



**Plan Topic: The Prop K Central SOMA 33% Housing Balance District**

**The 33% Affordable Housing Goal approved nearly 2-to-1 by the Voters in November of 2014 is our Vision for the future of San Francisco and a Mandate for the City’s Central SOMA Plan.**

It can be done. But that will take every available City tool:

Zoning	Now	New	Assumptions
Increase On-Site Inclusionary 8% to 20%	360	600	If 3000 Market Rate Units Built
Increase Off-Site Inclusionary 13% to 33%	400	660	If 2000 Market Rate Units Built
Public Housing RAD	276	276	Clementina Towers
Dedicate The Two City Owned Sites	0	350	MTA and PUC Sites
Four Office Project Set-Aside Parcels	0	500	On 85,000 total sq ft in Mid-Rise
<b>Total New Affordable Balance Units</b>	<b>1000</b>	<b>2386</b>	<b>= 35% Affordable of 6796 total new housing units!!</b>

Specifically:

- **Define the SOMA Housing Balance District** (see map)

Following up on Prop K, the City Planning Department will begin tracking the production of new affordable and market rate housing in 2015, including any loss of housing, and regularly assess whether 33% affordable housing balance is being achieved from now on. **A SOMA geographic area must be defined as part of the Central SOMA Plan process to meaningfully monitor and impact the future of this Neighborhood’s communities.**

The zoning boundaries of the Central SOMA Plan include most of the East SOMA district established by the Eastern Neighborhoods Plan in 2009, but not all, and part of the West SOMA district established in 2011. It also includes portions of downtown C3 districts. **These artificially divided areas are not a rationale framework** for tracking the future housing balance of our SOMA Neighborhood which stretches significantly further to the west, including the pivotal Sixth Street Corridor.

**The best approximation of our actual SOMA Neighborhood remains the 1990 South of Market Special Use District** that includes all of East and West SOMA, plus the addition a few

adjacent spots that illogically retain an even older zoning. This **includes the opportunity-rich Sixth Street Corridor** (the Sixth Street NCT) where acquisition/rehabilitation of residential hotels for affordable and decent SRO housing can provide a large amount of new permanently affordable housing to meet the Balance goal. But it should **omit the high-density Central Market district**, which would more logically be part of a companion Tenderloin Housing Balance District, and also should **omit the C3 Financial District that is more logically viewed as a city-wide housing balance resource/challenge**.

- **Significantly Increase the City's Inclusionary Housing Requirement As Much As Possible, Where Possible**

Currently the Citywide Inclusionary Housing Ordinance requires that 12% of all market rate housing developments must be set aside for permanently affordable housing. Alternatively, developers can somehow provide new affordable housing units off-site at their own cost equal to 20% of their projects' market rate units or pay an in-lieu fee to the City to be used to fund affordable housing Citywide. The amount of the in-lieu fee is supposed to be adjusted for inflation annually, and it may be further increased in 2015 based on an update of its 2006 rate-setting methodology by the City.

However, due to limitations included in the 2012 Housing Trust Fund City Charter Amendment, the 12% inclusionary requirement can only be increased as part of a future "area plan" upzoning, such as the Central SOMA Plan. This means the 12% requirement cannot legally be increased in the rest of SOMA or throughout the Eastern Neighborhoods even though most of those districts were substantially upzoned recently in 2009.

The relative amounts of the proposed upzoning for market rate housing development in the Central SOMA Plan – typically allowable building height increases – vary greatly depending on the current zoning of specific locations, so there can be no general rule and the City must validate the appropriate increase with an economic analysis. But **where possible the minimum required level of required Inclusionary Affordable Housing in market rate projects should be increased to at least 20%, with an alternative off-site housing option of the full 33%**.

- **Amend the 2012 Housing Trust Fund Charter Amendment to Include the Eastern Neighborhoods/West SOMA Area Plans for Increased Inclusionary Housing**

In order to **very significantly increase the outcome of the Inclusionary Housing requirement and generate significant middle-income affordable housing, at the first opportunity that 2012 Charter Amendment needs to be technically amended** by simply identifying the relatively recent Eastern Neighborhoods and West SOMA Area Plans and their recent upzonings among its eligible "area plans" for the purpose of legislatively increasing an Inclusionary Housing requirement in the future. That would apply to almost the entire SOMA Housing Balance District. This will take Voter approval.

- **Zone the two available City-owned properties in Central SOMA for affordable housing development only (see map)**

For the last 30 years City Hall has proposed off-and-on to somehow use City-owned land for new affordable housing development. But in fact only a few sites were ever actually utilized.

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The unexpected availability of the Market/Octavia district sites due to the demolition of the Central Freeway instead became a priority for the City's affordable housing funding resources. Then came the focus on the redevelopment of the Hope 6 and Hope SF Public Housing sites, followed now currently by the City-wide Public Housing RAD program that will include **SOMA's sole public housing property, the 240 unit Clementina Towers senior apartments** in Central SOMA.

But the challenge for the 20 year time frame of the Central SOMA Plan is, after that, then what? Where can more affordable housing be built? The cost of buying affordable housing sites in SOMA has soared in recent years to at least \$500 per square foot - \$5,000,000 for even a very small 10,000 sq ft site or \$12,000,000 for a more feasible ½ acre site. **This equals more than \$200,000 per affordable housing unit just for land purchase!** Practically that is simply too high a cost for a feasible affordable housing development – **it can't be done.**

Thus **it is essential to dedicate and landbank any City owned site in Central SOMA for future affordable housing development.** There are two that must be zoned for affordable housing development only:

**The Central Subway Station property at Fourth and Folsom Streets** will offer a small <10,000 sq ft site for new development when it is finished in 2018. The City MTA hopes to sell it to a developer for a small office project that no one really needs just to get perhaps \$8,000,000 for MUNI. But **it is a perfect affordable senior housing site** that can instead accommodate up to 100 studio apartments in the heart of the most transit-rich, senior services-rich, neighborhood quality-rich location in San Francisco. And there is a desperate need for affordable housing for the City's steadily growing senior population – **the coming "aging baby boomers bomb."** Very little has been built in recent years, even compared to other types of affordable housing.

**The south half of the City Public Utilities Commission downtown storage yard on Bryant Street** between Fourth and Fifth Streets is also an excellent affordable housing site. This large 43,000 sq ft site is the part of their property between Freelon and Welsh alleys that is adjacent to an existing Residential Enclave District (RED) and just a half-block from Fourth Street's fast-growing Neighborhood retail and transit. **It can accommodate at least 250 new affordable housing units.** The PUC could either retain the north half of this property on Bryant Street in its current storage use, or it could sell it to a housing/office developer to generate substantial cash to pay the costs of relocating to a new storage yard in the Bayshore district, provided its zoning is changed from the current Public (P) to Mixed Use Office (MUO).

- **Require Developers of Projects Larger Than One Acre to Set Aside 25% Of Their Site For Future Affordable Housing Development**

The **only other way to secure and landbank additional future affordable housing development sites in Central SOMA** is to require large new office developments on land larger than an acre – 43,560 sq ft – to set aside one-fourth of their site for development of affordable housing as determined by the City. That would be a minimum of 10,890 sq ft, which is just large enough to feasibly build affordable new senior, student, or SRO housing, while bigger set-aside parcels would provide affordable family housing. (Developments that instead are required to prioritize historic preservation or PDR space on their site, such as the Flower Mart project, would be exempted.) **Currently, there are at least four such potential sites**

(see map): The 80,000 ft Harrison Gardens site, the 103,000 ft Tennis Club site, the 62,000 ft Academy of Art site (for its own student housing), and the 97,000 ft Chronicle truck yard site.

**In exchange for this set-aside, the developers of these sites would get a 25% height limit bonus** so that they would still be able to fully build out their project to fitse maximum allowed office FAR that it is zoned for in the Central SOMA Plan.

### **Adding Up The Central SOMA Affordable Housing Potential**

Just within the Central SOMA Plan area these provisions would generate a significant total of additional affordable housing compared to what is possible today – **enough to achieve Prop K's 33% affordable housing balance for 5000 new market rate units in Central SOMA!**