



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: July 3, 2008
TO: Members of the Commission
FROM: Ken Rich and EN Staff
RE: Eastern Neighborhoods Key Issues Discussion

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Today we propose to continue a discussion with you about a number of Eastern Neighborhoods key issues, including:

- Affordable Housing Issues
- Office Controls in PDR and Mixed Use Districts
- Pipeline
- RTO "Soft-Cap"

We are aware that these issues are complicated and aspects of them are still being debated and discussed among the various stakeholders. Thus, we suggest that the purpose of this hearing be to allow staff to frame the issues, to provide opportunities for Commissioners to ask questions and engage in a discussion, and take public comment.

We are not yet asking for specific direction on these issues, though we would like to get that at next week's hearing.

Affordable Housing Proposal

Original Staff Proposal:

Urban Mixed Use (UMU)

		Alternatives		
Tier	Description	Inclusionary Requirement	Middle Income	Land Dedication
A	Sites without height increase	18% onsite 23% offsite	30-35%	35%
B	Sites with 1-2 story height increase	20% onsite 25% offsite	35-40%	40%
C	Sites with 3-4 story height increase	22% onsite 27% offsite	40-45%	45%

Affordable Housing Priority Areas: Mission NCT, MUR

\$10/sf of impact fee earmarked for affordable housing

Issues Raised Include:

- 100% affordable housing
- Citywide inclusionary (15%) throughout the proposed residential areas
- Small lots/small developments are more affected

Proposed Changes:

UMU

		Alternatives		
Tier	Description	Inclusionary Requirement	Middle Income	Land Dedication
A	Sites without height increase	18% onsite or \$8/gsf \$10/nsf with 20 units or less 23% offsite	30%	35%
B	Sites with 1-2 story height increase	20% onsite 25% offsite	35%	40%
C	Sites with 3-4 story height increase	22% onsite 27% offsite	40%	45%

Additional Potential Adjustments

- Can increase the inclusionary requirements throughout the Eastern Neighborhoods or within specific areas, e.g. SoMa Youth and Family Zone and the Mission on lots over 10,000 sf, can increase the middle income requirements or the land dedication options, but must recognize that this has not been determined to be feasible;
- Can increase affordable housing requirements with an increase in height
- Can dedicate revenue sources, Tax Increment Financing, General Fund Revenue, Impact Fee money

Office/PDR Controls in PDR and Mixed Use Districts

Original Staff Proposal:

- Office is defined broadly
- Accessory office permitted up to 33% of total space
- Legal nonconforming office space grandfathered forever
- Non-accessory office permitted above the ground floor, as follows:
 - o 2-4 Story Buildings: 1 floor
 - o 5-7 story buildings: 2 floors
 - o 8 + story buildings 3 floors
- In “Innovative Industries Special Use District” all office permitted above ground floor
- In “Life Science / Medical Special Use District” all medical and life science uses permitted above ground floor

Issues Raised Include:

- Future demand for PDR space overstated
- Not enough flexibility for larger buildings
- Too many nonconforming uses – potential difficulty in attaining legal nonconforming status
- Concern around fostering neighborhood character
- Accessory office provisions too tight
- Too much office space is accommodated in basic controls – will be too much PDR displacement
- Innovative Office SUD in Showplace Square is inappropriate

Potential Adjustments:

To increase flexibility for locating office uses, thus decreasing amount of space protected for PDR uses:

- Liberalize floor controls in all PDR-1, PDR-2 and/or UMU districts
- “Adaptive re-use” provision: Allow office in all floors above ground floor in certain larger buildings with historic resource status
- “Small Enterprise Workplaces”: Allow in new construction only in PDR-1 districts projects that contain above the ground floor, exclusively very small spaces for use as office or PDR space
- Eliminate demolition controls for PDR buildings

To decrease flexibility for office uses, thus increasing the amount of space protected for PDR uses:

- Tighten floor controls in all PDR-1, PDR-2 and/or UMU districts
- No non-accessory office in PDR districts, limited to 2,500 sq. ft in UMU districts
- Remove Innovative Office SUD in Showplace Square

To more clearly define the type of office uses permitted in various areas:

- Define office uses that are desirable in Eastern Neighborhoods areas and ones that are not desirable, using North American Industry Classification System (NAICS). This filtering system can be combined with controls above. *(More from the Mayor’s Office to follow).*

Pipeline Controls

Original Staff Proposal:

- Pipeline projects which required zoning changes when filed would be subject to all Eastern Neighborhoods fees and requirements (= approximately 2,000 units)
- Pipeline projects which did not require zoning changes when filed, would be subject to EN fees and affordable housing requirements only if files after January 19, 2007. (= approximately 2,000 units)

Alternative “Grandfather” Dates for 2,000 code-compliant units

Date	Event	Before Date (i.e. “grandfathered”)		After Date (i.e. not grandfathered)		Lost Public Benefits Fees
		Projects	Units	Projects	Units	
2/12/04	Res. 17627	5	14	102	2,159	\$129,000
2/14/06	2660 Harrison	54	979	54	1,194	\$9.1 million
1/19/07 ¹	EN Res.	66	1,208	42	965	\$11.2 million
8/30/07	Comm. Springing Conditions decision	79	1,637	29	536	\$15.1 million

¹ Staff proposal

RTO “Soft Cap”

Original Staff Proposal:

- In RTO district, density caps are removed except that a CU is required for densities higher than one unit per 600 sq. ft of lot area. (market rate units only)

Issues Raised Include:

- Soft cap reduces opportunities to add housing in transit-intensive parts of the Mission
- Soft cap tends to burden existing property-owners who want to add units more heavily than developers of new projects
- Soft cap adds process for small projects
- Prevailing density in parts of the Mission proposed for RTO is already higher than one unit per 600 sq. ft.

Potential Adjustments:

- Create “RTO Mission” as distinct from existing RTO created as part of Market Octavia
- Remove soft cap requirement from RTO Mission