



SOUTH OF MARKET PROJECT AREA COMMITTEE
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Advisory Body to the San Francisco Redevelopment Agency

SPECIAL ZONING COMMITTEE
Monday April 28, 2008
5:00 Noon

Presiding Chair (6:09 PM)

Chris Durazo

Chair's Report (6:09 PM)

Ms. Durazo announced that the Special Zoning Committee has not met since October 2007. She stated that there have been significant changes that we must review as well as the upcoming calendar of events regarding the process of approval for the Eastern Neighborhoods Plan.

Roll Call (6:10 PM)

Present: Chris Durazo/SOMCAN, Ingrid Aquino and Antoinetta Stadlman

Absent: John Melone/SAN, Charles Range/SOM Health Center and Raymon Smith

PAC Staff: Marcia Ban and Karen Nolan

Agency Staff:

Guests: Sue Exline and Steve Wertheim/Planning Department, Henry Karnilowicz, John Elberling/TODCO, Jim Meko/WSCPTF and Tony Kelly/Potrero Hill Boosters

Review of Minutes (6:11 PM)

Minutes were reviewed

Agenda Order (6:12 PM)

It was agreed to announce the next meeting following the discussion.

Announcement of next Special Zoning Committee meeting

The next meeting will be determined after the discussion.

Agenda Item 6. Review and Discussion of Draft East SOMA Area Plan by Chris Durazo (6:13 PM)

Ms. Exline announced that she and **Mr. Wertheim** were here tonight to discuss the zoning overview and calendar of upcoming meetings for the Eastern Neighborhoods Plan.

Ms. Durazo referred to changes in the plan and wanted information on these changes. **Ms. Exline** stated that there have not been many changes since the last draft of the

plan. She stated that SLI would be retained with minor tweaks to the corner heights correcting the maps for 6th Street down to Harrison Street. All of the SOMA heights would be increased from 40 feet to 45 feet to allow for higher ground floor space, except for South Park.

Ms. Stadlman referred to the corner of 6th and Howard where the Hugo Hotel is located and wanted to know what the current height is versus the proposed height. **Ms. Exline** stated that the Hugo Hotel is 60 feet tall and under the new proposal would be allowed to go up to 85 feet. She explained that on 6th Street from Stevenson to Howard the new heights would be 85 feet. The east side of Howard Street would be 85 feet and the west side of Howard Street would drop down to 65 feet.

Ms. Exline stated that the Neighborhood Commercial Transit (NTC) will be changed to the SOMA NCT district. This will include 6th Street and wrap around Folsom Street to meet up with the Western SOMA NCT. Parking will not be required in the NCT district, but a minimum of two-bedroom units will be.

The Residential Service District (RSD) will be changed to Mixed Use Residential (MUR). This is the area between 5th and 6th Streets and Folsom and Howard. This MUR district will emphasize housing as a requirement and must include three square feet of residential use for every one square foot of service. No parking will be required, but open space requirements will increase from 40 square feet to 80 square feet. If the open space is publicly accessible the requirement will drop to 54 square feet.

The Mixed Use General (MUG) district will have no requirement on housing and you can build commercial buildings, but not office buildings. You would be allowed to have one floor of office space in a four story building and, if you build five to seven stories you would be allowed two floors of office space. In the MUR district you would be allowed one floor of office for three floors of residential. The determination of which floor would be office space will be tracked in written form in the deed.

Mr. Elberling referred to the affordable housing and community benefits and wanted to know what they would be in the new Eastern SOMA Plan. **Ms. Exline** stated that the impact fees would apply throughout the plan and if you increase the height and zoning, you must increase the inclusionary housing. The impact fees will be \$20 per square foot if you are building over the standard heights. \$12 must go to affordable housing and \$8 would go to parking, housing, or other community benefits. **Ms. Exline** stated that in areas that were formerly zoned industrial, the Planning Department will allow incentives for owners who dedicate a portion of their property to affordable housing. In the Eastern SOMA Plan the SLI designation will revert to allow for 100% affordable housing.

Mr. Meko referred to the affordability requirements and stated that under the old plan the AGI project at 5th and Folsom would be allowed 40 feet in height and there would be a requirement for additional affordability if they built to 45 feet. With AGI's plan to now build to 85 feet we were expecting them to pay 25% affordability under the new plan. If they only have to pay \$8, they are really ahead of the game. **Ms. Exline** explained that the base models do not pencil out with 25% affordability. Previously there were no affordability requirements. In 1990 10% affordability was required, then the requirement went up to 12% and now it is at 15%. The challenge is how to figure the affordability requirements while still making a project feasible.

Ms. Exline announced that Planning Department staff submitted the draft of the Eastern SOMA Plan to the Planning Commission for editing and changes. She informed everyone that public comment will now be very important as any changes to the plan at this time must go through the Planning Commission. The meetings are tentatively scheduled for every Thursday beginning May 15th, but this could change. Anyone interested in speaking should check the Planning Department's website for changes to the schedule. May 15th will be the first adoption hearing where the Planning Department will introduce the Eastern SOMA Plan. This will include the future of jobs as far as office versus PDR. On May 22nd they will present the complete neighborhood fabric including open space, historic preservation, design, heights, etc. The Planning Department is proposing a presentation on affordable housing, impact fees and community benefits for June 5th, but **Ms. Exline** reiterated that all dates are subject to change at the Planning Commission's discretion. All meetings will be held at 6:00 PM in room 400 at City Hall.

Ms. Exline announced that the final hearing and first action taken will be on June 19th. The Planning Commission has cleared their calendar for this date and plan to begin the hearing at 1:30 in order to wrap up any necessary issues and certify the EIR. There will be parallel hearings at the Board of Supervisors. They plan to meet with the Planning Commission on Thursday and then meet with the Land Use Committee of the Board of Supervisors on Monday. **Ms. Exline** explained that the Board of Supervisors cannot make any changes to the Plan until the Commission has approved it.

Mr. Kelly wanted to confirm that the SOMPAC area would be all residential and nothing is being identified for jobs. **Ms. Exline** stated that this is true with the exception of the area between 6th and 7th Streets that will be Mixed Use General (MUG). **Mr. Meko** inquired about the PDR. **Ms. Exline** referred to the PDR on the maps and stated that if you remove PDR, you must replace it in other areas, and if you lose the PDR in one area you must replace it with housing. **Mr. Meko** wanted to know what types of jobs would be encouraged in the SOMPAC MUR area. **Ms. Exline** stated that PDR jobs would be allowed on a 3-1 ratio. She stated that PDR is under enough duress so the Planning Department is not disallowing it. They will allow office space, but not on the ground floor. **Ms. Exline** explained that the Planning Department wants active uses on the ground floor so there will be no parking or storage allowed. She referred to the NTC districts and stated that they must have retail on the ground floor.

Ms. Aquino expressed concerns over low-cost housing, especially for seniors and wondered how much would be built in the Project Area. **Mr. Eiberling** stated that according to the Agency budget there are four years of funding remaining for the Project Area and not a great deal of low-cost housing would be built. **Ms. Aquino** expressed concern over the low-cost housing as well as the impact on seniors requiring housing with less than \$50,000 per year in income and the cultural impact of the Plan. **Mr. Wertheim** explained that the Mayor's Office of Housing provides low-income housing for those on the lowest income levels at 40-80% AMI or \$20,000-40,000. Inclusionary is 80-120% of AMI. He explained that there is a degree of tools for the Planning Department with regard to affordable housing. We used to have federal and state funds that are no longer available. **Mr. Eiberling** stated that there is no shortage of sites for low-income housing. It is a matter of how much non-profit developers are willing pay per square foot for land.

Ms. Exline referred to the maps and stated a lot of groups are looking to the 4th Street corridor for the development of office space. **Mr. Eiberling** disagreed and stated that

only a certain group wants this for 4th Street. **Ms. Exline** stated that they found with the SLI designation there is not a great deal of provisions for affordable housing. With the Mixed Use Service (MUS) designation there are more options for affordable housing. Any impact fees collected in the Eastern Neighborhoods can be used to develop in the Eastern Neighborhoods. The only thing they will disallow is market rate SRO's.

Mr. Elberling stated that the perspective from the Yerba Buena side is that the details are the last piece of the plan and they will oppose the plan as it is. He suggested everyone take a look at what would happen with high scale development from 4th to 5th to 6th and even 7th Street. **Mr. Elberling** stated that this plan is easy to oppose as we did not want high rises all along. The NTC is good for 6th Street and allowing 5th Street development is fine, but 5th Street is already heavily developed. We should not be developing with higher heights any further west.

Mr. Elberling stated that until 1990 no private developer would build here and the concern at that time was over office space. We wanted some market rate housing for integration and we prohibited commercial development to keep out the office space. Condos are the real threat to neighborhood gentrification and we should limit them and encourage commercial. With the lofts we did not see the high prices that we do with the condos although the live/work pushed jobs out of the area. **Mr. Elberling** stated that the proposed \$20 impact fees are very disappointing. It is not worth gentrifying the neighborhood for proposing only 100 units of market rate housing per year.

Mr. Meko stated that it is unfortunate that the Plan is complete. His concern is whether the plan preserves and enhances the neighborhood character, but it is so late in the process he does not know how we would convince the Commission to change it. **Mr. Elberling** stated that the Planning Commission can still change it. He suggested changing the MUG to MUR and enacting height limits.

Ms. Exline gave everyone a map showing all projects in the SOMPAC area that are in the Planning Department pipeline. She provided a handout showing the various stages of development for all of the projects on the map. **Ms. Exline** reminded everyone that large projects must always go through the Planning Commission. **Mr. Elberling** suggested that SOMPAC take a position on this plan, as it will impact the Project Area significantly.

There was a discussion regarding another meeting to discuss the Eastern SOMA Plan and a tentative meeting was scheduled for Monday May 5th at 5:00 PM.

Public Comment (7:44 PM)

Meeting Ends (7:45 PM)

**Chris Durazo
Chair**