



# SAN FRANCISCO PLANNING DEPARTMENT

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## MEMORANDUM

**DATE:** October 2, 2012

**TO:** Members of the Planning Commission  
Members of the Historic Preservation Commission

**FROM:** Steve Wertheim, Planning Department

**RE:** Update on the Japantown planning process

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### RE-BRANDING THE JAPANTOWN PLAN AS A JAPANTOWN ECONOMIC AND SOCIAL HERITAGE STRATEGY

The process for creating the Japantown Better Neighborhoods Plan began in 2007. As originally construed, the Japantown Better Neighborhoods Plan had all the characteristics of a typical area plan. However, changes in the project's nature mean that it is no longer accurate to refer to it as a "plan" in our typical fashion, for the reasons detailed below.

First, for the Planning Department, area plans are the tool utilized to direct and manage growth in a neighborhood in consideration of both a neighborhood-specific and citywide policy framework. Such plans provide long-term visions (e.g. 25 years) with compendium measures to mitigate the potential impact of new growth and promote complete communities. In its earlier substantiation, the Draft Japantown Better Neighborhoods Plan included some proposed changes to zoning and height limits that would have accommodated additional growth, especially at the Japan Center malls. However, these elements in the Plan proved controversial, and in 2009 the Planning Commission directed the Department and community to revisit these issues. The Planning Department recognizes that the centralized location and rich transit service make portions of Japantown reasonable for consideration of increased development potential. However, at this time the Department is not recommending that the City adopt significant increases to development potential in Japantown. The preference of the Japantown Organizing Committee is also to remove the proposed height increases from consideration. As a result these important land use and growth-related issues are being tabled for future community planning efforts.

Next, typically, area plans manifest as strategies whose major implementation actions are in the hands of the Planning Department and Commission, affiliated City Agencies, and the Board of Supervisors. In Japantown, a substantial portion of implementation of the concepts and objectives as currently envisioned would be enacted by the Office of Economic and Workforce

Development (OEWD) and the community itself, with the Planning Department playing a subsidiary role. Much of this implementation would occur via the Mayor's Invest in Neighborhoods program, which has identified Japantown as one of its priority neighborhoods. This program is currently in the process of ramping up, including the hiring of a staff member at OEWD whose tasks include working with Japantown. For more information on Invest in Neighborhoods, see Appendices A and B.

Finally, area plans are also subject to a high level of environmental review, because of the understanding under the California Environmental Quality Act (CEQA) that calling something a "Plan" means that it enables significant physical changes. However, the proposed changes in Japantown are largely fiscal, which are not subject to extensive CEQA review. Therefore, denoting the project as a "Plan" could require a level of environmental review that may not be commensurate with the actual physical changes affiliated with the proposal.

For these reasons, the Japantown Organizing Committee, OEWD, and Planning Department have tentatively agreed to "re-brand" the Japantown Better Neighborhoods Plan as a "Japantown Economic and Social Heritage Strategy". This Strategy would build off of the Better Neighborhoods Plan, and incorporate many of its recommendations and strategies, while reflecting the current focus on economics and social heritage.

#### **SOCIAL HERITAGE DISTRICT**

One of the key components of the revised Japantown Plan is the creation of a Japantown Social Heritage District. Social and cultural heritage resources, both tangible and intangible, help define the beliefs, customs, and practices of a particular community. Such social and cultural heritage resources include buildings and monuments, as well as businesses, institutions, organizations, events, and traditional arts, crafts, and practices. They are rooted in the community's history and/or are important in maintaining its identity.

The documentation of social and cultural heritage allows for further examination and development of preservation tools as they relate to Japantown. The Department is currently working within the Japantown community on tools and review measures that go beyond traditional landmark designation in order to preserve, memorize, and enhance significant associations with the cultural and social heritage. At this time, there are no Social Heritage Districts anywhere in the United States to use as model and the Department's work with the consultants and the community is intended to set precedent for application as part of preservation and planning efforts in other parts of San Francisco.

### Identifying and Analyzing Social Heritage Resources

To help identify Japantown's social heritage resources, the Japantown Organizing Committee<sup>1</sup> created a Cultural Heritage Subcommittee. Through its work, this Subcommittee identified 279 potential resources, categorized into "traditions and history," "cultural property, buildings, structures, archives," businesses, and institutions. These resources predominantly consist of Japanese American resources.

To help analyze the significance of these resources, the Planning Department hired the firm of Page & Turnbull, who participated in writing the Japantown Historic and Cultural Context Statement for the Japantown Better Neighborhoods Plan. Page & Turnbull, with the assistance of the Planning Department and the Japantown Organizing Committee, have thus far created the following work products:

- A draft methodology for assessing social heritage resources (see Appendix C). This methodology is largely based on the guidelines for evaluating and documenting traditional cultural properties published by the National Park Service. The methodology also includes the strategy for reviewing and assessing the cultural resource database (described below).
- A draft Social Heritage Inventory Form for capturing important information (see Appendix D). This Inventory Form is modeled after the standard documentation template used by the State Office of Historic Preservation (OHP). The benefit of using this model is that the team did not need to reinvent the process. Additionally, this will make the result more replicable by other cities, communities, and professionals who may wish to undertake the creation of a Social Heritage District or database.
- An updated database of community resources. This includes additional resources (beyond the 279 identified by the community) identified by Page & Turnbull by a thorough review of available documentation. This database includes such information as the resource's name and address, its nature (business, festival, etc.), sources of information, and period and type of significance. This database also identifies certain resources as "priorities" that would merit the completion of a Social Heritage Inventory Form.

At this time, the Planning Department and Cultural Heritage Subcommittee are reviewing Page & Turnbull's work. Next steps involve finalizing the methodology and Social Heritage Inventory Form, determining that the data in the database is accurate and complete, agreeing to the list of priority resources, and completing a Social Heritage Inventory Form for each of the priority resources. As necessary, the Cultural Heritage Subcommittee will identify those

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<sup>1</sup> The Japantown Organizing Committee is a community group dedicated to the creation of a plan for Japantown. It is the successor to the Japantown Steering Committee, which had a similar role during the creation of the Japantown Better Neighborhoods Plan.

members of the community who can help fill any gaps in the data. At a later time, the City will expand this process to include resources important to other community groups that have been historically significant in Japantown, such as African Americans and Jewish Americans.

### Identifying and Analyzing Social Heritage Tools

Japantown's social heritage resources are diverse, spanning public, for-profit, and non-profit entities. As such, no single strategy can be applied to preserve and support these resources. To help the City understand the best strategies, the Planning Department hired Seifel Consulting, an economic development consulting firm which has also written an assessment of creating a Community Land Trust in Japantown and the economic potential of remodeling Japantown's malls. With support from the Office of Economic Development and the Planning Department, Seifel is developing a Social Heritage "toolkit." This toolkit will identify all available economic and regulatory tools, the types of social heritage resources that they can support, the entity that would need to implement the tool (including City agencies and the community), and an assessment of the viability and potential impact of these tools. A copy of the preliminary draft Toolkit is attached as Appendix E.

### Applying the Tools to the Resources to Create a Social Heritage District

Upon completion of the ongoing work by Page & Turnbull and Seifel Consulting, Planning Department staff will work with community members and our consultants to identify an implementation strategy. This will entail matching resources with tools to ensure that all social heritage resources are proactively being supported. This will also help the City and community prioritize the implementation of the various strategies.

cc:

Supervisor Christina Olague

Community: Japantown Organizing Committee

Planning: John Rahaim, José Campos, Joshua Switzky, Tim Frye, Shelley Caltagirone

OEWD: Amy Cohen, Ken Rich, Lisa Pagan, Jordan Klein

### **Attachments**

Appendix A: Invest in Neighborhoods Overview

Appendix B: DRAFT Invest in Neighborhoods Toolkit

Appendix C: DRAFT Social Heritage Methodology

Appendix D: DRAFT Social Heritage Inventory Form

Appendix E: DRAFT Social Heritage Toolkit



## ***Invest in Neighborhoods***

The Invest in Neighborhoods Initiative, one of the 17 points of the Mayor's jobs plan, will provide **focused, customized assistance that meets the specific needs of San Francisco's neighborhood commercial corridors.**

By marshalling City resources and existing programs from across multiple departments, Invest in Neighborhoods will be responsive to community needs and strengthen and revitalize commercial corridors around the City. Invest in Neighborhoods will ensure the **strategic deployment of existing City programs.** The program will also **help to offset some of the neighborhood resources that have been lost due to the dissolution of the SF Redevelopment Agency.**

## ***Program Elements***

- **Baseline Services.** Each participating corridor will receive a set of baseline services that includes an economic assessment; a resource person from the Office of Economic and Workforce Development; targeted business development and financing resources; and priority consideration for various City programs including the Community Challenge Grant.
- **Corridor Assessments.** Community partners at research institutions will conduct a thorough assessment of each corridor, including demographic analysis of population, economic analysis, physical conditions, need, and existing social capital.
- **Customized Services.** Specific additional programs and services will be assigned to corridors based on a corridor's assessment and funding availability. See attached Invest in Neighborhoods Toolkit.
- **Operational Support.** In neighborhoods demonstrating high need, opportunity for economic growth, and existing community capacity, the City will provide operational support for a community-based organization providing focused support to neighborhood merchants, residents, property owners, nonprofits, and other stakeholders.

## ***Invest in Neighborhoods Toolkit***

Invest in Neighborhoods will mobilize **over 50 different services, tools, and programs**—provided by City agencies and community partners—and deploy them in the neighborhoods that need them most. These include existing services such as the Small Business Revolving Loan Fund, Art in Storefronts, and streetscape improvements, and brand new services such as a citywide vacancy tracking system, the Jobs Squad, and broker assistance services.

### *Toolkit Sample:*

#### Physical Improvements

\_\_\_ SF Shines Façade and Tenant Improvements

\_\_\_ SF Shines Awning and Sign Program

\_\_\_ Streetscape Improvements

\_\_\_ Greening Projects/Parklets

\_\_\_ Public Art

\_\_\_ Capital for Civic Institutions/Facilities

#### Business Recruitment

\_\_\_ Property Owner Engagement

\_\_\_ Space-Specific Business Recruitment

\_\_\_ Industry Target Recruitment

\_\_\_ Broker Assistance

\_\_\_ Centralized Business Recruitment

#### Cleaning, Maintenance and Beautification

\_\_\_ Vacant Space Clean-Out Services

\_\_\_ Targeted Cleaning Programs (i.e. acid etch, sidewalk steam)

\_\_\_ DPW Corridors Program

\_\_\_ Visual Merchandising



### ***What's Different?***

- Invest in Neighborhoods aims to deploy City services and programs more efficiently and more effectively by conducting an assessment of each corridor's strengths and needs and creating a customized intervention plan based on the results of that assessment.
- Invest in Neighborhoods will include the creation of some new City programs (as budgeting allows) focused specifically on improving conditions and creating jobs in neighborhood commercial corridors (e.g., vacancy tracking system, business recruitment services).
- The City's previous neighborhood economic development program, the Neighborhood Marketplace Initiative, focused only on corridors in low-income neighborhoods. Invest in Neighborhoods will feature a more inclusive approach.
- The Mayor has directed the formation of the **Invest in Neighborhoods Working Group**, a broad group of City departments, community stakeholders and merchant leaders that will inform the strategy and program design as it is finalized.

### ***Projected Outcomes***

- ***Quantifiable Economic Outcomes.*** Invest in Neighborhoods expects to accomplish measurable economic outcomes related to job creation, increased sales tax revenues, increased private investment, and lower vacancy rates. E.g., on San Bruno Avenue, which since 2005 has benefited from interventions upon which Invest in Neighborhoods is modeled, the sales tax revenue has increased by 8% while the city only saw a 3% increase; and the vacancy rate has decreased by 2.2%.
- ***Quality of Life Improvements.*** Invest in Neighborhoods aims to achieve measurable increases in quality of life indicators such as neighborhood safety, cleanliness, and residents' satisfaction with their commercial district.
- ***Increased Social Capital.*** Invest in Neighborhoods is designed to build relationships among community members, cultivate local leaders, and create stronger connections between City staff and programs and the communities that they serve.

### ***Neighborhood / Corridor Selection***

Invest in Neighborhoods will focus on commercial corridors and neighborhoods that demonstrate economic need, opportunity for economic growth. The Mayor and the Board of Supervisors will determine the pilot neighborhoods during spring 2012.

### ***Next Steps for Implementation***

- Jennifer Matz, Director of the Office of Economic & Workforce Development (OEWD), and Naomi Kelly, City Administrator, will convene the **Invest in Neighborhoods Working Group**.
- The Mayor will consult with each of the members of the Board of Supervisors to discuss the implementation of Invest in Neighborhoods in each of the City's districts, including finalizing the list of participating corridors and the budget.



## Invest in Neighborhoods – Baseline and Customized Services

Every IIN commercial corridor will:

- Be assigned a City point person who will help direct resources to that corridor
- Be provided a corridor assessment that will provide a snapshot of the corridor’s economic or physical needs and opportunities
- Have vacancies catalogued and marketed through a centralized vacancy tracking system
- Have an opportunity to apply for small project grants
- Have access to the baseline services detailed below and be assigned customized services (see p.3) based on the findings of the corridor assessment and resources available

### BASELINE SERVICES

Business Assistance/Development		
DOE	SF ENERGY WATCH	Free on-site Energy assessments, Financial incentives for energy efficiency upgrades, Access to reduced fee contractors for installation of upgrades
MYEEP	High School Internship Placements	Free High School Interns for small business
OEWD	Enterprise Zone Assistance	Assistance with filing for state and local EZ tax credits
OEWD	Jobs Squad	Door to door business assistance
OSB	Small Business Assistance Center	One-on-one counseling and case management for business owners in San Francisco regarding business start up, site selection and incentives/access to capital
PUC	SF Greasecycle	Fat Oils & Grease Control - Loan/Lease Program for grease traps in restaurants. <a href="http://sfwater.org/modules/showdocument.aspx?documentid=275">http://sfwater.org/modules/showdocument.aspx?documentid=275</a>
PUC	Waste Water Pre-Treatment Program	Waste Water Discharge Permits - <a href="http://sfwater.org/index.aspx?page=498">http://sfwater.org/index.aspx?page=498</a>
SF SAFE	Business Safety Assessments	Provide assessment of business layout to improve safety
SFAC	Art in Storefronts	Original art installations by SF artists in vacant and under-used storefront windows
Design + Development Assistance and Physical Improvements		
Architecture for Humanity	Pro-Bono Design Construction Services	Free architectural assessments, designs of community spaces, construction oversight, pos-occupancy analysis



Architecture for Humanity	Pro- Bono Development Services	Program Development & Administration, Training, Assessment of financing models, stakeholder coordination, financing models
SFAC/DPW	StreetSmARTS Program	Program that teaches youth about public art & installs murals to address vandalism
<b>Community Training and Education</b>		
DOE/DPH/PUC	SF Green Business	Recognition Program for businesses who meet green business standards
LISC	Neighborhood Marketplace Initiative	Downloadable One Pagers and Bi- monthly trainings on community-led revitalization
OCEIA	Emergency/Crisis Language Services	Interpretation and translation services in emergency situations
OCEIA	SF Wire Up	Outreach, education and complaint remediation for wireless technology
PUC	Rainwater Harvesting	Rain Barrel and Cistern Program
SFGTV	SFGOV TV	Highlight of community programs and projects
SF SAFE	Merchant Neighborhood Watch	Help to organize merchant/neighborhood watch groups
SF Travel	Marketing Opportunities	Access to visitor marketing opportunities via travel publication press releases, web site exposure, information kiosks, and brochure space at SF Travel's Visitor Center
SFFD	NERT	Free training on community preparedness in emergencies
SFFD	Fire Prevention Building Inspections	Prioritized inspections in IIN neighborhoods
SFPD	Crime Trends Reports	Reports on crime trends over time in specified geographic areas
SFPD	Community Partnerships/Police Advisory Boards	Increased community engagement (ie. monthly police captain walks)
<b>Loans/Grants/Financial Assistance</b>		
CAO	Community Challenge Grant	Special consideration in selection process
DCYF	Youth Empowerment Fund	Special consideration in selection process
PUC	Urban Watershed Stewardship Grants	Support the planning, construction and maintenance of green stormwater management facilities - run through CCG - <a href="http://sfwater.org/index.aspx?page=104">http://sfwater.org/index.aspx?page=104</a>
PUC	Go Solar SF	Solar Installation Rebate Program
PUC	Rebates and Incentives	Commercial High-Efficiency Toilet and Urinal and Clothes Washer Rebates, and Water-Efficient Equipment Retrofit grants
SF Travel	Neighborhood Partnership Grants	Special consideration in selection process
TMC Working Solutions	Revolving Loan Fund	Business loans of up to \$50,000 ranging from 4%-6%





## CUSTOMIZED SERVICES

The programs and services listed below will be assigned to corridors based on a corridor’s assessment and resource availability.

<b>Organization Development/Support</b>		
OCA/OEWD/Planning/MOH/PUC/DPW	Operational Support (Wrap Around Services to Organizations)	Community Planning Process, Steering Committee Formation, Operational Grant, Stakeholder Engagement, Mixed Use Development
<b>Workforce Development</b>		
OCEIA	Day Laborer Program	Assistance with Day Laborer Organizing
OEWD	Job Training Programs	Training programs in focused sectors in high demand (ie. Healthcare Academy)
OEWD	Workforce One-Stops	One-Stop centers that provide comprehensive career planning and job seeking
<b>Business Assistance/Development</b>		
All City Departments	Expedited Permitting	Assistance to projects in IIN areas
OEWD	Space Specific Business Recruitment	Business Recruitment for specified commercial space (ie. Metro PCS)
OEWD	Industry Specific Business Recruitment	Business Recruitment for specified community serving use (ie. Grocery Stores)
OEWD	Restaurant Mentorship Program (pilot program)	Targeted mentorship of restaurants to ensure success
Rebuilding Together	Business Interior Renovations	Renovations to community serving businesses
Urban Solutions	Green Business Consulting & Audits	
<b>Loans/Grants/Financial Assistance</b>		
All City Departments	Fee Reduction/Waivers	Assistance to projects in IIN areas, when appropriate
GFTA	Neighborhood Arts Collaboration Grants	Funding for collaborative arts activities that take place in proximity to each other



OEWD	Economic Development Grants	Grants for CBOs providing business technical assistance
OEWD	CBD Formations Grants & Technical Assistance	Grants to assist the formation of CBD's and TA during campaign phase
OEWD	CBD Operations Grants	Grants to assist the administration, operation & programs of CBD's
<b>Marketing</b>		
DPW/Caltrans	Wayfinding Signage	Installation of directional signage
OEWD	Marketing Assistance Grants	Grants to support various marketing efforts (ie. production of banners or website)
SFMTA	MTA advertising	Free advertising on MTA property
<b>Programming &amp; Activation</b>		
Livable Cities/OEWD	Sunday Streets	Monthly event series to encourage health, community and fun
OCEIA	Safety Ambassadors	Safety program to reduce tensions in the community due to cultural or linguistic differences
SFAC	Cultural Equity Grants	Project-oriented grants to arts organizations and individual artists based on CEG guidelines
SFAC	Street Artists Licensing	
SFAC	Local fairs and festivals	Funding to local CBO's organizing community events, based on CEG guidelines
SFPD	Increased Beat Patrols	Increased patrols in targeted IIN areas
<b>Community Training and Education</b>		
BOS/ Mayor's Office	Legislation/Policy Advocacy	Policy creation/amendments to support communities
MOH	Community Action Grants	Ad Hoc Grants (ie. OMI Action Grant)
MOH	CBO Planning Process Assistance	
OEWD	CBD On-Going Technical Assistance	Technical Assistance post CBD formation



Design + Development Assistance and Physical Improvements		
Asian Neighborhood Design	ADA Assistance	Design assistance to make ADA improvements to building
DPW	Streetscape Improvements	Large capital repair of streetscapes (ie. Leland Ave)
DPW	Greening Projects	Targeted greening projects (ie BUF planting along block)
DPW	Civic Institutions/Facilities Projects	Large renovations or new development of Civic Buildings (ie. Bayview Library)
DPW	Pavement to Parks	Targeted transformations of paved areas to parks (ie. Naples Green)
DPW	Community Corridors Program	Designated corridor ambassador leading maintenance efforts along corridor
DPW	Clean Team	Citywide volunteer program to clean and beautify San Francisco neighborhoods
DPW/DBI/Planning	Code Enforcement	Enforcement of Planning, Building, and Administrative Codes
MOH	Capital Grants	Grants for capital projects for up to \$250k
OEWD	Section 108 Loans	Loans of \$500k and above with 0%-8%
OEWD	New Markets Tax Credits	Tax Credit Allocation for Impactful development
OEWD	SF Shines	Façade and Tenant Improvement Grants
OEWD	Visual Merchandising Project Grants	Assistance for store owners in revamping storefront displays
OEWD	Property Owner Engagement	Engagement of property owners of catalytic properties
OEWD	Development Assistance for Property Owners	Assistance with entitlements of targeted properties (ie. 4801 Third Street)
OEWD	Commercial Space Clean-Out Services	Clean out of long term vacancies along commercial corridor
OEWD	Targeted Cleaning Programs	Cleaning programs to address specific issue (ie. Acid Etch Removal)
Planning	Parklets	Installation of public plaza/areas in front of businesses (ie. Devil's Teeth Bakery)
Planning	Greenway Connections	Greenway Paths Planning



Planning	Real Estate Feasibility Study	Study of real estate development potential
Planning	Design Guidelines	Creation of design guidelines to support
Planning	Zoning Assistance	Assistance with rezoning properties
Planning	Historic Preservation Surveys	Surveys of historically significant buildings
Planning	Better Streets Program	Streetscape Urban Design Services (conceptual)
Rebuilding Together	Community Facility Renovations	Renovations to community facilities
SFMTA	Traffic Flow and Parking Management	Traffic Flow, parking rules and regulations
SFMTA	Pedestrian Safety	Pedestrian safety, bike lanes & projects, school area safety and crossing guard programs
SFMTA	Color Curb & Metering	Assistance with color curb and metering adjustments

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**SOCIAL HERITAGE INVENTORY RECORD**

Resource Name: \_\_\_\_\_ District: \_\_\_\_\_  
 Prepared By: \_\_\_\_\_ Date: \_\_\_\_\_

Location:				
a. Address:	Block:	Lot:	b. Neighborhood:	c. City:

Type of Resource		
a. Tangible: <input type="checkbox"/> Site <input type="checkbox"/> Structure <input type="checkbox"/> Building <input type="checkbox"/> Object		
b. Intangible: <input type="checkbox"/> Organization/Institution <input type="checkbox"/> Business <input type="checkbox"/> Cultural Event <input type="checkbox"/> Traditional Art/Craft/Practice		
Type of Use:	Active/Inactive:	Resource Photograph:
Description (attach continuation sheets if needed):           		          

<b>Cultural/Social Affiliation:</b> <input type="checkbox"/> Japanese-American Culture <input type="checkbox"/> African-American Culture <input type="checkbox"/> Filipino-American Culture <input type="checkbox"/> Chinese-American Culture <input type="checkbox"/> Korean-American Culture <input type="checkbox"/> Jewish-American Culture <input type="checkbox"/> Latino-American Culture <input type="checkbox"/> Other (specify): _____
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Social Heritage Criteria:	
A	Resources that are associated with historical <u>events</u> that have made a significant contribution to the social or cultural heritage of the area.
B	Resources that are, or are associated with, <u>persons, organizations, institutions</u> or <u>businesses</u> that are significant to the social or cultural heritage of the area.
C	Resources that are valued by a cultural group for their <u>design, aesthetic</u> or <u>ceremonial</u> qualities, such as:
	1) Embodiment of the distinctive characteristics of a <u>type, period</u> or <u>style</u> of architecture that represents the social or cultural heritage of the area.
	2) Representation of the <u>work of a master</u> architect, landscape architect, gardener, artist or craftsman significant to the social or cultural heritage of the area.
	3) Association with the traditional <u>arts, crafts, or practices</u> significant to the social or cultural heritage of the area.
	4) Association with public ceremonies, festivals and other cultural gatherings significant to the social or cultural heritage of the area.
D	Archaeological resources that have the potential to yield information important to the social or cultural heritage of the area.

Period of Significance: <i>Select appropriate code(s)</i>			
1-3	1. Early Japantown History	2. Japanese Resettlement and Renewal	3. Continuing Japantown Legacy
a	Japanese Settlement in San Francisco (1880s-1905)	Nikkei Return to Japantown (1945-1954)	Contemporary Japantown (1991-present)
b	Japanese Settlement in the Western Addition (1906-1920)	Redevelopment in the Western Addition (1955-1990)	
c	Japantown Comes of Age (1921-1941)		
d	Japanese WWII Internment (1942-1944)		
e	Other:	Other:	Other:

<b>Sources:</b>  
<b>Recommended Treatment:</b>  

## INTRODUCTION

This memorandum has been prepared at the request of the San Francisco Planning Department to assist in the creation of a Japantown Social Heritage Program. Specifically, Page & Turnbull has been asked to complete the following tasks:

- Establish a methodology for identifying properties, organizations and other social or cultural resources that appear to be good candidates for recordation on Social Heritage Inventory Record forms. A major component of this task is reviewing the Social Heritage Database created by the Japantown Cultural Heritage Subcommittee (Japantown Subcommittee).
- Create an updated Social Heritage Database that recognizes these significant cultural resources.
- Complete up to 130 Social Heritage Inventory Record forms in consultation with the Japantown Subcommittee.

The overall purpose of these efforts is to create an inventory that recognizes tangible and intangible cultural resources that are significantly associated with the Japantown community. This inventory shall serve as a basis for identifying and implementing tools which help maintain and promote these resources.

### Defining Social Heritage

The term ‘social heritage’ encompasses a wide range of traditional or inherited practices. This study proposes a definition based on language similar to that used by the National Park Service to define traditional cultural properties.<sup>2</sup> Here, the term social heritage is understood to mean: Those elements, both tangible and intangible, that help define the beliefs, customs and practices of a particular community. These elements are rooted in the community’s history and/or are important in maintaining the continuing cultural identity of the community.

## SOCIAL HERITAGE DATABASE

The Social Heritage Database prepared by the Japantown Subcommittee forms the basis for much of this work. Based on community input, the Database lists various properties, organizations and other cultural elements that have been identified for their associations with the Japantown community. The Social Heritage Database is divided into seven categories:

- Celebrations and Festivals
- Folklore, Stories, Language and Literature
- Traditional and Evolving Crafts, Performing Arts
- Cultural Properties, Buildings, Structures, Archives

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<sup>2</sup> Patricia L. Parker and Thomas F. King, *National Register Bulletin 38: Guidelines for Evaluating and Documenting Traditional Cultural Properties*, 1990; Revised 1992,1998 , <http://www.nps.gov/nr/publications/bulletins/nrb38/> accessed 22 August 2012.

- Businesses (Food, Retail, etc.)
- Institutions (Churches, Non-Profit Organizations, Schools, Club)
- Sports, Games, Health & Fitness

For each heading, a list is provided detailing properties, organizations, and programs that are associated with that category. This information includes the name, address, block/lot and source for the information. The database also addresses the significance of each property within four categories identified by the Japantown Subcommittee. The categories are: cultural, educational, historical, and social.

In total, the database prepared by the Japantown Subcommittee identifies 279 resources. Of these, the group with the fewest resources is the Folklore, Stories, Language, and Literature category (13 resources), while the largest group by far is the Business category (122 resources).

## **SOCIAL HERITAGE INVENTORY RECORD FORMS**

The San Francisco Planning Department recently created a new Social Heritage Inventory Record form. The form is designed to capture basic information about social and cultural heritage resources, including the address, the type of use, a photograph, description, source(s) for the information, and recommended treatment. On August 22, 2012, Page & Turnbull met with representatives from the Planning Department to discuss refinements to the form so that it could more easily capture the types of resources present in the Japantown area. These refinements are reflected in the categories discussed below:

### **Types of Resources**

The form seeks to identify resources according to two categories: tangible and intangible. These are defined as follows:

#### Tangible Resources:

- Site (the location of a significant event or activity)
- Building (a work that provides shelter for human activity, such as a home, store or church)
- Structure (a work that is primarily functional in nature, such as a roadway, bridge, or tunnel)
- Object (a work that is primarily artistic in nature, such as a sculpture or fountain)

#### Intangible Resources include:

- Organization/Institution (a group or foundation organized for a particular purpose, such as a benevolent society, social club, merchant association or religious organization.)
- Business (a place where goods are bought or sold)
- Cultural Event (a festival, parade, dance, concert or similar public gathering)
- Traditional Art/Craft/Practice (a pursuit that is rooted in traditional culture and most typically artistic in nature)

## Type of Use

This section of the form is designed to capture information about the use of tangible properties (e.g., residential, commercial, etc.). This information will be filled out by the San Francisco Planning Department.

## Active/Inactive

This section of the form is designed to identify whether a resource is still in use, or whether it is primarily commemorative in nature. For example, a building that once served as the headquarters for a significant cultural organization—but which is no longer used by the organization (or the community)—would be inactive. Nearly all of the resources identified by the Japantown Subcommittee are currently active.

## Description

This section of the form is used to describe why the resource is significant to the Japantown community. Ideally, it will include information about how, when and why the resource originated, the function it serves (or served), and any notable events or persons connected with the resource. Sources used to provide this information—including reports, oral histories and other types of documentation—should be identified in the Sources section at the bottom of the form.

## Cultural/Social Affiliation

This section of the form is designed to capture information about the resource’s cultural affiliation. Currently, the Japantown Social Heritage Program is focused on recognizing Japanese-American resources. However, development of the neighborhood also reflects African-American, Filipino-American and Jewish-American influences, as well as the influences of other Asian cultures. The recordation of resources associated with these groups may be the focus of future efforts (see Additional Consultation and Research below).

## Social Heritage Criteria

The form identifies Social Heritage Criteria which roughly follow the significance criteria used by the National Register of Historic Places. The Criteria are grouped into four categories:

Criterion A: Resources that are associated with historic events that have made a significant contribution to the social or cultural heritage of the area.

Criterion B: Resources that are, or are associated with, persons, organizations, institutions or businesses significant to the social or cultural heritage of the area.

Criterion C: Resources that are valued by a cultural group for their design, aesthetic or ceremonial qualities such as:

- 1) Embodiment of the distinctive characteristics of a type, period or style of architecture that represents the social or cultural heritage of the area.
- 2) Representation of the work of a master architect, landscape architect, gardener, artist or craftsman significant to the social or cultural heritage of the area.
- 3) Association with the traditional arts, crafts, or practices significant to the social or cultural heritage of the area.



- 4) Association with public ceremonies, festivals and other cultural gatherings significant to the social or cultural heritage of the area.

Criterion D: Archaeological resources that have the potential to yield information important to the social or cultural heritage of the area.

### Period of Significance

The Social Heritage Inventory Record form designed for Japantown includes several periods of significance relating to the development of Japantown. A period of significance represents the time frame when a resource originated and/or gained its cultural significance. These periods include the following:

#### 1. Early Japanese History in San Francisco

- a) Japanese Settlement in San Francisco (1880s-1905)
- b) Japanese Settlement in the Western Addition (1906-1920)
- c) Japantown Comes of Age (1921-1941)
- d) Japanese WWII Internment (1942-1944)

#### 2. Japanese Resettlement and Renewal in San Francisco

- a) Nikkei Return to Japantown (1945-1954)
- b) Redevelopment in the Western Addition (1955-1990)

#### 3. Continuing Japanese Legacy in San Francisco

- A) Contemporary Japantown (1991-present)

## METHODOLOGY FOR REVIEWING THE DATABASE

The primary purpose of the Social Heritage Database review is to identify those resources which appear most suitable for recordation on Social Heritage Inventory Record forms. As a first step, the criteria for selection proposed by Page & Turnbull seeks to prioritize the following:

- Physical properties or objects that are documented as having a significant and longstanding association with the Japantown community.
- Organizations or programs that are documented as having a significant and longstanding association with the Japantown community.
- Festivals/events/traditional practices that are documented as having a significant and longstanding association with the Japanese community.
- Resources identified as meeting all four categories of significance established by the Japantown Subcommittee. In most cases, these resources also meet one of the first three criteria for selection proposed by Page & Turnbull.

### Establishing a Time Frame

For the purposes of this report, the definition of “longstanding” is not static, but typically refers to a period of at least twenty-five years (1987 or earlier). This is closely aligned with the existing time frame identified in the Social Heritage Inventory Record form for Japanese

resettlement and renewal in San Francisco, which spans from 1945 to 1990. In certain instances, however, there may be social or cultural heritage resources which were established less than 25 years ago, but which appear to contribute to the theme of “Contemporary Japantown (1991-present)” identified on the Social Heritage Inventory Record form. The selection of such resources for recordation involves some measure of discretion, but Page & Turnbull believes that weight should be given to institutional resources such as archival and library collections, as well as to festivals and arts programming which demonstrates clear orientation to Japanese or Japanese American culture.

By contrast, the National Park Service generally recommends that resources be at least fifty years old to be considered historic. Because the history of Japantown is significantly associated with well-documented redevelopment efforts that stretched into the 1980s, a fifty-year threshold appears too restrictive. Instead, Page & Turnbull recommends the more inclusive guidance provided by the California Register of Historical Resources, which states that properties less than 50 years old can be considered for listing as long as “it can be demonstrated that sufficient time has passed to understand its historical importance.” Here, “historical importance” can also be interpreted as “historical and/or cultural significance.”

### **Establishing Significance**

To help determine which social heritage resources show a significant and longstanding association with the Japantown community, Page & Turnbull reviewed several prior historic studies of the Japantown area. This was necessary in order to demonstrate at least some level of prior documentation, as well as provide source reference material for the “Sources” section of the Social Heritage Inventory Record forms. The studies that were reviewed include the following:

- *Images of America – San Francisco’s Japantown*, prepared by the Japantown Task Force (2005)
- *Japantown Better Neighborhoods Plan Traditional Cultural Property Evaluation*, prepared by Page & Turnbull (2008)
- *Japantown Cultural Preservation Strategy Report*, prepared by Page & Turnbull (2008)
- *Japantown Better Neighborhoods Plan Historic Resource Survey Report*, prepared by Page & Turnbull (2009)
- *Japantown Historic Context Statement*, prepared by Donna Graves and Page & Turnbull (Revised 2011)
- Japantown Better Neighborhoods Plan. Memo regarding DPR 523 B & D Form Recommendations, prepared by Page & Turnbull (2008)

Another basis for helping to identify resources with a significant and longstanding association with the Japantown community is to include resources marked as “historic” in the significance categories established by the Japantown Subcommittee. Resources meeting all four of the significance criteria also benefit from an assumption that they are likely to be culturally significant.

## UPDATING THE SOCIAL HERITAGE DATABASE

The Social Heritage Database created by the Japantown Subcommittee will be updated to reflect any prior documentation (as described above), as well as to more closely align with the Social Heritage Inventory Record Form. This includes adding new columns for the following:

- Subcommittee Category: This column notes which of the seven categories (e.g., Businesses, Celebrations, Folklore) each resource was assigned by the Japantown Subcommittee. This preserves the information assigned by the Japantown Subcommittee, while also allowing the database to also be sorted according to the heritage criteria used on the Social Heritage Inventory forms.
- Documentation: This column notes which social heritage resources appear in one or more of the historic studies described above. This column includes the abbreviated name of the report, and all page numbers where that property appears within the report. For example, a property discussed on pages 38 and 51 of the *Japantown Historic Context Statement* would be notated as JHCS-38,51.
- Notes: This column allows for brief notations regarding items such as when a building was constructed (if stated in one of the reports), how and when it was used by the Japantown community, or if the property was associated with a particularly significant event. For example, the Notes section for the Rosa Parks School at 1501 O’Farrell Street mentions that the building was a site where Japanese residents were registered prior to internment.
- Social Heritage Criteria: This column will align with the Social Heritage Criteria categories identified on the Social Heritage Inventory Record Forms (A, B, C, D). If applicable, more than one criterion may be selected.
- Period of Significance: This column will align with the Periods of Significance identified on the Social Heritage Inventory Record Forms (1, 2, 3). If applicable, more than one theme may be selected.
- Complete Heritage Inventory Record Form: Based on the “significant and longstanding” criteria discussed above, this column will show which resources appear most suitable for recordation using the Social Heritage forms. These resources will be designated with an “X” in the column.
- Prior Historic Evaluation: Some properties in the Japantown area have already been the subject of historic surveys and may have been found eligible for local, state or national historic registers. These properties are noted with their recommended California Historical Resources Information System Codes. Others have been recommended for further study using California Parks and Recreation DPR 523 B forms. These are noted as “B-form recommend.”

### Consolidating Resources in the Social Heritage Database

In several instances, the Japantown Subcommittee’s Social Heritage Database contains multiple entries that are all related to a single organization. For example, Kinokuniya Bookstores of America is listed individually, as is Kinokuniya Anime Bookstore and the Kinokuniya Stationary & Gift. In this case, all of the individual resources will be grouped

under “Kinokuniya Bookstore Businesses.” Where appropriate, similar consolidations will be used.

### **Adding Other Resources to the Social Heritage Database**

The review of prior historic studies for Japantown may reveal some resources which appear to have significant and longstanding associations with the Japantown community, but which were not previously identified in the Social Heritage Database. These social heritage resources will be added to the Database with the source of the information noted in the documentation column. These new listings will also be highlighted yellow in the Database.

### **Future Updates to the Social Heritage Database**

The Social Heritage Database is designed to be a living document. Over time, new resources may emerge that are culturally significant to the community. Likewise, some resources may, over time, close or cease to be culturally significant. Therefore, it is recommended that the database be periodically reviewed and updated with additions and/or deletions. These reviews should be done in cooperation between the Japantown community and the San Francisco Planning Department. No formal time frame for these reviews has been established, but a reasonable period would be every five to ten years.

## **CLARIFICATIONS**

In numerous places the Japantown Social Heritage Database identifies individual buildings that are associated with one or more cultural organizations. Based on preliminary research, Page & Turnbull believes that, where appropriate, both the building and the organization(s) may be suitable for individual recordation on Social Heritage Inventory Record forms.

Conversely, organizations, businesses and other social heritage resources that have significant association with the Japantown community may have only occupied a given address for a few years. In these instances, Page & Turnbull recommends that only the organization and not the building be documented with a Social Heritage Inventory Record form.

## **PRELIMINARY FINDINGS**

Using the methodology and guidance outlined above, Page & Turnbull preliminarily finds that 104 resources appear suitable for recordation on Social Heritage Inventory Record forms. These include the following, grouped by Social Heritage Criteria:

- 21 resources met Social Heritage Criterion A.
  - 3 of these resources met only with Criterion A.
  - 18 of these resources met Criterion A and at least one other Criterion.
- 75 resources met Social Heritage Criterion B.
  - 54 of these resources met Social Heritage Criterion B only.
  - 21 of these resources met Criterion B and at least one other Criterion.
- 38 resources met Social Heritage Criterion C

- 16 of these resources met Social Heritage Criterion C only.
- 22 of these resources met Criterion C and at least one other Criterion.
  
- 0 resources met Social Heritage Criterion D

These preliminary findings have likely captured a substantial portion of the resources most significant to the Japantown community. However, Page & Turnbull believes that there are likely other additional resources that are appropriate for recordation on Social Heritage Inventory Record forms. Thus, some additional consultation and research appears necessary (see below).

## ADDITIONAL CONSULTATION & RESEARCH

Formal documentation is lacking for numerous resources, making it difficult to establish when these resources originated and/or their significance to the community. It likewise hampers efforts to relate these resources to the appropriate theme and time frame on the Social Heritage Inventory Record form. In order to ensure that all significant resources are included, further research and consultation appears necessary. This consultation should also help determine whether some resources, such as various Boy Scout troops, should be consolidated for recordation. Currently, resources where the period of significance is unclear are highlighted in blue in the Social Heritage Database

By far, the largest number of resources identified in the Social Heritage Database are businesses. Some of these have clear, longstanding ties to the Japantown community. However, many others appear to be of more recent origin, making it difficult to establish their relative significance to the community. Thus, further research and consultation with the Japantown Subcommittee is needed to help identify which of these businesses clearly have significant and longstanding association with the Japantown community. Similar consultation also appears necessary for some arts and recreational resources, which likewise appear recent in origin or lack formal documentation. These include clarifying:

- When was the business/organization founded?
- What is the primary focus of the business/organization?
- Does the business/organization significantly contribute to the ongoing cultural legacy of Japantown? How so?

Finally, the Social Heritage Database provided by the Japantown Subcommittee includes only Japanese-related resources, but does not include resources of other ethnic or social groups in Japantown. The Social Heritage Inventory Record Form's themes provide a means for the social heritage of African-American, Filipino-American, and other residents to be represented. Further research appears warranted in order to broaden the scope of the Social Heritage Database.

## Potential Tools for Preserving Japantown’s Social Heritage

### A. Introduction

The Japantown neighborhood of San Francisco has been home to the city’s historic Japanese community for over a century. Located on the north side of Geary Boulevard, with the Fillmore District to the west, the Western Addition to the south, Cathedral Hill to the east, and Pacific Heights to the north, Japantown is comprised of numerous locally-owned, family-run restaurants, retail stores and service providers in the Japan Center and Buchanan Mall and along Post and Sutter Streets.

One of three remaining historic “Japantown” communities in the United States, the neighborhood is a vital, resource-rich environment of people, places, activities, and community heritage that are all closely connected and involved in maintaining cultural identity. Seifel Consulting has been working with the City of San Francisco Planning Department and the Japantown Organizing Committee to research and analyze available tools that could be used to recognize and preserve Japantown’s social and community heritage, cultural character and historical features. The following initial summary presents an array of tools that could be useful in preserving and sustaining resources. The tools are grouped in the following categories:

- Nonprofit Community Organizations and Governmental Entities
- Regulatory Programs
- Local Government Assistance Programs

Table 1 presents the three categories of tools, along with the category’s relevance for preserving historic structures and sites, heritage businesses and/or cultural activities.

**Table 1**  
**Potential Tools for Preserving Social Heritage Resources**

Tool	Applicability to Japantown	Preservation of Historic Structures/ Sites	Preservation of Heritage Businesses	Preservation of Cultural Activities
<b>Nonprofit Community Organizations and Governmental Entities</b>				
B1 Community Development Corporation	High	X	X	X
B2 Community Land Trust	High	X	X	
B3a Property and Business Improvement Districts	Moderate	X	X	X
B3b Mello-Roos Community Facilities District	Low		X	X
B3c Infrastructure Financing District	Low		X	X
<b>Regulatory Programs</b>				
C1 Community Benefits Agreements	Moderate		X	X
C2 Improvements Installed by and/or Paid for by New Development	Moderate		X	X
C3 Design Guidelines	Moderate	X	X	
C4 Transfer of Development Rights	Low	X		
C5 Neighborhood-Specific Impact Fee	Low	X	X	X
C6 Land Use or Zoning Incentives	Low		X	X
<b>Local Government Assistance Programs</b>				
D1 San Francisco Office of Economic and Workforce Development	High	X	X	X
D2 Mills Act Property Tax Abatement Program	Moderate	X		

Source: Seifel Consulting Inc.

## B. Nonprofit Community Organizations and Governmental Entities

Various entities—nonprofit organizations, community land trusts, and districts formed by local government agencies—could provide ongoing resources and/or other assistance to implement strategies for preserving and promoting social heritage in Japantown. A community development corporation is one type of nonprofit entity that could be formed to provide sustained assistance. Community improvement districts enable property owners and/or businesses within a specific geographic area to pay for enhanced services by securing a predictable stream of revenue. Two types of these districts—Mello-Roos Community Facilities Districts and Infrastructure Financing Districts—are authorized to borrow money by issuing bonds or incurring other debt to assist with the financing of the improvements.

### 1. Community Development Corporation

Community development corporations (CDCs) are nonprofit, community-based organizations dedicated to revitalizing neighborhoods and/or undertaking specific community development projects. CDCs usually service a defined geography such as a neighborhood. Typical CDC activities include economic development, real estate development, education, social services, and organizing and advocacy activities. Many CDCs are active in the production of affordable housing, however across the country, CDCs have historically been involved in developing, owning, and leasing commercial property; business enterprises; asset building; and workforce programs as well as providing community social services and creating and operating community gardens.

CDCs can also function on a smaller scale serving as facilitator and advocate for economic development and other activities in the neighborhoods they serve. For example, rather than create new programs that could require large staff and duplicate services, the Tenderloin Economic Development Project (TEDP) collaborates and coordinates with other existing community organizations, businesses, foundations and City agencies to realize its mission to transform the Tenderloin into a safe, livable neighborhood for its residents and businesses through economic, social, cultural, and educational initiatives.

It is important to note that a CDC is not a financing mechanism and would require dedicated resources and/or ongoing fundraising efforts to generate cash flow to support its work and accomplish its goals.

*Opportunities:* Little Tokyo in Los Angeles and Chinatown in San Francisco both have successfully established CDCs that provide culturally sensitive social services, housing and community development, while also promoting the rich heritage of their ethnic communities. A CDC could link or merge with existing nonprofits in Japantown.

*Challenges:* A CDC requires active community participation and extensive fundraising efforts to help generate cash flow to support its work and accomplish the goals of the organization. CDCs require a diverse knowledge base ranging from finance, insurance, real estate, community development, economic development and small business development, to architecture and planning and zoning laws. The implications of creating another community-based nonprofit organization in Japantown, which already has a dense nonprofit infrastructure, would need to be considered.

#### ***Applicability to Japantown: High***

CDCs have a demonstrated track record of revitalizing and preserving cultural and historic districts. CDCs also provide a flexible economic development model that can be combined with other tools and scaled to the needs of the community. For example, the Little Tokyo Service Center in Los Angeles provides both

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social services and community development services, and the TEDP in San Francisco is a CDC and a Community Benefits District. In Japantown, a CDC on a scale similar to the TEDP would likely be the most realistic.

Key Leaders: Community stakeholders and Japantown Task Force

Next Steps: Creating a CDC requires active community participation and fundraising efforts. First steps would include a review of existing CDCs to determine an appropriate model and scale for Japantown and an outreach campaign to gauge interest in a CDC. Second steps would involve identifying funding sources and developing a CDC formation plan.

## 2. Community Land Trust

A community land trust (CLT) is a nonprofit organization whose primary purpose is to acquire targeted properties within its service area, remove these properties from the speculative market and place long-term control of their use and disposition into the hands of the local community. CLTs generally lease the land that they own to others who live on or operate businesses on the CLT land, although some CLTs own buildings and other improvements and lease out space to individual users. Most of the hundreds of CLTs that have been formed in the U.S. focus on affordable housing, including the San Francisco Community Land Trust. However, some CLT missions encompass more than housing, and include owning, leasing and selling commercial properties; owning community gardens; and land banking. CLTs in Pottstown, Pennsylvania and Burlington, Vermont are examples of such CLTs. The Burlington CLT has entered disinvested neighborhoods as a commercial landlord, supporting businesses at a time when investment is unattractive to for-profit landlords.

As with a CDC, it is important to note that a CLT would require dedicated financing resources and/or ongoing fundraising efforts to generate cash flow to support the work and accomplish the goals of the organization.

Opportunities: CLTs allow for ownership of land to be made available on a long-term basis for a specific community use. Establishment of a CLT in Japantown would provide the community with long-term control over the preservation, rehabilitation and development of social heritage properties and assets. A CLT could contribute to the development and sustainability of housing, small businesses, community facilities, community gardens, and parks.

Challenges: It would take time, energy and commitment to build an organizational capacity to meet ongoing administrative, programmatic and stewardship responsibilities. A CLT would require a substantial infusion of financial resources in addition to securing potential land. Some concern may exist over the implications of creating another community-based nonprofit organization in Japantown, which already has a dense nonprofit infrastructure.

### ***Applicability to Japantown: High***

A commercial CLT could be used to acquire targeted properties within Japantown to maintain long-term control over the preservation, rehabilitation and development of community properties, assets and businesses that contribute to the preservation of Japantown's social heritage. In 2011, Burlington Associates assessed the feasibility of establishing a CLT in Japantown. The study recommended that the community proceed with the creation of a Japantown Community Land Trust and the development of a campaign to raise community capital. An attorney is currently conducting a viability analysis to determine whether cultural and historical preservation can support a 501(c)(3) tax exempt CLT if properties held by the CLT are largely used and leased for commercial purposes.



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Key Leaders: Community stakeholders and Japantown Task Force

Next Steps: The community would clearly define the role of the CLT in preserving Japantown's social heritage. It could consider establishing a CDC or potentially supplementing a CLT with additional tools. Second, the community would conduct an outreach campaign to determine interest in a CLT, educate the community on the role of a CLT and how it would contribute to the preservation of Japantown's social heritage, identify funding sources and develop a business plan.

## 3. Community Improvement Districts

Community improvement districts are formed by local governments to provide specific funding within defined boundaries to support enhanced community improvements, facilities or special services that will directly benefit an area. As self-financing legal entities, these districts have the ability to secure a predictable stream of revenue to fund specific improvements or services.

Different types of community improvement districts are allowed under California law, and thus, each district must be established in accordance with the particular enabling legislation chosen to meet the needs of a given district. Each law also sets forth specific rules on the use of the funds.

### a. **Property and Business Improvement Districts**

Business improvement districts are public-private partnerships that enable property owners and/or businesses within set boundaries to pay for enhanced services that confer a benefit to the real property owner and/or business owner over and above what a local government normally provides through its general fund. Specifically, they are specialized assessment districts that establish a partnership between property owners and/or businesses for the purpose of improving the business climate in a defined area. Services typically provided by these improvement districts include maintenance, marketing, economic development, parking, special events, and other enhanced services or improvements.

Two California laws authorize the formation of business improvement districts (BIDs), the Parking and Business Improvement Area Law of 1989 and the Property and Business Improvement District Law of 1994. Both laws authorize a city to establish BIDs and levy annual assessments within their boundaries. The 1989 law authorized BIDs to charge an additional fee to be added to annual business licensing fees or other fee mechanisms related to business revenues. The 1994 Act authorized BIDS to levy an assessment on commercial property. The BID is limited to those types of improvements and activities that are specified during the district formation. Neither law allows BIDs to issue bonds.

In 2004, the San Francisco Board of Supervisors adopted and the Mayor signed into law the San Francisco Community Benefit District (CBD) Ordinance, amending the state legislation to lengthen the term that the BID could be in place, allow assessments on both commercial and residential properties and provide a more reasonable weighted petition threshold that would trigger the assessment balloting procedure. In order to establish the CBD, the Board of Supervisors must hold a public hearing and mail out assessment ballots in order to gauge the level of support of the weighted property owners in the proposed CBD.

Property assessments can only fund special, not general benefits.<sup>1</sup> General benefits are those allocated to all parcels in the city and funded out of public or general fund revenues. Cities throughout California

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<sup>1</sup> By law, the City cannot replace its general benefit services in a district once the special benefits district has been formed [Article XIII(d) of the California Constitution].

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typically adopt “baseline services agreements” that require the City not to withdraw services once the special benefits district has been formed.

Examples of BIDs/CBDs formed in San Francisco include Noe Valley/24<sup>th</sup> Street, North of Market/Tenderloin, Castro/Upper Market, Fillmore Jazz District, Central Market CBD, Portside CBD, Yerba Buena CBD, and the Tourism Improvement District (TID). Japantown is located in Zone 2 of the TID, and as such, hotels in Japantown are assessed an annual fee of 1 percent of gross revenue.

*Opportunities:* Funds generated could be used to provide benefits such as signage, façade work, interpretive displays in the right-of-way, business retention, beautification, and tree establishment/maintenance as well as capital improvements and real estate development projects. They could also be used to establish a process for qualifying heritage businesses and to support intangible heritage assets by providing permits for events and performances.

*Challenges:* Forming a BID/CBD requires extensive outreach to property owners and businesses who would be assessed and community stakeholders in order to develop a management plan with defined boundaries, services, assessment rates, terms, and a governing body. Typically, a two-phase special election must take place beginning with a petition vote, followed by legislation approved by the Board of Supervisors, a mailed ballot election and additional legislation and public hearings at the Board of Supervisors.

### ***Applicability to Japantown: Moderate***

A BID/CBD in Japantown could provide maintenance and public safety, marketing, advocacy, beautification and capital improvement programs that would contribute to the preservation of heritage businesses, and public and community space. Business owners in Japantown previously considered adoption of a BID/CBD and prepared a preliminary plan, however, they did not proceed with adoption due to a lack of support by property and business owners.

*Key Leaders:* Motivated property owners and businesses, community stakeholders, Mayor’s Office of Economic and Workforce Development

*Next Steps:* Creating a BID/CBD requires active participation and extensive outreach to community members, property owners and business owners. A first step would be to contact the Mayor’s Office of Economic and Workforce Development (OEWD) to revisit the feasibility of creating a BID/CBD for Japantown. Second, a steering committee could be formed among interested parties, including property owners and businesses. The committee would re-evaluate the district boundaries and analyze the current level of support for district formation. If enough support exists, the steering committee would enter into the formation stage, including expansion of the committee to all interested parties, endorsing a focused district plan that would benefit district property owners and businesses, and submission of the plan to the City for review and certification.

### **b. *Mello-Roos Community Facilities District***

Mello-Roos Community Facilities Districts (CFDs) finance capital improvement projects or operations and maintenance through a special tax district. Taxes are levied on real property and collected on the county property tax bills. A CFD is created by a sponsoring local government entity and requires approval by two-thirds of voters living within the proposed boundaries, or a vote of current landowners if there are fewer than 12 registered voters within these boundaries. The landowner vote is weighted based on the amount of land each owns, and two-thirds support is required for approval. After approval, a lien is placed against each property in the CFD, and property owners pay an annual special tax. The sponsoring agency

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can issue Mello-Roos bonds secured by the special taxes to finance public infrastructure or finance infrastructure on a "pay-as-you-go" basis. The taxes will continue at least until the infrastructure is paid for and/or bonds are repaid. At such a point, the taxes will either be discontinued or lowered and used to maintain improvements.

Opportunities: CFDs can finance a broad range of public facilities, services, maintenance or operations, such as streets, sidewalks, parking facilities, fire suppression, flood control, drainage systems, maintenance, security, special events, and economic development. Unlike general obligation bonds, the boundaries and structure of CFDs can be targeted towards a particular issue and geographic area, greatly improving its chances for voter approval.

Challenges: Two-thirds voter approval for all local special taxes, a tax imposed for a specific purpose. Voters are those to be assessed under the proposed district, weighted based on the share of the assessment they will pay. This requirement makes it difficult to finance improvements in developed areas with large numbers of registered voters and property owners. Services that may be financed with a CFD are quite limited, and must be authorized by either a registered voter or landowner election.

### **Applicability to Japantown: Low**

A CFD in Japantown could be used to fund and maintain street and sidewalk improvements, parks, public plazas, and community facilities. However, the usefulness of a CFD is somewhat limited as the much of Japantown is developed.

Key Leaders: Community stakeholders, Mayor's Office of Economic and Workforce Development

Next Steps: The community would conduct a needs assessment to determine what improvements and services a CFD could potentially fund. Second, the community would conduct community outreach to assess interest in a CFD, as implementation of a CFD would represent an additional tax levied on property within the district and would require two-thirds voter approval by property owners.

### **c. Infrastructure Financing District**

Infrastructure financing districts (IFDs) allow cities and counties to issue bonds to pay for community scale public works projects, including but not limited to highways, transit, water systems, sewer projects, flood control, child care facilities, libraries, parks, and solid waste facilities. Facilities financed through an IFD may not replace existing facilities or services, but they may supplement existing facilities and services as necessary to serve new development. To repay bonds, IFDs are allowed to invest property tax increment revenues for a maximum term of 30 years.<sup>2</sup>

Opportunities: In the absence of redevelopment, IFDs allow local government to issue bonds to pay for public works projects using property tax increment. IFDs can fund many of the same types of infrastructure improvements as CFDs.

Challenges: Requires two-thirds voter approval of registered voters if there are at least 12 registered voters within the proposed district, or if there are fewer than 12 registered voters within the proposed district, a two-thirds vote of property owners to form an IFD and issue bonds. Under

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<sup>2</sup> Tax increment is calculated based on increases in assessed value from properties within the district multiplied by the participating entities' share of the basic one percent property tax rate. In San Francisco, this could typically represent about 0.06% of assessed value increases in the district.)

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current law, there are several other limitations to IFDs. For instance, an IFD cannot overlap a redevelopment project area.<sup>3</sup> Further, any IFD that constructs housing is required to set aside at least 20 percent of those units for low and moderate-income housing, while the law does not specifically enable IFD funding for new affordable housing. Recently, the Governor vetoed proposed IFD reform bills that would have allowed areas formerly part of a redevelopment project area to be included in IFDs and modified other key requirements to make IFDs a more useful local financing tool.

### ***Applicability to Japantown: Low***

An IFD in Japantown could be used to fund street and sidewalk improvements, parks, parking facilities, and community facilities. The advantage of an IFD over a CFD is that a share of basic property tax increment revenues can be used to fund improvements rather than levying additional assessments or special taxes on properties within the district. However, the usefulness of an IFD could be somewhat limited as much of Japantown is already developed.

*Key Leaders:* Community stakeholders, Mayor's Office of Economic and Workforce Development

*Next Steps:* The community would conduct a needs assessment to determine what improvements an IFD could potentially fund. Second, the community would conduct community outreach to assess interest in an IFD, as implementation of an IFD would require two-thirds voter approval.

## **C. Regulatory Programs**

Various regulatory programs could be considered to facilitate preservation or the creation of desired improvements.

### **1. Community Benefits Agreements**

Community Benefits Agreements (CBAs) create project-specific contracts between developers and communities designed to ensure that the local community shares in the benefits of major developments. Often, but not always, CBAs are negotiated for developments receiving public support. Examples of negotiated community benefits include living wage requirements for employees, local hiring agreements, job training and/or placement programs, affordable housing or retail space, community space, green building practices, child care facilities, and traffic mitigation. To date, most CBAs have been voluntary agreements among private entities (typically, developers and community groups) that provide benefits for the community in exchange for the right to develop a particular project and/or public financial support. Alternatively, new development could also provide community benefits through specific development agreements between the City and a developer with substantial input from the community.

*Opportunities:* CBAs could provide some benefits that participating Japantown organizations desire, and developers are willing to confer. Alternatively, a well-designed and implemented development agreement program between the City and a specific developer could potentially secure more consistent community benefits from new development.

*Challenges:* Encouraging CBAs would secure community benefits, however, there would be no guarantee that the broader needs identified in Japantown would be met by the benefits individually

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<sup>3</sup> With the exception of San Francisco's Special Waterfront District established by Chapter 314 of the Statutes of 2011, State law prohibits IFDs from being established in redevelopment project areas.

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negotiated between developers and community stakeholders. Such a practice could also decrease certainty in the development process. It could also increase the cost to the end users or deter developers from undertaking projects if costs are too high.

### ***Applicability to Japantown: Moderate***

CBAs in Japantown could be used to provide a wide variety of community benefits that would contribute to the preservation of Japantown's cultural activities, including open space and other community-serving facilities and programs.

*Key Leaders:* Community stakeholders, Japantown Task Force, Planning Department

*Next Steps:* The community would assess community deficiencies and prioritize community needs that could potentially be provided through a CBA. The community could actively monitor proposed new development within Japantown and be ready to approach and negotiate with developers.

## **2. Improvements Installed by and/or Paid for by New Development**

Requiring developers to include certain improvements as part of their projects could be a tool to provide streetscape improvements, community-servicing spaces such as public art and open space accessible to the public. Often, developers have a choice between actually constructing these improvements and contributing to an in-lieu fee. This tool has been used in San Francisco as part of the approval process for major development projects, such as Mission Bay and Hunters Point Shipyard.

*Opportunities:* Certain improvements could be built with little involvement of City staff. In-lieu fees could provide significant revenues to build needed amenities not constructed by developers.

*Challenges:* Mandating improvement projects would negatively impact a development's financial feasibility, potentially increasing the cost to the end user (tenant or home buyer) or even preventing developers from undertaking development projects subject to the regulations. If developers choose to construct the facilities, the City may have less control over their location and design.

### ***Applicability to Japantown: Moderate***

New development in Japantown could be required to pay for certain streetscape improvements, community-servicing space, public art or open space related to the development project.

*Key Leaders:* Community stakeholders, Planning Department

*Next Steps:* The community would assess community needs and prioritize improvements that could potentially be funded by new development. Second, the community would work with the Planning Department to determine an appropriate model for Japantown and decide whether improvements would be mandated through land use restrictions.

## **3. Design Guidelines**

Design guidelines articulate expectations regarding the character of the built environment and are intended to promote design that protects neighborhood character, enhancing the attractiveness and quality of life. Design guidelines address basic principles of urban design that result in development that maintains cohesive neighborhood identity, preserves historic resources, and enhances the unique setting and character of a city or neighborhood. Guidelines can cover a broad range of topics including general site planning, architectural details and materials, and sustainability.

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Opportunities: Design guidelines could function to preserve and enhance the existing character of Japantown, and improve the aesthetic and functional quality of new development projects. Certificates of Heritage Compliance could be granted to local properties for compliance with applicable design guidelines.

Challenges: Adoption of design guidelines without accompanying land use regulations could fail to achieve desired results, such as the preservation of historic resources and enhancement of Japantown's unique setting and character.

### **Applicability to Japantown: Moderate**

Design guidelines could be used to preserve and enhance the attractiveness and quality of buildings in Japantown.

Key Leaders: Community stakeholders, Planning Department

Next Steps: The community could work with the Planning Department to determine the appropriate steps to establish design guidelines for Japantown, as well as potential options to assure consistent compliance. The community could also conduct a survey of buildings in Japantown to identify architectural elements and details, awnings, building massing, sidewalks and setbacks, and signage requirements that may be incorporated into the design guidelines.

## **4. Transfer of Development Rights**

The transfer of development rights (TDRs) allows for the exchange of building development potential from one site to another. Designated preservation areas or sites may sell development rights so that higher density may be built elsewhere. Conservation easements prevent development once the TDR has been sold. In cities, TDRs are usually traded on a site-by-site basis within a designated district, and are often called a transfer of "air rights".

Opportunities: TDRs allow development to be flexible while preserving important historic assets. The sale of development rights results in financial benefits that can be applied to the conservation of the site or structure.

Challenges: Zoning designations must be well defined, and the outcome is uncertain because the program is voluntary. The TDR market incentives must be compatible with the real estate market and provide an attractive incentive to developers.

### **Applicability to Japantown: Low**

TDRs could be used to preserve historic assets in Japantown. However, TDRs are currently only permitted in Downtown San Francisco. Additionally, it is unclear how much development potential currently exists on parcels in Japantown. The majority of buildings appear to be constructed to their maximum height and the community recently opposed upzoning parcels within Japantown.

Key Leaders: Community stakeholders, Planning Department

Next Steps: The first step would be to analyze existing development potential in Japantown based on current height limitations. If numerous parcels with historic assets have unused density that could be transferred, the community could consider permitting TDRs in Japantown. Second, the community would work with the Planning Department to determine the appropriate steps to establish a TDR district, and potentially consider upzoning for parcels in Japantown.

## 5. Neighborhood-Specific Impact Fee

A neighborhood-specific impact fee could be levied on new commercial and residential development that generates additional needs for community improvements or facilities in Japantown. In California, impact fees are typically dedicated to the provision of street and transit improvements, utility infrastructure, schools, civic buildings such as libraries, arts facilities, recreation and daycare facilities, and parks needed to serve new residents and workers. Impact fees must be used to increase capacity to handle additional demands from new development, and cannot be used to address existing deficiencies.

A Japantown Social Heritage Stabilization and Improvement Fund could potentially be established, with the proceeds used to enhance cultural resources and assets in the area if a connection or nexus could be established between the demands created by new development and the provision of these improvements. Developers could be required to display culturally sensitive artwork on the building site or in a public area. Payment of in-lieu fee equivalent to cost of work could be allowed. Proceeds could be used to fund a social-heritage path/tourist trail, pavement treatment, commemorative inscriptions, and other features to educate and recognize the historic and heritage resources in the area. An advisory committee could be formed to advise on the use of funds.

Opportunities: Funds generated from the fee could be used to address the impact of new development on cultural resources in Japantown.

Challenges: Further analysis would be required to ensure the legal soundness of such a fee and the determination of appropriate fee level.

### **Applicability to Japantown: Low**

While a neighborhood-specific impact fee could be used to enhance cultural resources and assets in Japantown, limited revenue would be generated from an impact fee on new development because much of Japantown is already developed. Additionally, the community's opposition to upzoning within Japantown limits development potential, thereby limiting any potential revenues that an impact fee could generate.

Key Leaders: Community stakeholders, Planning Department

Next Steps: The first step would be to analyze development potential in Japantown based on an analysis of vacant sites, zoning and potential density, as well as an analysis of underutilized sites that could potentially be redeveloped. Secondly, the community could work with the Planning Department to determine appropriate steps to establish a neighborhood-specific impact fee, and potentially consider upzoning for parcels in Japantown.

## 6. Land Use or Zoning Incentives

Land use and zoning incentive programs provide developers with specific land use or zoning incentives if they provide certain amenities or pay a fee in lieu of providing the amenities.

Opportunities: A land use or zoning incentive program could serve as both a planning and funding tool to provide Japantown with amenities to meet community goals. Moreover, those amenities would be "master planned," located and designed to best serve the existing and future population.

Challenges: A rezoning process would be a substantial undertaking. If not well-executed and adequately codified, it could increase frustration over the development process, be cumbersome to implement, and have piecemeal results if done on a project-by-project basis.

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## ***Applicability to Japantown: Low***

Given the limited development potential in Japantown, the results of a re-zoning process could have limited benefits.

Key Leaders: Community stakeholders, Planning Department

Next Steps: The community could work with the Planning Department to determine the appropriate steps to establish land use or zoning incentives for Japantown. The three key steps would be as follow: (1) Conduct a needs assessment to determine what amenities are currently and/or will be needed in Japantown; (2) Produce a land use plan that lays out the desired extent, design and location of those amenities; and (3) Determine what incentives would be exchanged for a certain level of participation in the program.

## **D. Local Government Assistance Programs**

### **1. San Francisco Office of Economic and Workforce Development**

An array of neighborhood revitalization assistance is available that could assist with the preservation of social heritage in Japantown. The City of San Francisco Office of Economic and Workforce Development (OEWD) offers a number of tools to provide neighborhood revitalization and business assistance.

#### Neighborhood Revitalization

- Historic Preservation Fund Committee Grants – In partnership with the Planning Department, OEWD provides small grants to nonprofit organizations tasked with preserving historic buildings and districts in San Francisco. The City’s \$2.5 million Historic Preservation Fund must be used for historic preservation, including feasibility studies, research and documentation, nomination of properties to local, state and federal historic registers, historic context statements such as those related to potential historic districts and architectural surveys, historic preservation education programs, and other preservation-oriented purposes.
- Invest in Neighborhoods Initiative – The Invest In Neighborhoods Initiative fosters job creation and economic development in 25 targeted neighborhood commercial districts through strategic deployment of existing City programs from across multiple departments.
- SFShines Program – The SFShines Program provides façade improvements, which include grants, design services and project management. Projects are eligible for up to \$13,500.
- Community Benefit Districts – The Community Benefit Districts (CBD) program, described above, strives to improve the quality of life in commercial districts and mixed-use neighborhoods through a partnership between the City and the local community. OEWD provides grants and technical assistance to communities interested in forming a new BID/CBD.
- Funding Opportunities – The Neighborhood Economic Development Division provides ongoing support and improvement of the city’s many neighborhood commercial districts. These improvements take many forms, ranging from filling vacant storefronts with locally serving small businesses, to marketing and district promotion activities, beautification projects, graffiti removal and sidewalk cleaning, greening and tree maintenance, and special events such as farmers markets and street festivals. The Division’s overall goals are to support the City’s commitment to cleaner, safer and more vibrant neighborhoods.

#### Business Assistance



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- Office of Small Business – Provides assistance to small businesses on how to start and expand a business, including permit and licensing requirements, financing options, market research data, technical assistance, and site selection options.
- Tax Credits and Other Incentives – OEWD administers the City’s tax credits and other incentives, many of which are targeted to specific locations.
- Small Business Financing Assistance – OEWD funds a menu of loan products for small businesses and commercial development. Additionally, the City funds an array of small business technical assistance organizations.

Opportunities: Neighborhood revitalization programs can encourage property owners to repair, restore and rehabilitate historic resources and improve properties. Business assistance programs could encourage local businesses to stay and expand in Japantown.

Challenges: Many of these programs may require property owners and businesses to apply for funds, meet specific program requirements, and undertake a complex or lengthy application or designation process. For example, historic preservation grants typically require some form of recognition process to be undertaken at the local, state and/or federal level, along with restrictions on how the property may be developed in the future.

### ***Applicability to Japantown: High***

OEWD’s revitalization and small business assistance programs could be used to preserve Japantown’s social heritage.

Key Leaders: Community stakeholders, OEWD

Next Steps: The community would work with OEWD to select programs that are tailored to the needs of Japantown businesses and the overall community.

## **2. Mills Act Property Tax Abatement Program**

The Mills Act Property Tax Abatement Program provides eligible historic private property owners the opportunity to participate in the restoration of their properties while receiving property tax relief. Owners must enter into a 10-year contract with a participating city to rehabilitate the building in exchange for a reduction in local property taxes. Owner-occupied single family residences and income-producing commercial properties may qualify.

Opportunities: Participants who qualify may realize substantial property tax savings ranging from 40 to 60 percent annually, which can be used to rehabilitate and maintain the historical and architectural character of their properties.

Challenges: Eligible properties must be listed individually or as a contributor to a district on the National Register of Historic Places, or locally designated per Articles 10 and 11 of the San Francisco Planning Code. Eligibility is limited to a property tax assessment value of \$3 million for residential, and \$5 million for commercial, industrial or mixed use buildings. Properties require historic designations to participate in program.

### ***Applicability to Japantown: Moderate***

The Mills Act Property Tax Abatement Program could be used to rehabilitate historic buildings in Japantown.

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Key Leaders: Community stakeholders, Planning Department

Next Steps: The community would identify properties based on eligibility requirements described above, and work with the Planning Department to apply for Mills Act contracts for individual qualifying properties.