City equivalent to 20% of the total number of units rather than building the units on-site. This fee raised \$917,881 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 Western SoMa in this period, if successfully leveraged into additional external funding and used to build projects on publicly controlled land, could yield an additional three to four units.¹⁰ Moreover, projects with fewer than 10 units are exempt from the inclusionary housing requirement, which may skew the percentage below the minimum. Out of the 24 affordable units, 20 were paid for by public subsidies and were made affordable to moderate households (80-120% AMI) located at 121 9th Street and 4 inclusionary units were made affordable to moderate households as a part of the 26 dwelling units constructed at 870 Harrison Street.

The inclusionary housing production in Western SoMa accounts for about one percent 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, Western SoMa only built 0.22% of the city’s affordable units (2,735) during the period. Looking into the future, Western SoMa has 62 affordable entitled units in the pipeline, all of which that are already under construction, compared to the 7,120 citywide entitled units (less than 1%).

¹⁰ 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, Western SoMa, 2011–2015**

Calendar Year	Public Subsidy	Inclusionary	Secondary Units	Total
2011	–	2	–	2
2012	–	–	1	1
2013	–	–	–	–
2014	–	–	1	1
2015	–	4	–	4
Total	–	6	2	8

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, Western SoMa, 2011–2015**

ADDRESS	YEAR	TOTAL FEE AMOUNT
248 09TH ST	2014	\$917,881
Total		\$917,881

Source: Department of Building Inspection

MAP 6

New Affordable Housing, Western SoMa, 2011–2015



● Inclusionary affordable unit 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 existing residents and workers in Western SoMa. The *Western SoMa 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, rent-controlled housing and historic resources.

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

One important priority of the Plan's housing stock preservation efforts is to maintain the existing stock of single room occupancy (SRO) hotels, which typically serve as a relatively affordable option for low income households. [Appendix H](#) includes a list of SRO properties and number of residential units. There are four SRO hotels in Western SoMa, which provide a total of 107 units. The following subsections document the trends in these various types of changes to the housing stock in the *Western SoMa Area Plan* 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, 14 units were lost in Western SoMa ([Table 3.5.1](#)) or about 1% of units lost citywide. All of the units lost in Western SoMa were lost due to an alteration and none due to demolitions. Thirteen were lost to units merging into larger units and one was a correction to official records. [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, Western SoMa, 2011–2015

Calendar Year	Units Lost Through Alterations by Type of Loss					Units Demolished	Total Units Lost
	Illegal Units Removed	Units Merged into Larger Units	Correction to Official Records	Units Converted	Total Alterations		
2011	–	–	–	–	–	–	–
2012	–	–	–	–	–	–	–
2013	–	13	1	–	14	–	14
2014	–	–	–	–	–	–	–
2015	–	–	–	–	–	–	–
Total	–	13	1	–	14	–	14

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

TABLE 3.5.3**Condo Conversion, Western SoMa, 2011–2015**

Year	Western SoMa		San Francisco		Western SoMa as % of Citywide Total	
	No of Bldgs	No of Units	No of Bldgs	No of Units	No of Bldgs	No of Units
2011	–	–	200	472	0%	0%
2012	5	17	201	488	2%	3%
2013	–	–	147	369	0%	0%
2014	1	2	239	727	0%	0%
2015	2	9	149	500	1%	2%
Totals	8	28	936	2,556	1%	1%

Source: DPW Bureau of Street Use and Mapping

3.5.2 Condominium 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. Compared to the rest of the city's share of renters (67%), the Western SoMa area has a comparable share of renters. In 2014, an estimated 74% of households in Western SoMa were renters. Almost 7% of San Francisco's rental units are in Western SoMa as of 2014, about the same figure as in 2010.¹¹

Table 3.5.3 shows that in the last five years, 28 units in eight buildings in Western SoMa were

converted to condominiums. In all, approximately 1% of all rental units in Western SoMa were converted to condominiums between 2011 and 2015. This represents one percent of all condo conversions citywide.

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 four units. Similarly, Ellis Act withdrawals led to 12 evictions during the most

¹¹ The following 2010 census tracts were used to approximate the Western SoMa Area Plan boundaries: 178.02 and 180.00. According to the 2006-2010 American Community Survey, there are roughly 2,550 renter-occupied units in Western SoMa.

TABLE 3.5.4**Evictions, Western SoMa, 2011–2015**

Year	Western SoMa			San Francisco			Western SoMa as % of Citywide Total		
	Owner Move In	Ellis Act Withdrawal	Other	Owner Move In	Ellis Act Withdrawal	Other	Owner Move In	Ellis Act Withdrawal	Other
2011	0	0	16	123	54	1102	0%	0%	1%
2012	1	0	5	172	99	1343	1%	0%	0%
2013	0	9	20	275	229	1368	0%	4%	1%
2014	2	3	26	315	101	1550	1%	3%	2%
2015	1	0	23	425	142	1518	0%	0%	2%
Totals	4	12	90	1,310	625	6,881	0.3%	2%	1%

Source: San Francisco Rent Board

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

TABLE 3.6.1**Jobs Housing Linkage Fees Collected, Western SoMa, 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

recent reporting period. Owner move-in evictions in Western SoMa accounted for 0.3% of the citywide total while the Plan area accounted for about two percent of Ellis Act evictions in San Francisco between 2011 and 2015. During these five years, an estimated 2.3% of rental units in Western SoMa experienced owner move-in and Ellis Act evictions. 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.

3.6 Jobs Housing Linkage Fee Program (JHLP)

Prompted by the *Downtown Plan* in 1985, the City determined that large office development, by increasing employment, attracts new residents and therefore increases demand for housing. In response, the Office Affordable Housing Produc-

tion 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 Western SoMa generated roughly \$1.3 million to be used for affordable housing development by the city, as shown in [Table 3.6.1](#). Based on the MOHCD estimate of \$550,000 (not including the cost of land) required to build one affordable housing unit, the fees collected in the 2014-2015 fiscal year could potentially create about two to three affordable units.

4. Accessibility and Transportation

The *Western SoMa Community Plan* area is characterized by a multitude of mobility options and its resident's access to employment and other destinations through a variety of transport modes. Since the construction of the Central Freeway in the 1950s, the transportation system has been heavily oriented toward auto-related facilities and activities, however, the *Western SoMa Community Plan* has policies to move away from that trend and is doing so. A little over a third of commuters in Western SoMa travel to work by car, similar to the rest of San Francisco (36% to 44%, respectively). As [Table 4.1.1](#) shows, another widely used commute mode in Western SoMa is public transit, which is used by another 36% of residents (compared to 33% citywide), and other alternative commute modes also play an important role, including biking at seven percent walking at 11%, and working at home at 10%. In order to maintain this characteristic and move towards lower dependency on private automobiles, the *Western SoMa Community Plan's* objectives related to transportation all favor continued investments to tie land use intensities and local travel patterns together. While Western SoMa has streets connecting the city to major on and off ramps to the Central Freeway, hosting regional traffic, most of the residents and workforce takes public transit or walks to and from where they need to go.

4.1 Transportation Improvements – EN Trips

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.

TABLE 4.1.1

Commute Mode Split, Western SoMa and San Francisco, 2011–2015

Transport Mode	Western SoMa		San Francisco		Western SoMa as % of San Francisco
	No of Commuters	%	No of Commuters	%	
Car	999	36%	199,470	44%	1%
Drove Alone	689	25%	165,151	36%	0%
Carpooled	310	11%	34,319	8%	1%
Transit	1,004	36%	150,222	33%	1%
Bike	189	7%	17,356	4%	1%
Walk	303	11%	46,810	10%	1%
Other	9	0%	10,579	2%	0%
Worked at Home	289	10%	32,233	7%	1%
Total	2,793	100%	456,670	100%	1%

Source: 2014 American Community Survey 5-year estimate

4.2 Pedestrian and Bicycle Improvements

Western SoMa is faced with difficult challenges that require the need to address the travel needs of its residents and businesses, while maintaining and improving the area as a desirable place to live. With the Central Freeway and Highway 101 cutting through the area and the heavy auto-oriented traffic behavior in the surrounding streets, the *Western SoMa Community Plan* calls for the preservation and improvements to the existing alleys that provide an escape from the long and wide street network, and neighborhood-serving streets. The alleys serve as a safer and more direct route to destinations and improve area walkability and bike-ability. The Plan proposes improvements in the vicinity of and along Folsom Street. The Plan calls for low cost, demand management measures that reduce automobile independence and promotes transit, bicycling and walking. In general, the Plan calls for improved connectivity and safety for pedestrians and bicyclists; and seamless pass through of automobiles and goods through the area to and from the freeway.

In March 2012, the *Western SoMa Neighborhood Transportation Plan (NTP)* was completed and adopted. In support of the implementation of the NTP, the San Francisco County Transportation Authority (SFCTA) conducted a NTP process. The NTP sought to move selected improvement ideas from the *Western SoMa Community Plan* to implementation-ready status by providing cost estimates, conceptual designs, and other relevant project development work. Using a technical assessment and input from the community, the Study developed conceptual designs for improvements to three of Western SoMa's alleys for traffic calming and streetscape improvements, including mid-block crossings of the numbered streets, including Minna and Natomia between 7th and 9th Streets, and Ringold between 8th and 9th Streets (shown below in [Figures 4.2.1 & 4.2.2](#)).

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.

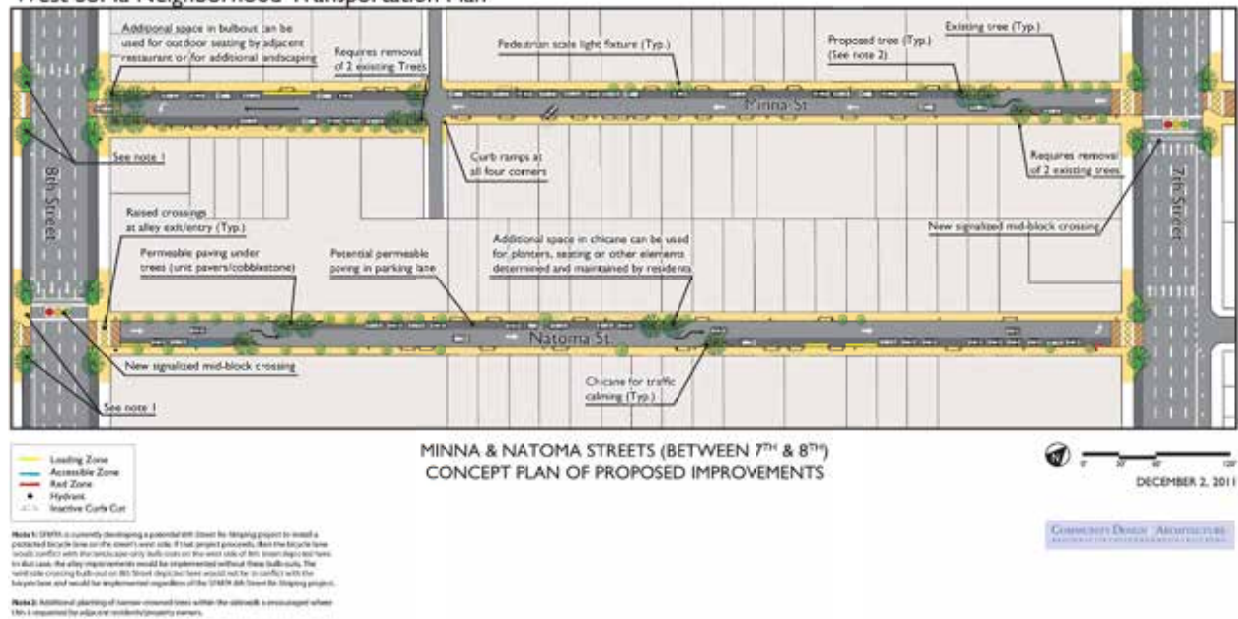
Major themes and ideas include distinctive, unified streetscape design, space for public life, enhanced pedestrian safety, universal design and accessibility, and creative use of parking lanes. The *Better Streets Plan* only describes a vision for ideal streets and seeks to balance the needs of all street users and street types. Detailed implementation strategies will be developed in the future based on specific project proposals.

In 2014, San Francisco adopted Vision Zero, a commitment to eliminating traffic-related fatalities by 2024. The City has identified capital 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 Western SoMa, shown on [Table 4.2.1](#). One major project is the Folsom Street/Howard Street Streetscape Project. The goal is to provide a more pedestrian-friendly and multimodal street. Bicycle and pedestrian safety improvements such as cycle tracks, or other bicycle facilities, widened sidewalks, additional crossings, bus and corner bulbouts and new streetscape landscaping will be constructed along the two streets between 2nd and 13th Streets. This project is also a "Priority Project" for Eastern Neighborhood implementation.

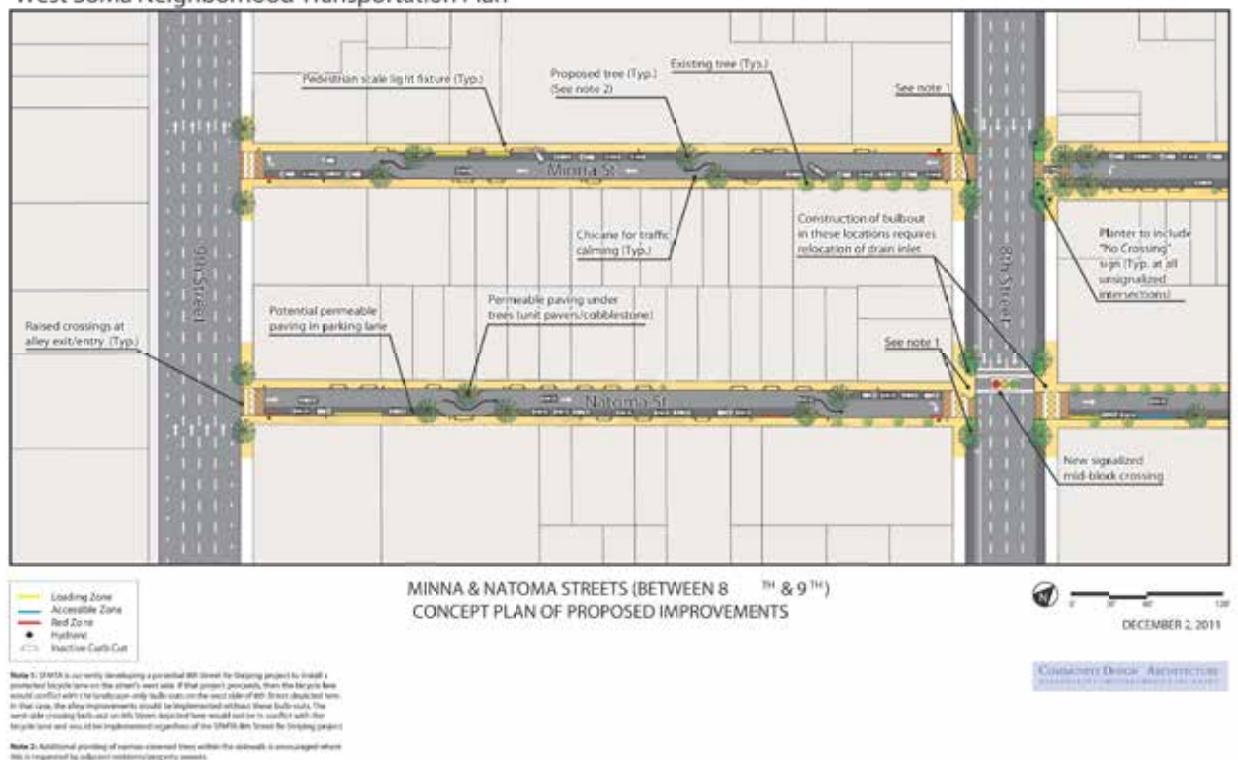
FIGURE 4.2.1

West SoMa Transportation Plan Traffic Calming and Streetscape Improvements: Minna & Natoma

West SoMa Neighborhood Transportation Plan



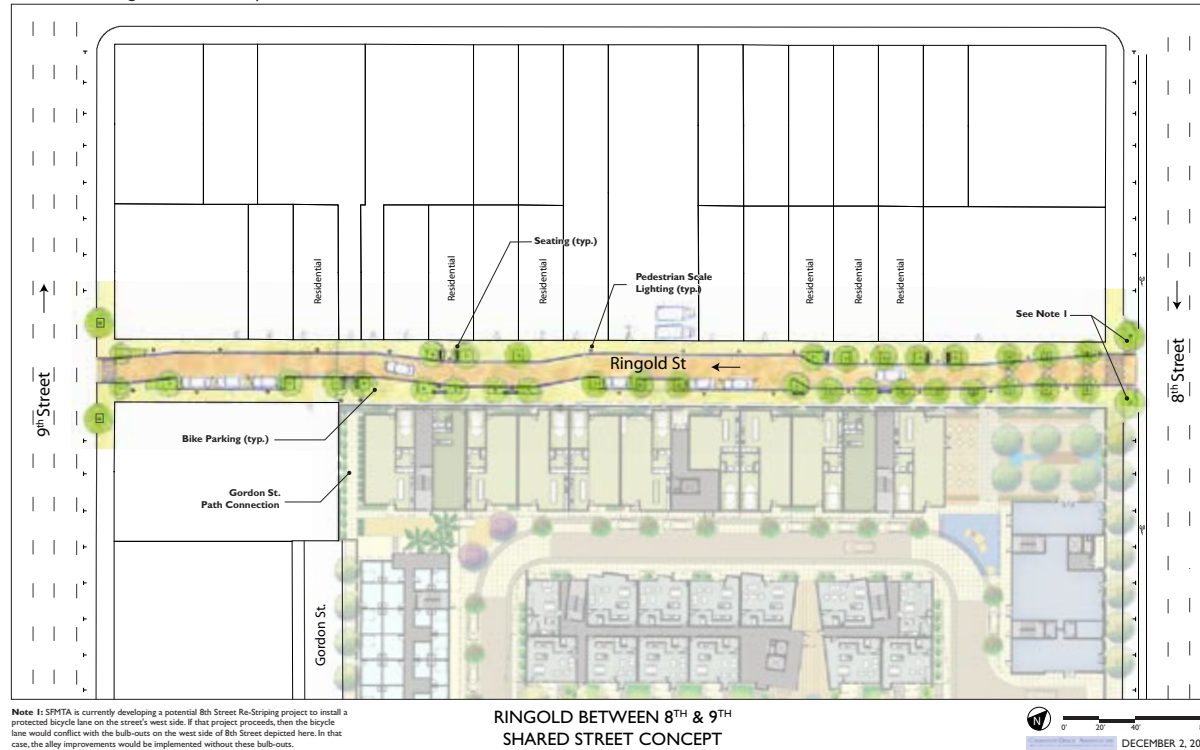
West SoMa Neighborhood Transportation Plan



Source: San Francisco County Transportation Authority

FIGURE 4.2.2
West SoMa Transportation Plan Traffic Calming and Streetscape Improvements: Ringold

West SoMa Neighborhood Transportation Plan



Source: San Francisco County Transportation Authority

TABLE 4.2.1
Vision Zero Projects in Western SoMa

Project Name	Start Date (EST)	Completion Date (EST)	Current Phase	Total Budget (EST)
Bicycle and pedestrian intersection spot improvements (11th St./13th St./ Bryant St.)	Winter 2014/15	Fall 2015	DESIGN	\$150,000
8th/Natoma New Signal	Spring 2014	Fall 2015	CONSTRUCTION	\$365,000
Howard Streetscape Project	Summer 2014	Spring 2019	DESIGN	\$2,135,000
Bessie Carmichael Elementary School	Winter 2014/15	Fall 2017	DESIGN	\$792,000
Howard Street Pilot	Winter 2014/15	Winter 2015/16	DESIGN	\$300,000
7th Street Streetscape	TBD	TBD	CONSTRUCTION	\$1,411,000
8th Street Streetscape	TBD	TBD	CONSTRUCTION	\$1,436,000

Source: San Francisco Municipal Transportation Agency

5. Community Improvements

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

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 Area 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.

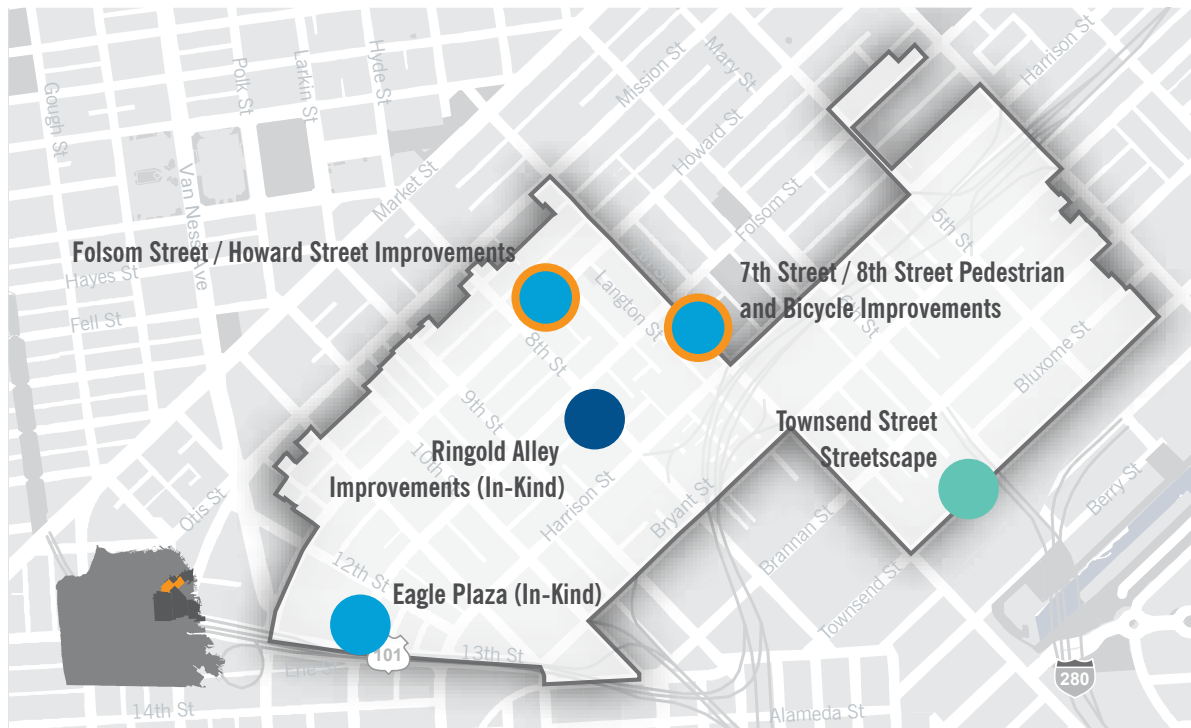
As part of a required periodic update, in 2015, the Planning Department published a Citywide Needs Assessment that created levels-of-service metrics for new parks and open space, rehabilitated parks and open space, child care, bicycle facilities, and pedestrian facilities (“San Francisco Infrastructure 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 establishes what is needed to maintain acceptable infrastructure and services in the Eastern Neighborhoods and throughout the City. These metrics of facilities and service needs are included in [Appendix I](#).

MAP 7

Community Improvements in Western SoMa, 2011–2015



Project Status

- Construction / Near Construction
- Planned
- Conceptual

Project Size

- Major

5.2 Recreation, Parks and Open Space

The *Western SoMa Community Plan's* open space section calls for the emphasis of the following:

- » Identify new park sites based on public health and environmental recommendations and specific needs and conditions of the neighborhood
- » Prioritize the public realm improvements
- » Enhance community diversity and pedestrian accessibility, safety, pedestrian connections to transit and improved streetscapes
- » Maintain and develop enhanced at grade yard patterns
- » Promote new sustainable and ecological open space, encouraging innovative ways to provide publicly accessible open space, including public open space in private parcels, public gardens, and public roofs
- » Measure the impact of development in the neighborhood and make development pay for open space.

At the time of the Plan's adoption, the City had about 5.5 acres of open space per 1,000 resi-

dents; in Western SoMa this ratio was much less. Only 0.23 acres of public parks and 8,363 residents were found to be in Western SoMa. While significant open spaces exist in close proximity to Western SoMa, such as at Victoria Manolo Draves Park and at Civic Center Plaza, the ratio of 0.027 acres per 1,000 residents conveys the need for more park space in Western SoMa. The need for developing new recreational open space in Western SoMa is an imperative for existing and future neighborhood residents, workers and visitors. Expected to be completed in 2018, Eagle Plaza is proposed to be constructed within the 12th Street right-of-way between Bernice Street and Harrison Street. As an in-kind improvement for the development project at 1532 Harrison Street this plaza will be constructed within the same time frame as the project (see [Figure 5.2.1](#)). The plaza will feature a single-surface shared public way treatment for the sidewalk and roadway portions of the right-of-way with a single lane of travel reconfigured for in a curvilinear pattern to slow traffic and define to distinct zones for the plaza. The open space will feature custom made planters, seating, and a green knoll, among other features.

FIGURE 5.2.1

1532 Harrison Street plans for Eagle Plaza



Source: Hoodline

5.3 Community Facilities and Services

As a significant amount of new housing development is expected in Western SoMa, new residents will increase the need to add new community facilities and to maintain and expand existing ones. Community facilities can include any type of service needed to meet the day-to-day needs of residents. These facilities include libraries, parks and open space, schools and child care. Community based organizations also provide many services to area residents including health, human services, and cultural centers. Section 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 over 20 of the existing community facilities in Western SoMa. Community based organizations currently provide a wide range of services at about 5 sites throughout Western SoMa, ranging from places where homeless men and women can find shelter, food and support services on a daily basis to places where families can find support services and early childhood education.

5.4 Historic Preservation

A number of Planning Code amendments have been implemented in support of the Historic Preservation Policies within the Eastern Neighborhoods Area Plans. 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 Area Plans. Approximately 10 historic properties have agreed to on-going maintenance and rehabilitation plans in order to preserve these significant buildings. The following list names the Article 10 landmarks in Western SoMa:

- » Jackson Brewing Company Complex located at Folsom and 11th ([Figure 5.4.1](#))
- » Lick Baths located at 156 10th Street
- » St. Joseph's Church located at 1401 Howard Street

Western SoMa Community Plan area also includes Western SOMA Light Industrial and Residential Historic District and Bluxome Townsend Historic District as California Register Historic Districts.

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 be permitted. The approval path for these commercial uses varies depending on the (1) zoning district, (2) historic status, and (3) proposed use. The table in [Appendix K](#) illustrates Planning Code Section 803.9. Depending on the proposed use, approval may be received from either the Zoning Administrator (ZA) or with Conditional Use Authorization from the Planning Commission. Depending on the zoning district, the historic status may either be: Article 10 Landmark (A10), Contributing

FIGURE 5.4.1
Jackson Brewing Company Complex



Source: SF Planning, Paolo Ikezoe

MAP 8

Community Facilities in Western SoMa



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

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 that frequently host other activities, among many other

uses, can be considered “neighborhood serving.” By this definition, Western SoMa is home to about 175 neighborhood serving businesses and establishments employing almost 3,000 people. As shown in [Table 5.5.1](#), the top 10 neighborhood serving establishments in Western SoMa include eating places (full- and limited-service restaurants), bars, schools, grocery stores, gasoline stations, automotive repair shops, gyms and family clothing stores. These businesses are typically along Folsom, Harrison and Bryant Streets as shown on [Map 9](#).

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

TABLE 5.5.1**Neighborhood Serving Establishments in Western SoMa**

Type	Establishments	Employment
Full-Service Restaurants	32	633
Limited-Service Restaurants	19	469
Drinking Places (Alcoholic Beverages)	19	309
Elementary and Secondary Schools	1	224
Gasoline Stations with Convenience Stores	4	168
Supermarkets and Other Grocery (except Convenience) Stores	4	165
Snack and Nonalcoholic Beverage Bars	9	149
General Automotive Repair	22	126
Family Clothing Stores	4	108
Fitness and Recreational Sports Centers	4	104
Child Day Care Services	3	84
Sporting Goods Stores	6	74
Electronics Stores	7	65
Beer, Wine, and Liquor Stores	3	62
Other Clothing Stores	2	50
Florists	5	31
Civic and Social Organizations	3	27
Cosmetics, Beauty Supplies, and Perfume Stores	1	26
Other Personal and Household Goods Repair and Maintenance	2	16
Used Merchandise Stores	4	13
Food (Health) Supplement Stores	1	10
Nail Salons	2	9
Shoe Stores	2	8
Automotive Transmission Repair	1	8
Automotive Exhaust System Repair	1	6
Beauty Salons	3	6
Car Washes	1	5
Pet Care (except Veterinary) Services	1	5
Commercial Banking	1	3
Sewing, Needlework, and Piece Goods Stores	2	3
Retail Bakeries	1	2
Convenience Stores	1	2
Other Automotive Mechanical and Electrical Repair and Maintenance	1	2
Discount Department Stores	1	1
Coin-Operated Laundries and Dry cleaners	1	1
Dry cleaning and Laundry Services (except Coin-Operated)	1	1
Total	175	2,975

Source: California Employment Development Department

MAP 9**Neighborhood Serving Businesses in Western SoMa**

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

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 Area Plans. 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](#).

that are based on the amount of additional development enabled by the 2009 Eastern Neighborhoods rezoning, later including the *Western SoMa Community Plan* 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.

[Table 6.2.1](#) is a chart of the original fees (2009) and the fees as they exist today.

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. The first \$10,000,000 collected are targeted to affordable housing preservation and rehabilitation. To date, the City has collected nearly \$48.4 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 a little over \$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

Source: San Francisco Planning Department

As shown in Table 6.2.4, approximately \$6.94 million were collected from 15 projects in Western SoMa between 2011 and 2015. Overall, roughly \$48.4 million has been collected in all of the Eastern Neighborhoods.

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

Source: San Francisco Planning Department

6.3 IPIC Process

The purpose of the Infrastructure Plan Implementation Committee (IPIC) is to bring together City agencies to collectively implement the community improvement plans for specific areas of the City including the Eastern Neighborhood Area Plans. Defined in Article 36 of the San Francisco Administrative Code, 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 Eastern Neighborhood Area 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 Program

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 the Planning Department and DBI to coordinate execution of First Source Affidavits and MOUs.

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

Projects that qualify under First Source include:

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

Since 2011, CityBuild has managed 442 placements in 72 First Source private projects in the three zip codes encompassing the Eastern Neighborhoods Area Plans (94107, 94110 and 94103); this does not include projects in Mission Bay which were 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 Efforts

Folsom Street / Howard Street Streetscape Project. The Folsom Street / Howard Street Improvement Project ([Figure 7.1.1](#)) envisions the transformation of Folsom Street to a more pedestrian-friendly, multimodal street. Howard Street would be improved at the same time as a couplet to Folsom. Improvements would be between 2nd and 13th Street and could include cycle tracks, or other bicycle facility, widened sidewalks, additional crossings, bus and corner bulbouts and new streetscape landscaping. Two configurations are currently being considered: one which would change both streets into two-way boulevards; the other would maintain them as one way streets but include inventions that would calm traffic and make them more friendly to pedestrians and bicyclists. The Folsom Street Improvements Project is a “Priority Project” for EN implementation. The project is currently partially funded. Environmental clearance is expected winter 2016-2017. Community engagement is planned for 2017 with MTA and other approvals expected in 2018; construction is expected to commence in 2019.

7th Street / 8th Street Streetscape Project. The 7th and 8th Street Streetscape Project is being implemented in two phases. The scope includes the portions of 7th and 8th Streets between Mar-

FIGURE 7.1.1

Progress photo of Folsom Street/Howard Street Streetscape Project



Source: SF Bike

ket and Harrison Streets. The initial phase, which included restriping to include buffered bike lanes, has been complete. The second phase, which could include corner bulb-outs, bus bulb-outs, widened sidewalks, among other interventions, is currently undergoing conceptual design.

6th Street Improvement Project. The project looks to construct robust pedestrian safety and aesthetic improvements to this high injury corridor between Market Street and Bryant Street. The central component of this project is a suite of proposed pedestrian safety and streetscape improvements on 6th Street from Market Street to Bryant Street including pedestrian safety bulb-outs, raised crosswalks, landscaping, and streetscape improvements. On 6th Street between Market Street and Howard Street, sidewalks on both sides of the street will be widened and corner bulb-outs will shorten crossing distances for pedestrians. The two lanes of vehicle traffic in each direction on 6th Street between Market Street and Bryant Street will be reduced to one lane in each direction. On 6th Street between Folsom Street and Bryant Street, the Project will remove peak-hour towaway lanes that restrict parking from 7-9AM and 3-7PM and restore full-time parking lanes (source: <https://www.sfmta.com/projects-planning/projects/6th-street-improvement-project>). Environmental review is expected to be complete fall 2017, with detailed design complete by summer 2018. Construction is expected to begin spring 2019.

SoMa Alleys. The Soma Alleys project was completed in two phases. The first phase included traffic calming and pedestrian improvements on Harriet Street (Folsom Street to Howard Street), Moss Street (Folsom Street to Howard Street), Russ Street (Folsom Street-Howard Street), Natoma Street (6th Street to 7th Street), Minna Street (6th Street to 7th Street). The second phase included Minna and Natoma Streets from 6th to Mary St; Tehama, Clementina, Shipley and Clara Streets from 6th to 5th Streets with traffic calming and pedestrian improvements.

Victoria Manolo Draves Mid-Block Crossing. The Pedestrian signal between 6th and 7th Street at Victoria Manalo Draves Park has been completed.

Vision Zero / Pedestrian Improvements- Vision Zero Streetscape Improvements. As part of the City's Vision Zero effort, MTA and DPW will develop pedestrian-safety improvements along the City's high-injury network that were identified through WalkFirst. This project implements pedestrian safety improvements at the following eleven intersections: Howard and 6th; Mission and 6th, 7th, 9th, 13th, 14th, 16th, 18th, 19th, 22nd; and South Van Ness and 16th. Proposed improvements include three painted safety zones, seven temporary medians, four turn prohibitions, one protected left turn pocket, four leading pedestrian intervals, three daylighting locations, seven signal timing changes, and seven locations with reduced lane widths.

Eagle Plaza. Eagle Plaza is proposed to be constructed within the 12th Street right-of-way between Bernice Street and Harrison Street. As an in-kind improvement for the development project at 1532 Harrison Street, this plaza will be constructed within the same time frame as the project. The plaza will feature a single-surface shared public way treatment for the sidewalk and roadway portions of the right-of-way with a single lane of travel reconfigured for in a curvilinear pattern to slow traffic and define to distinct zones for the plaza. The open space will feature custom made planters, seating, and a green knoll, among other features. Construction is expected to begin in 2016 with completion expected in 2018.



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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>