

CHAPTER V

Other CEQA Considerations

The California Environmental Quality Act (CEQA) Guidelines Section 15126 requires that all aspects of a project must be considered when evaluating its impact on the environment, including planning, acquisition, development, and operation. As part of this analysis, the Environmental Impact Report (EIR) must also identify (1) significant environmental effects of the proposed project; (2) significant environmental effects that cannot be avoided if the proposed project is implemented; (3) significant irreversible environmental changes that would result from implementation of the proposed project; (4) growth-inducing impacts of the proposed project; (5) mitigation measures proposed to minimize the significant effects; and (6) alternatives to the proposed project.

V.A Significant Environmental Effects of the Proposed Project

Table S-1, Summary of Impacts of the Plan—Identified in the EIR, and Table S-2, Summary of Impacts of the Plan—Identified in the Initial Study, both of which are contained in the Summary chapter; and Sections IV.A through IV.I of this EIR provide a comprehensive identification of the environmental effects of the Central SoMa Plan (the Plan), including the level of significance both before and after mitigation.

V.B Significant Environmental Effects That Cannot Be Avoided If the Proposed Project Is Implemented

CEQA Guidelines Section 15126.2(b) requires that an EIR describe any significant impacts that cannot be avoided, even with the implementation of feasible mitigation measures. Development of the proposed project would result in the following significant and unavoidable project-related and cumulative impacts, as further discussed in Sections IV.A, Land Use and Land Use Planning, IV.C, Cultural and Paleontological Resources, Section IV.D, Transportation and Circulation, Section IV.E, Noise and Vibration, Section IV.F Air Quality, and Section IV.G, Wind.

V.B.1 Land Use and Land Use Planning

Impact LU-2: Development under the Plan, including proposed open space improvements and street network changes, would conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.

Impact C-LU-1: Development under the Plan, including the proposed open space improvements and street network changes, in combination with past, present, and reasonably foreseeable future projects in the vicinity, would contribute considerably to a significant cumulative land use impact.

V.B.2 Cultural and Paleontological Resources

Impact CP-1: Development under the Plan would result in the demolition or substantial alteration of individually identified historic architectural resources and/or contributors to a historic district or conservation district located in the Plan Area, including as-yet unidentified resources, a substantial adverse change in the significance of an historical resource as defined in CEQA Guidelines Section 15064.5.

Impact C-CP-1: Development under the Plan, in combination with past, present, and reasonably foreseeable future projects in the vicinity, could result in demolition and/or alteration of historical resources, thereby contributing considerably to significant cumulative historical resources impacts.

V.B.3 Transportation

Impact TR-3: Development under the Plan, including the proposed open space improvements and street network changes, would result in a substantial increase in transit demand that would not be accommodated by local transit capacity, and would cause a substantial increase in delays resulting in adverse impacts on local and regional transit routes.

Impact TR-4: Development under the Plan, including the proposed open space improvements and street network changes, would not result in pedestrian safety hazards nor result in a substantial overcrowding on sidewalks or at corner locations, but would result in overcrowding at crosswalks.

Impact TR-6: Development under the Plan, including the proposed open space improvements and street network changes, would result in a reduction in on-street commercial loading supply such that the loading demand during the peak hour of loading activities would not be accommodated within on-street loading supply, would impact existing passenger loading/unloading zones, and may create hazardous conditions or significant delay that may affect transit, other vehicles, bicycles, or pedestrians.

Impact TR-9: Construction activities associated with development under the Plan, including the proposed open space improvements and street network changes, would result in substantial interference with pedestrian, bicycle, or vehicle circulation and accessibility to adjoining areas, and would result in potentially hazardous conditions

Impact C-TR-3: Development under the Plan, including the proposed open space improvements and street network changes, in combination with past, present, and reasonably foreseeable development in San Francisco, would contribute considerably to significant cumulative transit impacts on local and regional transit providers.

Impact C-TR-4: Development under the Plan, including the proposed open space improvements and street network changes, in combination with past, present, and reasonably foreseeable development in San Francisco, would contribute considerably to significant cumulative pedestrian impacts.

Impact C-TR-6: Development under the Plan, including the proposed open space improvements and street network changes, in combination with past, present, and reasonably foreseeable development in San Francisco, would contribute considerably to significant cumulative loading impacts.

V.B.4 Noise and Vibration

Impact NO-1: Development under the Plan, including the proposed street network changes, would generate noise that would result in exposure of persons to noise in excess of standards in the *San Francisco General Plan* or Noise Ordinance (Article 29 of the *Police Code*), and would result in a substantial permanent increase in ambient noise above existing levels.

Impact NO-2: Development under the Plan, including the proposed street network changes and open space improvements, would result in construction activities in the Plan Area that could expose persons to substantial temporary or periodic increases in noise levels substantially in excess of ambient levels

Impact C-NO-1: Development under the Plan, including the proposed street network changes and open space improvements, in combination with past, present, and reasonably foreseeable future projects, would result in cumulative noise impacts.

V.B.5 Air Quality

Impact AQ-3: Operation of subsequent individual development projects in the Plan Area and street network changes, but not proposed open space improvements, would violate an air quality standard, contribute to an existing or projected air quality violation, and/or result in a cumulatively considerable net increase of criteria pollutants for which the project region is in nonattainment under an applicable federal or State ambient air quality standard.

Impact AQ-5: Development under the Plan, including proposed street network changes, would result in operational emissions of fine particulate matter (PM_{2.5}) and toxic air contaminants that would result in exposure of sensitive receptors to substantial pollutant concentrations.

Impact C-AQ-1: Development under the Plan, including proposed street network changes, but not open space improvements, in combination with past, present, and reasonably foreseeable future projects in the vicinity, under cumulative 2040 conditions, would contribute considerably to criteria air pollutant impacts.

Impact C-AQ-2: Development under the Plan, including the proposed street network changes, but not open space improvements, in combination with past, present, and reasonably foreseeable future projects in the vicinity, would result in exposure of sensitive receptors to substantial levels of fine particulate matter (PM_{2.5}) and toxic air contaminants under 2040 cumulative conditions.

V.B.6 Wind

Impact WI-1: Subsequent future development anticipated under the Plan could alter wind in a manner that substantially affects public areas.

V.C Significant Irreversible Environmental Changes That Would Result If the Proposed Project Is Implemented

In accordance with CEQA Section 21100(b)(2)(B), and CEQA Guidelines Section 15126.2(c), an EIR must identify any significant irreversible environmental changes that could result from implementation of the proposed project. This may include current or future uses of non-renewable resources, secondary or growth-inducing impacts that commit future uses of non-renewable resources, and secondary or growth-inducing impacts that commit future generations to similar uses. According to the CEQA Guidelines, irretrievable commitments of resources should be evaluated to ensure that such current consumption is justified.

In general, such irreversible commitments include resources such as energy consumed and construction materials used in construction of a proposed project, as well as the energy and natural resources (notably water) that would be required to sustain a project and its inhabitants or occupants over the usable life of the project. This latter commitment of resources essentially assumes that residents or occupants would not require a similar commitment but for the proposed project; that is, in the case of the Plan, occupants of Plan Area office space would not work in San Francisco, new residents in Plan Area dwelling units would not live in San Francisco, and guests in new Plan Area hotel rooms would not visit the city, unless new development in the Plan Area were undertaken. Such a condition is unlikely (because other office space, residential units, and hotel rooms are and would continue to be available in the city and because only a portion of employees or residents in any given new building would be likely to relocate to the area as a result of their employment or housing). This assumption is consistent with similar conservative assumptions underlying the rest of the analyses in the EIR (e.g., that trips generated by workers, residents, and guests to and from Plan Area buildings would not occur in San Francisco unless new development were constructed).

In this light, while implementation of the Plan would intensify development in the Plan Area, the density and land use intensity of subsequent development would be generally in keeping with the scale and intensity of the urban, built-out land use and development pattern characteristic of greater Downtown San Francisco.

The Plan is a regulatory program and would result in new planning policies and controls for land use to accommodate additional jobs and housing. Other than the proposed street network changes and open space improvements, the Plan itself would not result in direct physical changes to the environment and thus would not directly result in physical impacts of commitment of nonrenewable resources. However, implementation of development under the Plan would commit future generations to an irreversible commitment of energy, primarily in the form of fossil fuels for heating and cooling of buildings, for automobile and truck fuel, and for energy production for lighting, computers, and other equipment in the Plan Area buildings. Implementation of the Plan would also require an ongoing commitment of potable water for building occupants and landscaping, although the Plan promotes a variety of policies and implementation measures addressing sustainability that could, among other things, lead to reductions in potable water and energy consumption, by through optimizing use of non-potable water infrastructure and creating an overall district where only non-potable water is used for non-potable uses. The Plan includes policies that address the area's energy demands by calling for a net zero carbon energy district and incentives to encourage the implementation of community-scale clean energy projects.

Demolition and construction of subsequent development projects in the Plan Area would also require the use of fossil fuels and the commitment of construction materials, such as steel, aluminum, other metals, concrete, masonry, lumber, sand and gravel, and other such materials, as well as water. Because subsequent development in the Plan Area would be required to comply with *California Code of Regulations* Title 24, the *California Green Building Standards Code*, and the City's Green Building Ordinance, future buildings built in the Plan Area would use less energy and water over their lifetime than comparable buildings not built to those standards. Therefore, subsequent development in the Plan Area would not use non-renewable resources in a wasteful manner.

V.D Growth Inducement

The CEQA Guidelines require that an EIR evaluate the growth-inducing impacts of a proposed action (Section 15126.2(d)). A growth-inducing impact is defined in the CEQA Guidelines Section 15126.2(d) as:

[T]he ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this are projects which would remove obstacles to population growth ... It must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment.

A project can have direct and/or indirect growth-inducement potential. Direct growth inducement would result if a project involved construction of new housing that would result in new residents moving to the area. A project can have indirect growth-inducement potential if it would establish substantial new permanent employment opportunities (e.g., commercial, industrial or governmental enterprises) or if it would involve a substantial construction effort with substantial short-term employment opportunities and indirectly stimulate the need for additional housing and services to support the new employment demand. Similarly, under CEQA, a project would indirectly induce growth if it would remove an obstacle to additional growth and development, such as removing a constraint on a required public service. Increases in population could tax existing community service facilities, requiring construction of new facilities that could cause significant environmental effects. The CEQA Guidelines also require analysis of the characteristics of projects that may encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively.

As described in the Overview Section of Chapter IV, Environmental Setting, Impacts, and Mitigation Measures, the Plan's proposed zoning changes would expand the Plan Area's capacity for growth through a "planning horizon" year of 2040, during which time up to an additional 14,500 residential units and up to an additional 63,600 jobs could be accommodated within the Plan Area. The anticipated population and job growth in the Plan Area would represent a portion of the approximately 92,000 residential units and about 191,000 jobs that are anticipated citywide by 2040 in *Plan Bay Area*.

Implementation of the Plan would generate greenhouse gas emissions associated with Plan Area population growth and settlement pattern, as well as from indirect subsequent activities (e.g., construction, vehicle trips, residential and commercial energy demand, etc.) in the Plan Area. Although implementation of the Plan would increase development capacity, the Plan's policies and regulations would be directed to an area of the city that has been designated a Priority Development Area (PDA) in *Plan Bay Area*. *Plan Bay Area* is a long-range integrated transportation and land-use/housing strategy through 2040 for the San Francisco Bay Area.

Plan Bay Area provides a strategy for meeting 80 percent of the region’s future housing needs in PDAs. These are neighborhoods within walking distance of frequent transit service, offering a wide variety of housing options, and featuring amenities such as grocery stores, community centers, and restaurants. *Plan Bay Area* grew out of the California Sustainable Communities and Climate Protection Act of 2008 (SB 375), which requires each of the state’s 18 metropolitan areas – including the Bay Area – to reduce greenhouse gas emissions from cars and light trucks. More pointedly, one of the primary objectives of the Plan is to reduce greenhouse-gas emissions in accordance with State mandates under SB 375 by planning for more intensive new development in PDAs, like the Plan Area, to accommodate more population (and employment) in compact, walkable areas in proximity to transit. As explained in the Plan:

This Plan asserts that Central SoMa should play a major role in accommodating the city’s share of anticipated regional growth in jobs and housing. Accommodating substantial growth here can help address the local and regional issues of high rents, sprawl, and congestion, and the global issue of greenhouse gas emissions. The addition of millions of square feet of residential and commercial space is certain to help relieve price pressure. Simultaneously, dense development in this transit-rich, temperate, and walkable neighborhood can drastically reduce the amount of greenhouse gas emission per person from both buildings (e.g., for heating and cooling) and transportation (in terms of the amount of miles traveled in private vehicles), while reducing pressures for growth in more outlying areas of the region.⁴⁰⁵

Thus, the Plan seeks to accommodate future employment growth in a part of San Francisco that is accessible to regional transit (BART on the north and Caltrain on the south) as well as the under-construction Central Subway Muni Metro extension, and is adjacent to existing job centers in both Downtown and Mission Bay. As stated in the Plan (under Goal 1, Increase the Capacity for Jobs and Housing), employment growth would be accommodated by changing the development capacity of the area by increasing the area where new office development could occur, by increasing the limits on how tall buildings can be, and by removing density controls. The potentially significant impacts of new employment growth associated with the Plan are described in this EIR. In this regard, adoption and implementation of the Plan could be seen as removing an impediment to future population and employment growth forecasted for San Francisco. The Plan would serve to accommodate this growth in a way that is more sustainable, given access to transit, than were such employment growth to be diverted to more outlying portions of the Bay Area with less density and less access to local and regional transit.

As stated in *Plan Bay Area*, “in order to meet the Bay Area’s GHG emissions reduction and housing targets, and to make progress toward meeting the other adopted performance targets, *Plan Bay Area* encourages future job and population growth in established communities with access to existing or planned transportation investments.”⁴⁰⁶ Therefore, this city-centered growth would be consistent with *Plan Bay Area*’s objectives to direct growth into PDAs, which would also reduce GHG emissions from growth otherwise expected to occur.

The physical environmental effects of implementing the Plan’s objectives and policies, including proposed changes in use districts and height limits, are described in Chapter IV, Environmental Setting, Impacts, and Mitigation Measures.

⁴⁰⁵ San Francisco Planning Department, *Draft Central SoMa Plan*, August 2016, p. 5. Available at http://default.sfplanning.org/Citywide/Central_Corridor/Central_SoMa_Plan_full_report_FINAL.pdf, accessed on October 25, 2016.

⁴⁰⁶ Association of Bay Area Governments and Metropolitan Transportation Commission, *Plan Bay Area*, July 2013; p. 42. Available at http://files.mtc.ca.gov/pdf/Plan_Bay_Area_FINAL/Plan_Bay_Area.pdf, accessed on September 20, 2014.

V.E Areas of Known Controversy and Issues to Be Resolved

This section provides summarizes the comments received in response to the Notice of Preparation and Initial Study, identifies where in the EIR or Initial Study those topics are addressed, and provides additional details on other areas of known controversy or issues to be resolved, including socioeconomic effects, and relevant new State legislation and a State Supreme Court decision.

V.E.1 Comments on the Notice of Preparation and Initial Study

The public has expressed some concerns related to the Plan that are germane to the environmental topics reviewed in this EIR. Public comments are in response to a Notice of Availability of an NOP of an EIR and Notice of Public Scoping Meeting for the Central SoMa Plan that the Planning Department issued on April 24, 2013.⁴⁰⁷ Notices were mailed to adjacent cities and counties, other public agencies and interested parties announcing a scoping meeting where the public could comment on the scope of this EIR's environmental analysis. The meeting was held within the Plan Area at the Mendelsohn House, 737 Folsom Street on May 15, 2013, and four members of the public made comments that have been documented and addressed in the applicable sections of this EIR or Initial Study. Written comments on the NOP were accepted during a 30-day period from April 24, 2013, until May 24, 2013, and a total of seventeen comment letters were received.

Subsequently, the Planning Department published an Initial Study on February 12, 2014. Comments raised during the public scoping period and in response to the Initial Study are summarized in Chapter I, Introduction. Those comments pertaining to the environmental analysis have been addressed in the Initial Study (Appendix B) or in the EIR, depending on the topic. Please also see the below for a discussion of potential socioeconomic effects associated with the Plan, which are outside the scope of environmental review. Other comments beyond the purview of CEQA have not been addressed.

V.E.2 Socioeconomic Considerations under CEQA

CEQA requires review of the effects of a project that are related to a physical change to the environment. Social or economic impacts alone are not changes in physical conditions. Therefore, the CEQA Guidelines provide that social or economic impacts may not be treated as significant effects on the environment.⁴⁰⁸ Evidence of social or economic impacts (e.g., property values, rent levels, neighborhood demographics, etc.) that do not contribute to, or are not caused by, physical impacts on the environment is not substantial evidence of a significant effect on the environment. However, a social or economic change related to a physical change may be considered in determining whether a physical change is significant. Additionally, an EIR or other CEQA document must consider the reasonably foreseeable indirect environmental consequences or physical changes resulting from a project's economic or social changes.⁴⁰⁹ In short, social and economic effects are only relevant under CEQA if they would result in or are caused by an adverse physical impact on the environment. In that vein, the public's concerns related to socioeconomic issues that may be associated with

⁴⁰⁷ The Plan was known as the Central Corridor Plan at the time of the scoping meeting.

⁴⁰⁸ CEQA Guidelines Sections 15358(b), 15064(e), 15382.

⁴⁰⁹ CEQA Guidelines Sections 15064(d),(e)

the proposed Plan, including gentrification, displacement, and housing affordability, are briefly acknowledged here. Decision makers may consider these and other issues in their deliberations on approval of the proposed Plan.

Concerns have been raised in general throughout the city with regards to the loss of middle-income jobs and affordable housing. These socioeconomic effects are not considered environmental effects unless they are shown to result in physical impacts on the environment and must be linked to the action undergoing CEQA review. The following discussion addresses these socioeconomic concerns in the context of regional planning efforts and, in more detail, as they relate to land use conversion and the development and availability of affordable housing.

Regional Planning Efforts

The Plan Area is designated as a Priority Development Area (PDA) in *Plan Bay Area*. Specifically, the Plan Area is located in the Eastern Neighborhoods PDA.⁴¹⁰ *Plan Bay Area* notes that the communities within the Eastern Neighborhoods PDA are diverse in both population and business types, and are home to substantial residential areas, as well as neighborhood-serving retail and much of the city's industrial land. *Plan Bay Area* is relevant to the Central SoMa Plan because the Central SoMa Plan seeks to accommodate jobs and housing projected by ABAG consistent with the land use strategy in *Plan Bay Area* by increasing the development capacity for jobs and housing in the Central SoMa Plan Area, a designated PDA. As with *Plan Bay Area*,⁴¹¹ the Central SoMa Plan would not induce population growth, but rather seeks to accommodate growth that is projected for the region. The anticipated increased population from either new jobs or housing, in addition to regional economic trends favoring office jobs, could result in displacement of housing and jobs independent of adoption of the Central SoMa Plan. The Central SoMa Plan would accommodate anticipated increased population growth within the Plan Area and absent policies to maintain a diverse workforce and range of housing affordability, localized displacement of certain types of jobs and housing units could occur.

The Central SoMa Plan includes a number of objectives, policies, and implementation measures to address concerns regarding the diversity of jobs and affordable housing. Specifically Goal 1 of the Plan is to increase the capacity for jobs and housing that the Plan could encourage and create. The implementation measures under this goal call for changes in allowable land uses, building heights, and spatial configurations of buildings that may be developed in the Plan Area, and would constitute the primary physical changes to the

⁴¹⁰ An exception is a small notch of the Plan Area at Fourth and Clementina Streets, which is located within the Downtown-Van Ness-Geary PDA.

⁴¹¹ The *Plan Bay Area* Final EIR noted that "displacement pressure is a function of population growth; it is not an environmental impact that is caused by the Plan. The Plan will not, in itself, create population growth. On the contrary, the Plan is the regional strategy to accommodate the projected population and job growth in an equitable and efficient manner in partnership with local governments who retain local land use authority."

The *Plan Bay Area* Final EIR also stated that *Plan Bay Area* includes an investment strategy intended to reduce the risk of displacement, including three major programs: the One Bay Area Grant program, which requires jurisdictions to have a certified housing element and rewards jurisdictions for production of housing for low- and very-low-income residents; the Bay Area Transit Oriented Affordable Housing Fund, a revolving loan fund for land acquisition for affordable housing development near rail and bus lines; and the Bay Area Regional Prosperity Plan, which seeks to "refine and implement the elements of the overall regional growth strategy (including *Plan Bay Area*) to help create middle-income jobs and develop and preserve affordable housing in transit-served communities." *Plan Bay Area Final Environmental Impact Report*, July 2013; page 3.1-31.

environment that are analyzed in this EIR. Goals 2 and 3 of the Plan addresses the socioeconomic concerns related to PDR jobs and affordable housing by (a) protecting PDR space within the Plan Area and the larger SoMa area while also allowing for a substantial amount of new office jobs and (b) setting affordability requirements for the Plan Area in an effort to ensure that 33 percent of new housing is affordable to very low, low, and moderate income households. Thus, the Central SoMa Plan, through Goals 2 and 3, seeks to address socioeconomic concerns related to business and residential displacement.

PDR Displacement and Economic Outcomes

Changes to zoning and height and bulk districts would alter the existing urban form by allowing for taller buildings with possibly greater spatial diversity, which would change the appearance, use, and character of the neighborhood. Where residential and office uses in mixed-use buildings replace existing PDR spaces, the activities that typically occur in the area, as well as building styles, heights, and frontages, may change. The potential for such changes to affect the visual character of the Plan Area and vicinity is analyzed in Impact AE-1 in Section IV.B, Aesthetics. Additionally, development of new office employment uses would result in more pronounced activities during the daytime hours. Residential development would result in more pedestrian activity and less truck or utility vehicle movement. Ground-floor commercial space is more likely to include display windows and thus provide more visual interaction at the pedestrian level. Personal services that accompany both office and residential development may include shops and restaurants, which would activate the street past typical PDR business hours. These changes would likely alter the type and intensity of economic activity within the Plan Area, which is anticipated to remain vibrant and diverse.

Inasmuch as the Plan would eliminate both the SLI and SALI use districts in the Plan Area (with the exception of the area beneath and adjacent to the elevated I-80 freeway, between Fourth, Sixth, Harrison, and Bryant Streets where SALI would remain), and rezone these areas MUO or WS-MUO, the Plan would substantially eliminate any remaining use-district-based protection for PDR uses in much of the Plan Area. In the current economic climate, it can be anticipated that office, some hotel, and, where permitted, residential use would predominate in much of the Plan Area, and that many PDR uses would be subject to displacement pressure. Once land zoned for industrial uses is converted to residential or other non-PDR uses, it can be very difficult to reclaim these areas for traditional PDR uses, because residential and office uses increase the land value, making it infeasible for some PDR uses to compete for that same space. Such changes could be detrimental to those who are reliant on traditional PDR businesses for income or commodities.

While eliminating much of the area zoned more strictly for PDR, the Plan also includes numerous provisions to protect PDR uses and to allow a mix of PDR and other uses in the same district. These measures, contained in Plan Objective 3.3, are designed to “Ensure the removal of protective zoning does not result in a loss of PDR in the Plan Area.”⁴¹² In addition, Plan Policy 1.1.10 states, “While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated

⁴¹² It should be noted that a reduction in the amount of PDR building space (and number of PDR jobs) is anticipated in areas where the Plan would not change the existing zoning, primarily in the existing WS-MUG zoning district where it is anticipated that approximately 800,000 sf of PDR space would be converted to other uses (equating to about 1,400 PDR jobs). This condition is anticipated to occur irrespective of the proposed Plan and is not an impact of the Plan.

physically with their research, design and administrative functions.” As such, PDR uses would still be an activity type represented in the area, albeit in a contemporary manner, in which PDR use would be integrated with other compatible uses on a singular site.

Housing

By accommodating demand for jobs and housing consistent with regional growth projections and, in particular, by increasing the supply of both market-rate *and* affordable housing, the Central SoMa Plan would provide some relief to the city’s housing market pressures. However, what effect development under the Plan would have on housing affordability is a matter of considerable controversy. While there is general consensus that the high cost of market-rate housing and the limited supply of affordable housing in San Francisco are causing displacement of lower-income residents in the city, opinions differ on the underlying causes.

The City Office of the Controller – Office of Economic Analysis determined that new market-rate housing in San Francisco has the effect of lowering, rather than raising, housing values at the local and citywide level.^{413,414} Research also indicates that at the regional scale, producing more market-rate housing will result in decreased housing prices, and reduce displacement pressures (although not as effectively as subsidized housing). However, at the local level, market rate housing would not necessarily have the same effects as at the regional scale, due to a mismatch between demand and supply.⁴¹⁵ The influx of real estate investment and higher income, residents may increase gentrification of a neighborhood, with displacement of households being a negative outcome. The Central SoMa Plan could alleviate this effect through policy goals aimed at ensuring that 33 percent of new housing in the Plan Area is affordable to very low, low, and moderate-income households.

CEQA prohibits the finding of significant impacts that are not based on substantial evidence of adverse physical changes to the environment. As described above, these social and economic concerns related to diversity of jobs and affordable housing are being addressed through the City’s planning and policy development processes for the Central SoMa Plan. There is no evidence that the Plan would result in potential social and economic effects that would indirectly result in significant effects to the physical environment and are therefore beyond the scope of this EIR. Changes to the physical environment as a result of the Central SoMa Plan are addressed in the appropriate environmental topics in this EIR and the accompanying Initial Study (Appendix B).

V.E.3 CEQA Statute Section 21099(b)

CEQA Section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts of

⁴¹³ City and County of San Francisco, City Office of the Controller – Office of Economic Analysis, *Potential Effects of Limiting Market-Rate Housing in the Mission*, September 10, 2015.

⁴¹⁴ The analysis further determined that locally imposing limits on market-rate housing in the city would, in general, place greater upward pressure on city housing prices, and reduce affordable housing resources to a greater extent than if no limit on market-rate housing were imposed.

⁴¹⁵ Berkeley Institute of Governmental Studies (IGS), *Housing Production, Filtering and Displacement: Untangling the Relationships*, May 2016.

projects that promote the “reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” CEQA Section 21099(b)(2) states that upon certification of the revised CEQA Guidelines for determining transportation impacts pursuant to Section 21099(b)(1), automobile delay, as described solely by level of service (LOS) or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*⁴¹⁶ (proposed transportation impact guidelines) recommending that transportation impacts for projects be measured using a vehicle miles traveled (VMT) metric. VMT measures the amount and distance that a project might cause people to drive, accounting for the number of passengers within a vehicle.

OPR’s proposed transportation impact guidelines provides substantial evidence that VMT is an appropriate standard to use in analyzing transportation impacts to protect environmental quality and a better indicator of greenhouse gas, air quality, and energy impacts than automobile delay. Acknowledging this, San Francisco Planning Commission Resolution 19579, adopted on March 3, 2016:

- Found that automobile delay, as described solely by LOS or similar measures of vehicular capacity or traffic congestion, shall no longer be considered a significant impact on the environment pursuant to CEQA, because it does not measure environmental impacts and therefore it does not protect environmental quality.
- Directed the Environmental Review Officer to remove automobile delay as a factor in determining significant impacts pursuant to CEQA for all guidelines, criteria, and list of exemptions, and to update the Transportation Impact Analysis Guidelines for Environmental Review and Categorical Exemptions from CEQA to reflect this change.
- Directed the Environmental Planning Division and Environmental Review Officer to replace automobile delay with VMT criteria which promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses; and consistent with proposed and forthcoming changes to the CEQA Guidelines by OPR.

Planning Commission Resolution 19579 became effective immediately for all plans that have not received a CEQA determination and all projects that have previously received CEQA determinations, but require additional environmental analysis.

Accordingly, this EIR does not contain a discussion of automobile delay impacts. Instead, a VMT and induced automobile travel impact analysis is provided in Section IV.D, Transportation and Circulation. The EIR, however, does provide a brief discussion of automobile delay in Section IV.D, Transportation and Circulation, for informational purposes. Nonetheless, automobile delay may be considered by decision-makers, independent of the environmental review process, as part of their decision to approve, modify, or disapprove the proposed plan.

⁴¹⁶ This document is available at https://www.opr.ca.gov/s_sb743.php.

V.E.4 Senate Bill 32

On September 8, 2016, Governor Jerry Brown signed Senate Bill 32 (SB32), which requires the State to further reduce GHG emissions by 40 percent below 1990 levels by year 2030. However, the City's 2008 GHG Reduction Ordinance had already established a citywide reduction goal of 40 percent below 1990 levels by year 2025.⁴¹⁷ The City's 2013 Update to the Climate Action Strategy⁴¹⁸ demonstrates that its GHG reduction strategies are predicted to reduce San Francisco's carbon footprint by 44 percent below the 1990 level by 2025, which would exceed the reduction requirements of its ordinance, which has a target date that precedes the new state law by five years. Consequently, even with the adoption of SB32, continued compliance with the City's existing regulations to reduce GHG emissions, other ongoing City, and State regulations that will continue to reduce projects' contribution to climate change.

V.E.5 CBIA v. BAAQMD

In the California Building Industry Association v. Bay Area Air Quality Management District case decided in 2015,⁴¹⁹ the California Supreme Court held that CEQA does not generally require lead agencies to consider how existing environmental conditions might impact a project's users or residents, except where the project would significantly exacerbate an existing environmental condition. Accordingly, the analysis in this EIR evaluates whether the Plan could significantly exacerbate the existing or future environmental conditions. Where an impact of subsequent development under the Plan may be significant, the analysis evaluates the effects of that environmental condition on the new users, those residents and employees that would be brought to the Plan Area.

⁴¹⁷ San Francisco Environment Code, Chapter 9, Sections 900 through 908, "2008 GHG Reduction Ordinance", Ordinance No. 81-08, Approved April 29, 2008.

⁴¹⁸ City of San Francisco, Climate Action Strategy 2013 Update, October 2013, p. vii, Available at http://sfenvironment.org/sites/default/files/engagement_files/sfe_cc_ClimateActionStrategyUpdate2013.pdf, accessed October 27, 2016.

⁴¹⁹ *California Building Industry Association v. Bay Area Air Quality Management District*, 62 Cal.4th 369. Opinion Filed December 17, 2015.