



TODCO GROUP CENTRAL SOMA COMMUNITY PLAN: KEY TOPIC
Strengthening The SOMA Youth And Family Zone And Community Benefit Fees

The South of Market Youth and Family Zone was adopted as a Special Use District for parts of Central SOMA as part of the Eastern Neighborhoods Rezoning approved in 2010, in response to community concerns about the long term gentrification of SOMA and property use conflicts with families living here. It is very limited in scope, requiring conditional use approvals for a list of property uses that might be incompatible with family residents, and setting a higher requirement for inclusionary affordable housing for any new developments on the handful of small alleyway lots within the district.

To be of real value for Central South of Market Neighborhood/Community Building and meaningfully counter continued gentrification of the private housing market, the existing Youth and Family Zone needs to be expanded and strengthened significantly in several ways:

- The Elderly need to be included in the fundamental concept.

The current Zone includes most of the Yerba Buena Senior Neighborhood, and there are many elders living within its boundaries (including many in SRO's), but it does not include them as an identified population for its goals of increased affordable housing and other objectives. In recognition of this community reality, **the SUD should be renamed the South of Market Youth, Family, and Seniors Zone.**

- The **Boundaries of the District should be expanded** to include all the affordable housing in Central SOMA And All the Important Community Assets For Families and Seniors (see Map).

The 2010 Zone boundaries leave out several important Yerba Buena Neighborhood community assets: Alice Street Community Gardens, the Yerba Buena Gardens Childrens Playground, the Yerba Buena Childcare Center, the Yerba Buena Gardens Skating/Bowling Center, and the Stepping Stone Adult Day Health Center (in Mendelsohn House senior housing).

The 2010 Zone also omits South Park with its Playground and the adjacent affordable SRO's.

The 2010 Zone also omits several existing affordable housing properties in the former South of Market Redevelopment Area, both family and SRO's.

The 2010 Zone omits several potential future affordable housing sites in Central SOMA.

- **The Zone's Increased Inclusionary Housing Requirements should be expanded to all lots in the SUD, not just those on alleys.**

Very few additional inclusionary units will result from future development of the handful of small properties on Central SOMA alleys subject to the Zone's Eastern Neighborhood's "Tier C" requirement for 17.6% affordability. To have any real impact on mitigating Neighborhood gentrification, this higher requirement needs to be applied throughout the SUD.

- **Target affordable housing fees paid by projects within the Central Corridor to development of affordable housing on sites within the Youth, Family, and Seniors Zone.**

The many new office buildings, hotels, and condominiums that will be developed in the future as an outcome of the Central Corridor Rezoning will pay \$tens of millions in exactions for affordable housing under current City requirements, including the Jobs/Housing Linkage Program and the in some areas the Eastern Neighborhoods Community Benefit Fee. And it is these same projects that will further increase gentrification pressures within Central SOMA as well. Thus new affordable housing development in the Zone clearly should have top priority for these funds.

- **Reserve any Public Property in the Zone for development of Affordable Housing.**

The one current City property that is definitely available for future affordable housing development is the Moscone Subway Station property at Fourth and Folsom Streets, an ideal location for new senior housing in the heart of the Yerba Buena Neighborhood. The MTA can be paid market value for the site from office/hotel developer affordable housing fees from nearby future projects.

- **Improvements/Expansions to Community Facilities in the Zone should be a priority for the SOMA Community Stabilization Fund.**

The community-based, City-administered Stabilization Fund was established several years ago to receive and distribute about \$7 million total of special development exactions paid by developers of luxury condominiums in the Rincon Hill area. It has already assisted a variety of community facilities in SOMA since then, though less than half of those fees have actually been paid to date. It will receive the balance of the funds in coming years, and could also become the holding account for new development fees, equivalent to the Eastern Neighborhoods Community Benefit Fees, that will be required by the Central Corridor Rezoning – especially those paid by projects within the Zone.

To fully implement several of these recommendations the Department of City Planning will undertake a **Nexus Study for its Central Corridor Rezoning** as part of its planning process over the next two years. The Nexus Study must document the cause and effect

between the new development that will occur in SOMA and its impacts on existing facilities and services, and its demands for new facilities and services. For example, substantial new development also results in amplified market pressures to convert existing properties to high value commercial uses, thus displacing nonprofit community services that currently lease such spaces but cannot afford higher rents. That Nexus Finding would justify using the SOMA Stabilization Fund or other sources to assist nonprofits to purchase their premises when possible. A similar but more limited Nexus Study was undertaken for the Eastern Neighborhoods/West SOMA Plan. It needs to be expanded to include the full Central Corridor area, and augmented to include a much broader range of community services and also community arts.

Community Benefit Fees

The 2010 Eastern Neighborhoods Plan Legislation included a vital new mechanism to fund community infrastructure projects throughout Eastern San Francisco: a Community Benefit Fee that is applied to all new development to fund community infrastructure projects. The West SOMA Plan area has now been added to this district as well. There are three levels of the fee (\$'s per square foot of building), based on the type and scale of the new development (see Table). The funds can be used for affordable housing, streetscape improvements, open space projects, and childcare facilities. However, due to the limitations of the scope of its 2008 nexus study it cannot fund other community service facilities or arts facilities.

[Fee Table]

Moreover, the governance of this Fund is controlled by City agencies, working with an Eastern Neighborhoods Citizens Advisory Committee that is dominated by representatives of other City neighborhoods. As a practical matter, this results in the City agencies actually setting the priorities for use of the Funds – not the “community” as alleged – and diversion of funds from the South of Market (where most development occurs) to projects in these other neighborhoods.

Further, the rules of the Fee discourage developers from alternatively providing desired community improvements and facilities within their projects as an alternative to paying the fee, even though that mechanism is often the most effective and fastest approach to addressing community goals.

The Draft Central Corridor Plan proposed to extend the Eastern Neighborhoods Fee throughout the non-C3 areas of the Central Corridor, and to add a fourth higher fee tier for major projects. But **it otherwise leaves the current Community Benefit regulations and CAC intact. This is inadequate for SOMA – important changes are needed to cure the deficiencies in the current system:**

- **The Community Benefit Fees paid by SOMA project must be required to be invested in SOMA.** The impacts of growth on SOMA are massive.
- The range of community facilities eligible for Community Benefit Fee funding needs to be expanded to **include facilities for all community services and community arts.** They are being displaced by SOMA's growth.

- The Eastern Neighborhoods CAC needs **additional SOMA representatives** to offer equitable representation to this Neighborhood.
- Individual project developers should be allowed to apply up to 50% of their project's Community Benefit Fee to community improvements on or adjacent to their project site, provided it is approved by the CAC as a worthwhile community investment.

Finally, the **Community Benefit Fees from projects located within the Youth, Family and Senior Zone should be required to directly address the goals and purposes of the Zone.** This is essential for the Zone to actually achieve its Vision over coming decades.