

November 13, 2018

San Francisco Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: November 13, 2018 Agenda Items Nos. 52 through 56
Central SoMa Plan Amendments to the General Plan, Planning Code, Zoning Maps,
Business & Tax Regulations, Administrative Code (Board File Nos. 180490, 180184,
180185, 180453, 180612)

Dear Board President Cohen and Supervisors:

Thank you for the opportunity to weigh in with SPUR's support for the Central SoMa Plan, with two caveats below (on page 2). We are pleased to see that the approval of the Central SoMa Plan and its implementing actions are finally before you. The city has been working with the community for several years to get this ambitious plan completed, and we urge you to approve it.

Why should the Central SoMa Plan be approved? What do we see are its merits?

1. **Central SoMa is the right location for jobs:** Central SoMa is an area that is key to San Francisco and to the region. It lies adjacent to the Financial District, an existing dense jobs center, and it holds the most links to regional transportation infrastructure. Downtown San Francisco is the area in the region with the lowest rate of driving to work and one of the few places within the region where people can and do commute by public transportation.

This is therefore the right place — from an environmental standpoint, a jobs agglomeration standpoint and others — for accommodating a significant amount of growth for both jobs and housing, but particularly for the 40,000+ jobs this Plan contemplates.

2. **The Central SoMa Plan helps to address the housing shortage and the affordability crisis:** With recent amendments, this plan now accommodates 8,300 homes, which is an increase from what was originally planned. Additionally, the housing sustainability district, which uses David Chiu's AB 73 from last year, will help expedite the production of these units which have already been considered through this planning process.

We would support future efforts to add more housing in the Central SoMa Plan and elsewhere in San Francisco and the region without coming at the expense of jobs in regional-transit locations.

- 3. The Central SoMa Plan provides for unprecedented public benefits:** The growth accommodated by this Plan is expected to one day fund up to \$2 billion in public benefits towards affordable housing, transportation, open space, sustainability and many other needs for the city and this neighborhood. These benefits will be transformative...once the Plan is approved and once that development moves forward. But we have been waiting for the plan's completion for long enough. In the meantime, the economy has been shifting, construction costs have been rising and the feasibility of development moving forward is now shakier than it was a few years ago.

In that spirit, now is better than later. Displacement of both residents and businesses from San Francisco is happening in part because there is more competition for homes and office space. Quote unquote "normal" office jobs for nonprofits, engineering and architecture firms and other businesses are being shifted to downtown Oakland in the best case, but also to more suburban locations or other regions, because of the increased cost to lease office space in San Francisco.

While we are extremely supportive of the Central SoMa Plan overall, SPUR has concerns about two of the amendments under consideration:

- 249.78(c)(7) and 249.78(c)(8): Prohibition on Market-Rate SRO and Group Housing
We oppose the prohibition on new construction, market-rate SRO housing or group housing in Central SoMa. Given the scope of the housing shortage and the fact that housing models are already evolving across the country, this seems like the wrong move to make today. We need more places for people to live, and it's clear that people are choosing to live in many different ways in cities today, particularly in places like South of Market. The development of market-rate group or SRO housing does not harm the current or future residents of existing SRO housing. While we think that the city should closely monitor trends in housing development to understand how it is impacting the city and its residents, we strongly disagree with precluding a whole category of housing types, when what we need today is more creativity, not less, and more options, not fewer.
- Uncodified: Non-Severability/Effect of Litigation
Lastly, we are very concerned about the clauses proposed and deleted on the topic of non-severability and litigation. We agree that the uponings in the Central SoMa Plan should remain tied to the benefits promised with the plan, but we suggest not throwing the baby out with the bathwater. The CFD is only responsible for generating \$400 million out of a potential \$2 billion in benefits. We must protect the broader benefits of the plan and leave this clause out of the final approved legislation.

The Central SoMa Plan is a thoughtful and ambitious plan to improve the neighborhood for residents, workers and visitors. It will increase housing opportunities, provide significant affordability, expand green space, transform the experience of being on the street, maintain a vital mix of uses, allow a diverse mix of businesses to remain in San Francisco and more. SPUR urges you to support this Plan and set in motion the processes that will bring these benefits to Central SoMa, San Francisco and the region.

Thank you for your consideration. Let me know if you have any questions.

Best,

A handwritten signature in black ink, appearing to read 'KWang', with a stylized flourish at the end.

Kristy Wang
Community Planning Policy Director

cc: SPUR Board of Directors
Mayor London Breed and staff
Planning Department staff