

## C. POPULATION AND HOUSING

Section 4.C, Population and Housing, examines the effects of the Proposed Project related to population, housing, and employment. The Environmental Setting discussion describes existing regional and Citywide population, housing, and employment conditions and trends, and existing population and employment characteristics on the project site. The Regulatory Framework describes regional and local plans and regulations related to population and housing. The Impacts and Mitigation Measures discussion addresses potential population, housing, and employment effects that would result from implementation of the Proposed Project, and potential mitigation measures to lessen any impacts. Both project-level and cumulative environmental impacts are evaluated. Project construction is anticipated to commence in 2018 and would be phased over an approximately 11-year period, concluding in 2029. The timeframe for existing conditions used in this analysis is 2010 and 2013 (years with the most up-to-date population and housing data as of May 6, 2015, the Notice of Preparation publication date) and 2040 for projected future project conditions.

The information in this section is based on the land use program for the Proposed Project; the 2010 U.S. Census data for the City and County of San Francisco and Census Tract 226; the 2009-2013 5-Year American Community Survey (2013 ACS); Association of Bay Area Governments (ABAG) *Projections 2013*;<sup>1</sup> ABAG's *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*;<sup>2</sup> the 2014 Housing Element of the *San Francisco General Plan (General Plan)*; and the *2014 San Francisco Housing Inventory*.<sup>3</sup>

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<sup>1</sup> ABAG is the regional agency responsible for preparing forecasts of population, housing, and employment growth in the nine Bay Area counties and their cities. ABAG's 2013 edition (*Projections 2013*) of its biennial forecast of population, housing, jobs, and income for the nine-county San Francisco Bay Region was released in July 2013.

<sup>2</sup> ABAG, *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, July 18, 2013. Available online at [http://www.abag.ca.gov/planning/housingneeds/pdfs/2014-22\\_RHNA\\_Plan.pdf](http://www.abag.ca.gov/planning/housingneeds/pdfs/2014-22_RHNA_Plan.pdf). Accessed September 10, 2015.

<sup>3</sup> San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part I: Data and Needs Analysis, April 2015 (hereinafter referred to as "Data and Needs Analysis"). Available online at [http://www.sf-planning.org/ftp/general\\_plan/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/general_plan/2014HousingElement-AllParts_ADOPTED_web.pdf). Accessed September 11, 2015.

***ENVIRONMENTAL SETTING***

**CITY AND REGIONAL POPULATION GROWTH TRENDS**

**Population**

As shown in Table 4.C.1: City and County of San Francisco Population Growth Trends, San Francisco’s population grew over the 40-year period between 1970 and 2010, increasing by approximately 12.5 percent. Between 1970 and 1980, San Francisco experienced a period of decline in population; however, between 1980 and 2000 the City’s population increased, returning to and exceeding the 1970 population. Between 2000 and 2010, the rate of population growth decreased by half from the previous decade (from 7.3 percent in 2000 to 3.7 percent in 2010) as a result of the recession and subsequent sluggish economic growth. As of 2010, San Francisco is ranked as the second most populous city in the nine-county San Francisco Bay Area (Bay Area),<sup>4</sup> behind San Jose, and is the most urbanized county in the Bay Area, with more than 90 percent of its land developed.<sup>5</sup> The U.S. Census Bureau’s 2013 ACS estimates that the City’s total population has steadily increased since 2010, to 817,501.<sup>6</sup> According to *ABAG Projections 2013*, the population is expected to increase steadily through the year 2040.

**Table 4.C.1: City and County of San Francisco Population Growth Trends**

<b>Year</b>	<b>Population</b>	<b>10-Year Percent Increase</b>
1970	715,674	-
1980	678,974	-5.1%
1990	723,959	6.6%
2000	776,733	7.3%
2010	805,235	3.7%
2020	890,400	10.6%*
2030	981,800	10.3%*
2040	1,085,700	10.6%*

*Note:*

\* = projected population growth

*Sources:* U.S. Census, 2015 (1970-2010); ABAG, *Projections 2013* (2020-2040)

<sup>4</sup> The Bay Area’s nine counties are Sonoma, Napa, Solano, Marin, Contra Costa, San Francisco, Alameda, San Mateo, and Santa Clara.

<sup>5</sup> Bay Area Census, Ten Largest Bay Area Cities by 2010 Ranking, 1960-2010. Available online at <http://www.bayareacensus.ca.gov/historical/largecity.htm>. Accessed September 4, 2015.

<sup>6</sup> U.S. Census Bureau, 2009-2013 5-Year American Community Survey, San Francisco County, American Community Survey Demographic and Housing Estimates. Available online at [http://factfinder.census.gov/rest/dnldController/deliver?\\_ts=461008993623](http://factfinder.census.gov/rest/dnldController/deliver?_ts=461008993623). Accessed September 22, 2015.

The City's population is projected to increase by 10.6 percent between 2010 and 2020; by 10.3 percent between 2020 and 2030; and by 10.6 percent between 2030 and 2040. Overall, ABAG projects the City's population will increase by 34.8 percent over the 30-year period between 2010 and 2040.<sup>7</sup> Average annual growth rates under such projections would be approximately 1.2 percent.

The population of the Bay Area is expected to increase at a slightly lower rate than San Francisco's population over the same 30-year period. The Bay Area's population is estimated to increase by approximately 8.8 percent between 2010 and 2020, by 9.1 percent between 2020 and 2030, and by 9.4 percent between 2030 and 2040.<sup>8</sup> Overall, the Bay Area's population is expected to increase by 29.1 percent over this 30-year period. Average annual growth rates under such projections would be approximately 0.97 percent, approximately 0.23 percent lower than the San Francisco growth rate.

## **Housing**

The following section describes the housing characteristics of San Francisco and the Bay Area. Currently, there are no housing units or residential populations on the project site.

### ***Households***

In 2010, San Francisco had 345,811 households (defined by ABAG as an occupied residential unit), comprising approximately 13.2 percent of Bay Area households (see Table 4.C.2: Population and Household Projections for San Francisco and the Bay Area, 2010-2040). By 2040, ABAG estimates the number of San Francisco households will increase by 29.4 percent to 447,350 households and represent approximately 13.5 percent of Bay Area households. In 2010, the Bay Area had 2,608,023 households, and by 2040, ABAG estimates the number of Bay Area households will increase by approximately 26.8 percent to 3,308,090 households.<sup>9</sup>

According to the U.S Census, the average household size in San Francisco has fluctuated between 2.30 persons per household in 2000 to 2.26 persons per household in 2010, which is smaller than the Bay Area average household size of 2.69 persons per household.<sup>10</sup> According to ABAG *Projections 2013*, San Francisco's average household size is projected to increase slightly to 2.27 persons per household in 2015 and to 2.35 persons per household by 2040.<sup>11</sup> The Bay Area

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<sup>7</sup> ABAG, *Projections 2013*, p. 75.

<sup>8</sup> ABAG, *Projections 2013*, p. 20.

<sup>9</sup> ABAG, *Projections 2013*, pp. 20-21 and p. 75.

<sup>10</sup> U.S. Census Bureau, 2000 Census and 2010 Census, Profile of General Demographic Characteristics: 2000 and Profile of General Population and Housing Characteristics: 2010; and ABAG, *Projections 2013*, p. 74.

<sup>11</sup> ABAG, *Projections 2013*, p. 74.

average household size is expected to increase from 2.69 to 2.75 persons per household between 2015 and 2040.<sup>12</sup>

**Table 4.C.2: Population and Household Projections for San Francisco and the Bay Area, 2010-2040**

Year	San Francisco		Bay Area	
	Population	Households	Population	Households
2010	805,235	345,811	7,150,739	2,608,023
2015	847,000	362,440	7,461,400	2,720,410
2020	890,400	379,600	7,786,800	2,837,680
2025	934,800	396,000	8,134,000	2,952,910
2030	981,800	413,370	8,496,800	3,072,920
2035	1,032,500	430,070	8,889,000	3,188,330
2040	1,085,700	447,350	9,299,100	3,308,090

Source: ABAG, *Projections 2013*

### ***Housing Density***

Housing density is measured as the average number of units per acre. According to the *General Plan's* 2014 Housing Element, overall housing density in San Francisco ranges from low (14 units per acre), moderately low (36 units per acre), medium (54 units per acre), moderately high (91 units per acre), to high (283 units per acre). The project site is located in an area that has zoning parameters that permit average housing density of 54 units per acre.<sup>13</sup>

### ***Existing Housing Stock***

According to the 2013 ACS, San Francisco has 378,186 housing units, of which 32,842 are vacant, resulting in an approximately 8.7 percent total vacancy rate. However, the 2013 ACS estimates a much lower total vacancy rate, with a homeowner vacancy rate of approximately 1.2 percent and a rental vacancy rate of approximately 3.7 percent.<sup>14</sup> According to the *General Plan's* 2014 Housing Element, differences between total vacancy rate and the sum of the

<sup>12</sup> ABAG, *Projections 2013*, p. 19.

<sup>13</sup> San Francisco Planning Department, Data and Needs Analysis, Map 6, Generalized Permitted Housing Densities by Zoning Districts, San Francisco, 2013.

<sup>14</sup> U.S. Census Bureau, 2009-2013 5-Year American Community Survey 5-Year Estimates, San Francisco County, Selected Housing Characteristics. Available online at [http://factfinder.census.gov/rest/dnldController/deliver?\\_ts=461008993623](http://factfinder.census.gov/rest/dnldController/deliver?_ts=461008993623). Accessed September 22, 2015.

homeowner and rental vacancy rates may be attributable to sampling error and an increase in time-shares and corporate homes used for employee housing.<sup>15</sup>

According to the 2013 ACS, most of San Francisco's housing stock is composed of multi-unit structures (approximately 67.7 percent), with a smaller percentage of single-family homes (approximately 32.1 percent).<sup>16</sup> This breakdown is in accord with information in the San Francisco Planning Department's *2014 Housing Inventory*, i.e., low-density buildings (single-family homes – 33 percent), moderate density buildings (two to nine units – 31 percent), and higher density structures (10 or more units – 36 percent).<sup>17</sup>

In 2014, the City's housing stock was augmented by 3,514 net new units, of which approximately 21 percent were affordable units. The 2014 net new unit production represents an increase of 79 percent over 2013's net new unit production (1,960 net new housing units).<sup>18</sup> It also exceeded the 10-year average of 2,075 net new units and represents a continuing upward trend in net new unit production from the lowest production point, 2011 (269 units).<sup>19</sup> In 2014, the Department of Building Inspection authorized the construction of 3,834 new housing units, which represents a 21 percent increase over the number of units authorized in 2013.<sup>20</sup> The *2014 Housing Inventory* indicates that the majority of new housing units developed since 2010 have been in multi-unit developments, with a significant percentage of these (90 percent) in developments with 20 or more units.<sup>21</sup>

### ***Housing Needs***

Over the course of the past several decades, the construction of housing has failed to keep pace with population growth in the Bay Area. Although population growth has slowed and is predicted to continue at a relatively moderate rate through 2040, the region is still attempting to make up for housing shortages from previous growth periods. The lack of local housing options that are affordable causes many Bay Area residents to seek housing outside of the nine-county

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<sup>15</sup> San Francisco Planning Department, Data and Needs Analysis, pp. I.36-I.37.

<sup>16</sup> U.S. Census Bureau, 2009-2013 5-Year American Community Survey, San Francisco County, Selected Housing Characteristics. Available online at [http://factfinder.census.gov/rest/dnldController/deliver?\\_ts=461008993623](http://factfinder.census.gov/rest/dnldController/deliver?_ts=461008993623). Accessed September 22, 2015.

<sup>17</sup> San Francisco Planning Department, *2014 San Francisco Housing Inventory*, April 2015 (hereinafter referred to as "*San Francisco Housing Inventory*"), Table 1, p. 16. Available online at [http://www.sf-planning.org/ftp/files/publications\\_reports/2014\\_Housing\\_Inventory.pdf](http://www.sf-planning.org/ftp/files/publications_reports/2014_Housing_Inventory.pdf). Accessed September 4, 2015.

<sup>18</sup> Annual net housing unit change is the sum of units completed from new construction and alterations minus units lost from demolition and alterations.

<sup>19</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, pp. 16-18.

<sup>20</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, pp. 16-17.

<sup>21</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, pp. 16-17.

Bay Area, resulting in long commutes and significant impacts on the regional transportation system.

This housing shortage is compounded in San Francisco by additional factors. San Francisco was historically developed as an employment center, which means that there are more jobs than housing units in the City. In addition, San Francisco is relatively built up, with limited land available for development. Policy 1.9 of the Housing Element of the *General Plan* requires that new commercial developments and higher educational institutions (also known as post-secondary educational institutions)<sup>22</sup> that increase the City's employment base or student population must meet the housing demand they generate, with particular emphasis on affordable housing or paying in-lieu fees into the City's Jobs-Housing Linkage Program.<sup>23</sup>

In 2014, the median price for a two-bedroom home in San Francisco rose to \$798,910, 12 percent more than the median price in 2013 (\$714,840). Median rental prices in 2014 for a two-bedroom apartment in San Francisco increased by almost 40 percent to \$4,580 per month, up from \$3,300 in 2013. The Bay Area remains one of the nation's most expensive housing markets.<sup>24</sup>

In order to respond to Statewide population and household growth, and to ensure the availability of decent affordable housing for all income groups, in 1981 the State enacted Government Code Section 65584, which requires each Council of Governments<sup>25</sup> to periodically distribute State-identified housing needs to all jurisdictions within its region. ABAG serves as the Council of Governments for the Bay Area. Government Code Section 65584 requires ABAG and other Council of Governments to periodically update the Regional Housing Needs Assessment. On July 18, 2013, the ABAG Executive Board adopted the *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, which identifies the San Francisco Bay Area's housing need determination for the 2014-2022 planning period.

The ABAG Policy Board established housing needs for all jurisdictions within its boundaries for the 2014-2022 planning period by using a "fair share" approach, based on projected household and job growth of the region as well as regional income level percentages. Each jurisdiction is required by State law to incorporate its housing need numbers into an updated version of its *General Plan* Housing Element. The City's *General Plan* Housing Element was approved by the Department of Housing and Community Development on May 29, 2015. The Bay Area's overall

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<sup>22</sup> A higher educational institution is a public or private institution that provides educational services and can include universities, colleges, seminaries, academies, and institutes of technology.

<sup>23</sup> San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part II: Objectives & Policies, April 2015.

<sup>24</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, p. 34.

<sup>25</sup> A Council of Governments is a single or multi-county council created by a joint powers agreement that partakes in regional planning. ABAG is the Council of Governments for the San Francisco Bay Area.

projected housing need over the defined planning period is approximately 187,990 new residential units. San Francisco’s share of this number is about 28,869 units, or an average of approximately 3,609 units per year.<sup>26</sup>

Government Code Section 65584 also requires that a city’s share of regional housing needs include housing needs of persons at all income levels. The different income levels to be studied within the parameters of State-mandated local Housing Elements, which must be prepared by every city and county in California, are “Very Low Income,” “Low Income,” “Moderate Income,” and “Above Moderate Income.” The City’s distribution of housing needs across income levels is presented in Table 4.C.3: Existing San Francisco Household Income Distribution and Housing Needs.

**Table 4.C.3: Existing San Francisco Household Income Distribution and Housing Needs**

Income Group	Income Level	Income Range <sup>1</sup>	Percentage of S.F. Households	S.F. Housing Need <sup>2</sup>
Very Low	≤50% of AMI	\$23,300-\$26,200	27.9%	6,234 units
Low	51%–80% of AMI	\$55,175-\$62,075	14.8%	4,639 units
Moderate	81%–120% of AMI	\$81,575-\$91,775	18.8%	5,460 units
Above Moderate	>120% of AMI	>\$112,675	38.5%	12,536 units
Total			100.0%	28,869 units

Notes:

AMI – Area Median Income (The 2012 ACS estimated an AMI of approximately \$73,802.)

<sup>1</sup> San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part I: Data and Needs Analysis, April 2015, Table I-39: Household Income Standards by Household Size, 2014, and Table I-40: Income Distribution, San Francisco, 2012, p. 42. The income range shown above is the average income range for two- to three-person households in the City.

<sup>2</sup> San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part I: Data and Needs Analysis, April 2015, Table I-38, p. 41.

Source: San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part I: Data and Needs Analysis, April 2015

Between 2004 and 2013, 19,316 net new housing units were added Citywide, with an annual average during this 10-year period of about 1,932 units per year. In comparison, a net total of 13,634 housing units were added between 1994 and 2003, or an annual rate of about 1,363 units per year. Most of the new construction in the last 10 years has occurred in larger structures, with 91 percent of the housing developed in buildings with more than 10 units.

<sup>26</sup> ABAG, *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, Appendix A, Attachment 1 and Appendix C, pdf pp. 21 and 28.

In 2014, Citywide net new housing stock increased by 3,514 units.<sup>27</sup> To meet current regional housing need projections, the City would need to increase housing unit production to an average of approximately 3,609 units per year. Thus, although the annual rate of housing production has steadily increased, particularly in the past few years, San Francisco remains slightly behind in meeting its share of the regional housing needs allocation forecast for the 2014-2022 planning period.

The South of Market (SOMA) Planning District, which includes the project site, absorbed most of the new housing development between 2010 and 2013, accounting for about 1,230 new units, or almost 35.3 percent of all new housing during that period. The Downtown and Western Addition Planning Districts followed with roughly 729 and 424 new units, respectively, together accounting for about 33 percent of new housing.<sup>28</sup> In 2014 the construction of new housing in the SOMA Planning District more than doubled compared to the previous four years, with 1,892 net new units, or 54 percent of net new additions to the City.<sup>29</sup> Of the new housing stock in this district, 73.8 percent was in developments with 10 or more units.<sup>30</sup>

## **Employment**

San Francisco is a primary employment hub for the Bay Area and contains regional employment centers and major transportation thoroughfares. Two types of employment data are described below: total jobs within San Francisco and employed residents, i.e., the number of residents of working age who actively participate in the civilian labor force. The civilian labor force includes those who are employed (except in the armed forces) and those who are unemployed but actively seeking employment. Those who have never held a job, who have stopped looking for work, or who have been unemployed for a long period of time are not considered to be in the labor force.

### ***Total Jobs***

According to ABAG *Projections 2013*, San Francisco had about 617,420 jobs in 2015.<sup>31</sup> The City is projected to have a total of approximately 671,230 jobs by 2020, approximately 707,670 jobs by 2030, and approximately 759,500 jobs by 2040, resulting in an approximately 23 percent increase (142,080 total jobs) over the 25-year period.<sup>32</sup> Between 2015 and 2040, the total number of jobs in the nine-county Bay Area is expected to increase by almost 835,240 jobs, a 22.8 percent increase. During this period, San Francisco's share of regional employment is

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<sup>27</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, p. 37.

<sup>28</sup> San Francisco Planning Department, *Data and Needs Analysis*, p. I.26.

<sup>29</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, p. 36.

<sup>30</sup> San Francisco Planning Department, *San Francisco Housing Inventory*, p. 40.

<sup>31</sup> ABAG, *Projections 2013*, p. 22.

<sup>32</sup> ABAG, *Projections 2013*, p. 75.



expected to increase slightly, from 16.8 percent in 2015 to 16.9 percent in 2040.<sup>33</sup> As of 2010, commuters into San Francisco held 27.3 percent of the jobs in San Francisco. The share of San Francisco jobs held by residents from other Bay Area counties is expected to increase as compared to 2010 to approximately 43 percent by 2020, 40 percent by 2030, and 42 percent by 2040.<sup>34</sup> As a regional job center, San Francisco will continue to have a larger share of commuters than other cities in the Bay Area.

### ***Employed Residents***

According to *ABAG Projections 2013*, San Francisco had approximately 460,450 employed residents in 2015.<sup>35</sup> This number is expected to increase to approximately 501,470 employed residents by 2020, approximately 530,200 by 2030, and approximately 571,580 by 2040, resulting in an approximately 12 percent increase (111,130 employed residents) over the 25-year period.<sup>36</sup> According to 2013 ACS data, about 76 percent of San Francisco's employed residents work in San Francisco, while about 24 percent commute to jobs outside of San Francisco.<sup>37</sup> Assuming the same percentages, in 2040 about 137,179 (24 percent) of San Francisco's employed residents would continue to commute to jobs outside of San Francisco, and about 434,400 (76 percent) of San Francisco's employed residents would live and work in San Francisco. The City and County of San Francisco had an unemployment rate of 3.3 percent in September 2015, down 0.8 percent from September 2014.<sup>38</sup>

### **Project Area Population and Employment**

The project site is located within Census Tract 226, which comprises most of the Central Waterfront Planning Area. Census Tract 226 is bounded by 16<sup>th</sup> Street to the north, I-280 to the west, 25<sup>th</sup> Street to the south, and San Francisco Bay to the east. According to the 2010 U.S. Census, Census Tract 226 had a total population of 1,534 residents.<sup>39</sup> Between the 2000 and

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<sup>33</sup> ABAG, *Projections 2013*, p. 22.

<sup>34</sup> San Francisco Planning Department, Data and Needs Analysis, p. I.14.

<sup>35</sup> ABAG, *Projections 2013*, p. 74.

<sup>36</sup> ABAG, *Projections 2013*, p. 74.

<sup>37</sup> U.S. Census Bureau, 2009-2013 5-Year American Community Survey, San Francisco County, Commuting Characteristics by Sex. Available online at [http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_13\\_5YR\\_S0801&prodType=table](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_5YR_S0801&prodType=table). Accessed September 25, 2015.

<sup>38</sup> State of California Employment Development Department, Historical Civilian Labor Force, San Francisco County, September 2015. Available online at <http://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>. Accessed December 9, 2016.

<sup>39</sup> U.S. Census Bureau, *Community Facts: Population, Housing Units, and Density: 2010 – County – Census Tract*. Available online at <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. Accessed September 8, 2015.

2010 U.S. Census, the population of Census Tract 226 increased by 688 residents,<sup>40</sup> which represents an approximately 81.3 percent increase in the population of 846 persons recorded for the census tract in the 2000 U.S. Census.<sup>41</sup> Currently, there are no residential units on the project site, and existing on-site employment consists of about 60 to 70 workers.<sup>42</sup>

## ***REGULATORY FRAMEWORK***

### **REGIONAL**

#### **Plan Bay Area**

*Plan Bay Area* is a long-range (2040) integrated transportation and land use/housing strategy for the San Francisco Bay Area. *Plan Bay Area* marks the nine-county region's first long-range plan to meet the requirements of California's 2008 Senate Bill 375 (SB 375), which calls on each of the State's 18 metropolitan areas to develop a Sustainable Communities Strategy, an integrated transportation, land use, and housing plan that addresses ways to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. *Plan Bay Area* advances initiatives to expand housing and transportation choices, create healthier communities, and build a stronger regional economy. ABAG and the Metropolitan Transportation Commission jointly approved *Plan Bay Area* on July 18, 2013.

Since 2002, the regional population, household, and job forecast has been "policy-based," meaning that the forecast promotes policy objectives which increase housing development and alternative transportation modes, specifically by increasing the proportion of growth near transit and in existing urban areas. With the adoption of SB 375 and its requirement that regional planning agencies create a plan to meet targets for greenhouse gas emissions reduction tied to land use, the Bay Area can expect to see further development directed towards existing urban areas like San Francisco to increase housing near jobs, reduce urban sprawl, and reduce greenhouse gas emissions. These areas have been identified as priority development areas (PDAs). A PDA is an infill location of at least 100 acres served by transit that is designated for compact land development, along with investments in community improvements and infrastructure. Under *Plan Bay Area*, 78 percent of new housing and 62 percent of new jobs in the Bay Area will be concentrated in PDAs. The project site is located within the Port of San

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<sup>40</sup> U.S. Census Bureau, *Community Facts: Population, Housing Units, and Density: 2000 – County – Census Tract*. Available at <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. Accessed September 8, 2015.

<sup>41</sup> U.S. Census Bureau, *Community Facts: Population, Housing Units, and Density: 2000 – County – Census Tract*. Available at <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. Accessed September 8, 2015.

<sup>42</sup> Brad Benson, Port of San Francisco, email communication, January 8, 2015.

Francisco PDA, which includes approximately 678 acres of public waterfront lands and stretches 7.5 miles from Fisherman’s Wharf to India Basin, adjacent to Hunters Point Shipyard in the Bayview/Hunters Point community. The Port of San Francisco PDA is one of 12 PDAs in the City where 88 percent of population growth in the City is expected to take place.<sup>43</sup> The Port of San Francisco PDA forecasts a population of 3,059 residents, 1,497 households, and 149,684 jobs by 2040.<sup>44</sup>

### **Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022**

The California Department of Housing and Community Development (HCD) is responsible for determining the overall regional housing need for the State and for initiating the process by which each Council of Governments, in this case ABAG, then distributes its share of regional housing need to all jurisdictions within its region. Government Code Section 65584 requires periodic development of a new Regional Housing Needs Assessment. In July 2013, ABAG released its *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, which identifies the Bay Area’s housing needs determination for the 2014-2022 planning period, as described above under “Housing Needs” on pp. 4.C.5-4.C.8.

Since 1980, the State of California has required each jurisdiction to plan for its share of the State’s housing need for people of all income levels (California Government Code Section 65580). The Regional Housing Need Allocation (RHNA) process is a State mandate designed to address each jurisdiction’s assigned share of the Statewide housing need for an eight-year planning period. The RHNA process requires the HCD to determine the total housing need for each region in the State, and each region’s Council of Governments (e.g., ABAG for the Bay Area) is then responsible for distributing this need to local governments. The total housing need for each region is based on the region’s forecast for population, households, and employment. Typically, the RHNA for each region is finalized through negotiations between the HCD and each region’s Council of Governments. According to State law, each jurisdiction’s housing element must include a strategy to meet its share of the region’s housing need for four income categories that encompass all levels of housing affordability (i.e., very low – up to 50 percent of area median income, low – between 51 and 80 percent of area median income, moderate – between 81 and 120 percent of area median income, and above moderate – above 120 percent of area median income) and must be certified by the HCD. Jurisdictions that do not have capacity to meet their RHNA at all income levels must rezone sites with appropriate development standards to accommodate the unmet capacity.

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<sup>43</sup> ABAG, *Projections* 2013, p. 71.

<sup>44</sup> ABAG, Plan Bay Area Priority Development Area Showcase, February 2015. Available online at <http://gis.abag.ca.gov/website/PDAShowcase/>. Accessed March 7, 2016.

The RHNA process seeks to ensure that each jurisdiction recognizes its responsibility to provide housing that represents the number of additional residential units that would be required to accommodate the anticipated growth in households; to replace expected demolitions and conversions of housing units to non-housing uses; and to achieve a future vacancy rate that allows for the healthy functioning of the housing market. The RHNA process does not necessarily encourage or promote growth; rather, it requires each jurisdiction to anticipate projected growth, so that it can grow in ways that enhance quality of life; improve access to jobs, transportation, and housing; and not adversely impact the environment.

The *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022* was published in July 2013 and covers the planning period from January 31, 2015, to January 31, 2023. The HCD determined that the Bay Area must plan for 187,990 new housing units from 2014-2022. This determination is based on population projections produced by the California Department of Finance, which also took into account the uncertainty regarding the economy and regional housing markets. For this planning period, the HCD made an adjustment to account for abnormally high vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures. As a result, the RHNA from the HCD for this planning period is lower than the RHNA for the 2007-2014 planning period. The housing allocation is expressed not only as an overall housing production target to alleviate tight housing market conditions and reduce long-distance commuting, but, more importantly, as separate targets for production of housing affordable to various household income categories. San Francisco's share of the regional housing need for 2014 through 2022 is 28,869 new units, with approximately 57 percent to be affordable. This represents a little over 15 percent of the regional total over the 2014-2022 time frame and amounts to a Citywide housing production goal of about 3,609 units per year. San Francisco's share of the RHNA is incorporated into the City's 2014 Housing Element (originally adopted in March 2011 and most recently re-adopted with amendments on April 27, 2015). As required by State law, the Housing Element of the *General Plan* discusses the City's fair share allocation of regional housing needs by income as projected by ABAG.

## **LOCAL**

### **San Francisco General Plan**

The *General Plan* includes objectives, policies, and programs related to population, housing, and employment. Several of the priority policies of the *General Plan* establish the City's interest in affordable housing, economic diversity, and a broad range of employment opportunities for residents. In addition, the Commerce and Industry Element of the *General Plan* sets forth goals for evaluating land use and other public policy directions that guide economic development. The element acknowledges that many objectives for commerce and industry are largely beyond the

realm of local control – particularly land use control – but puts forth generalized objectives as a framework for guiding public and private decisions related to economic development. In addition, the Housing Element of the *General Plan* describes housing needs and identifies the capacity for new housing in the City based on land supply and development capacity. This element focuses on the City’s critical need for affordable housing. The Housing Element establishes goals for housing production, as well as policies related to mitigating the impacts of growth on the housing market that are relevant to evaluation of the Proposed Project.

### ***Housing Element***

The Housing Element is a major part of the *General Plan*. It sets forth the City’s overall housing policies and seeks to ensure adequate housing for current and future San Franciscans by providing opportunities for housing development, rather than constraining opportunities. The Housing Element is comprised of two parts. Part I contains the background data and needs analysis, which form the basis for policy formulation, and Part II contains the list of objectives and policies, and descriptions of the programs to be carried out over the next five years to implement these objectives and policies. The Housing Element details objectives and policies that address growing housing demand, focus on strategies that can be accomplished within the City’s limited land supply, and meet the housing goals developed during the public outreach for the Housing Element update, which include (1) prioritizing permanently affordable housing; (2) recognizing and preserving neighborhood character; (3) integrating housing, jobs, transportation, and infrastructure; and (4) continuing to be a regional model of sustainability.

On March 24, 2011, the San Francisco Planning Commission certified the Final Environmental Impact Report (EIR) for the 2004 and 2009 Housing Element. On June 21, 2011, the San Francisco Board of Supervisors adopted the 2009 Housing Element as the Housing Element of the *San Francisco General Plan*. The Planning Department recirculated for public review a revised Chapter VII, Alternatives, of the Final EIR (Revised EIR) on December 18, 2013. The Planning Commission certified the 2004 and 2009 Housing Element Final EIR, with the Revised Alternatives Analysis, on April 24, 2014. On June 17, 2014, the Board of Supervisors denied an appeal of the certification, and re-adopted the 2009 Housing Element, with minor revisions, as the 2014 Housing Element. The 2014 Housing Element was most recently re-adopted with amendments on April 27, 2015.

Housing element law (California Government Code Section 65580 et seq.) requires local jurisdictions to adequately plan for their existing and projected housing needs for all segments of its population, such that all communities contribute to the attainment of the State’s housing goals. HCD is the responsible State agency tasked with allocating the region’s share of the Statewide housing need to regional agencies; in the Bay Area, ABAG provides this allocation, based on the region’s forecast for population, households, and employment. San Francisco’s share of the

regional housing need is 28,869 new units, of which approximately 57 percent must be affordable. Under State law, all housing elements must be reviewed by the Department of Housing and Community Development; housing elements are certified if they comply with State law and meet certain planning objectives. As discussed in the Housing Element, some 47,020 new housing units could potentially be built on numerous in-fill development opportunity sites under current zoning allowances.<sup>45</sup> In addition, some 22,870 new housing units could be accommodated in vacant or nearly vacant lands currently or previously zoned “Public” such as Mission Bay, Treasure Island, and Hunters Point Naval Shipyard. Recent legislation has allowed the accessory dwelling units, also known as secondary dwelling units or in-law units, to be built on existing buildings in certain districts, including the Board of Supervisors’ Districts 8 and 3.<sup>46</sup>

The following objectives and policies of the Housing Element are relevant to the Proposed Project:

- Objective 1 Identify and make available for development adequate sites to meet the City’s housing needs, especially permanently affordable housing.
  - Policy 1.1 Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.
  - Policy 1.3 Work proactively to identify and secure opportunity sites for permanently affordable housing.
  - Policy 1.4 Ensure community based planning processes are used to generate changes to land use controls.
  - Policy 1.6 Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.
  - Policy 1.8 Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.
  - Policy 1.9 Require new commercial development and higher educational institutions to meet the housing they generate, particularly the need for affordable housing for lower income workers and students.
  - Policy 1.10 Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.
- Objective 4 Foster a housing stock that meets the needs of all residents across lifecycles.
  - Policy 4.1 Develop new housing, and encourage the remodeling of existing housing, for families with children.

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<sup>45</sup> San Francisco Planning Department, Data and Needs Analysis, p. I.65.

<sup>46</sup> San Francisco Planning Department, *sf-ADU: A Guide for Homeowners, Designers, and Contractors Considering Adding an Accessory Dwelling Unit to an Existing Residence in San Francisco*, prepared by Openscope Studio, July 2015.

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- Policy 4.4 Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.
- Policy 4.5 Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.
- Policy 4.6 Encourage an equitable distribution of growth according to infrastructure and site capacity.
- Objective 11 Support and respect the diverse and distinct character of San Francisco's neighborhoods.
  - Policy 11.1 Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.
  - Policy 11.3 Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.
  - Policy 11.4 Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.
  - Policy 11.7 Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.
  - Policy 11.8 Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.
  - Policy 11.1 Use new housing development as a means to enhance neighborhood vitality and diversity.
- Objective 12 Balance housing growth with adequate infrastructure that serves the City's growing population.
  - Policy 12.1 Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.
  - Policy 12.2 Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.
  - Policy 12.3 Ensure new housing is sustainably supported by the City's public infrastructure systems.
- Objective 13 Prioritize sustainable development in planning for and constructing new housing.
  - Policy 13.1 Support "smart" regional growth that locates new housing close to jobs and transit.
  - Policy 13.3 Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

### Central Waterfront Area Plan

The *Central Waterfront Area Plan* is part of the larger Eastern Neighborhoods Planning Area, which is composed of the Mission, Central Waterfront, East SOMA, and Showplace Square/Potrero Hill neighborhoods. The *Central Waterfront Area Plan* was adopted by the Planning Commission in 2008. It is bounded by Mariposa Street on the north, San Francisco Bay on the east, Islais Creek on the south, I-280 on the west, and includes Pier 70. The *Central Waterfront Area Plan* identifies Pier 70 as playing a substantial role in defining the Central Waterfront. However, because the Port of San Francisco was in an ongoing planning process for the waterfront at the time of the Eastern Neighborhoods community planning process, the *Central Waterfront Area Plan* does not include changes to the zoning and height controls for the majority of Pier 70, in recognition that the zoning may be modified to reflect the outcome of the Port's Pier 70 area planning process.<sup>47</sup> The *Central Waterfront Area Plan* strives to meet six key objectives on housing production and retention:

1. The Plan strives to construct new housing affordable to people with a wide range of incomes through the rezoning of some of the City's industrial lands. It assists households at low and very low incomes through inclusionary and land dedication strategies. It aims to help people making above the 120 percent of median income threshold for inclusionary housing but below the amount required to afford market-rate units, through "middle income" development options.
2. The Plan strives to retain and improve existing housing, in recognition of the fact that sound existing housing is one of the most valuable sources of housing the City has.
3. The Plan ensures that residential development meets not only the affordability needs, but the other needs, such as unit size, number of bedrooms, community services, and neighborhood amenities, to create a high quality of life for all individuals and families in the Eastern Neighborhoods.
4. The Plan aims to lower the costs of housing production to translate into lower-priced units, by enabling cost-effective construction and by recognizing that "time is money" in reducing unnecessary processes.
5. The Plan aims to promote health and well-being for residents, through well-designed, environmentally friendly neighborhoods and units.
6. The Plan aims to continue the City's ongoing efforts to increase affordable housing and production, through increased funding available for affordable housing through City, State, Federal and other sources.

The following objectives and policies of the *Central Waterfront Area Plan* are relevant to the Proposed Project:

- Objective 2.1 Ensure that a significant percentage of new housing created in the Central Waterfront is affordable to people with a wide range of incomes.

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<sup>47</sup> City and County of San Francisco, *Central Waterfront Area Plan*, December 2008, p. 8.



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- Policy 2.1.1 Require developers in some formerly industrial areas to contribute towards the City’s very low, low, moderate, and middle income needs as identified in the Housing Element of the General Plan.
- Policy 2.1.2 Provide land and funding for the construction of new housing affordable to very low and low-income households.
- Policy 2.1.3 Provide units that are affordable to households at moderate and “middle incomes” – working households earning above traditional below-market-rate thresholds but still well below what is needed to buy a market priced home, with restrictions to ensure affordability continues.
- Objective 2.3 Require that a significant number of units in new developments have two or more bedrooms except senior housing and SRO [single room occupancy] developments unless all below market rate unit are two or more bedroom units.
  - Policy 2.3.1 Target the provision of affordable units for families.
  - Policy 2.3.2 Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.
  - Policy 2.3.3 Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments.
  - Policy 2.3.4 Encourage the creation of family supportive services, such as child care facilities, parks and recreation, or other facilities, in affordable housing or mixed-use developments.
  - Policy 2.3.5 Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.
  - Policy 2.3.6 Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.
- Objective 2.4 Lower the cost of the production of housing.
  - Policy 2.4.1 Require developers to separate the cost of parking from the cost of housing in both for sale and rental developments.
  - Policy 2.4.2 Revise residential parking requirements so that structured or off-street parking is permitted up to specified maximum amounts in certain districts, but is not required.
  - Policy 2.4.3 Encourage construction of units that are “affordable by design.”
- Objective 2.6 Continue and expand the City’s effort to increase permanently affordable housing production and availability.
  - Policy 2.6.1 Continue and strengthen innovative programs that help to make both rental and ownership housing more affordable and available.

### **Jobs-Housing Linkage Program**

The Jobs-Housing Linkage Program was first implemented in 1985 as the Office-Affordable Housing Production Program as one means by which the impacts of Downtown office employment growth would be managed and mitigated. The original exaction was limited to Downtown (C-3 Zoning Districts) office development. The program was updated and expanded in 1997. The *Jobs Housing Nexus Analysis* prepared in 1997 for the City demonstrated the relationship between all types of new commercial development and the need for affordable housing.<sup>48</sup>

Policy 1.9 of the 2009 Housing Element calls for enforcement and monitoring of the Jobs-Housing Linkage Program, requiring that new commercial development (as well as institutions of higher education) in the City provide affordable housing or pay an in-lieu fee to meet the housing need attributable to employment or student population growth and new commercial development, particularly the demand for new housing affordable to low- and moderate-income households. The current Jobs-Housing Linkage Program applies to office and other types of developments. The program is incorporated into Section 413 of the Planning Code.

### **Residential Inclusionary Affordable Housing Program**

Planning Code Section 415, or the Inclusionary Affordable Housing Program, requires that a project involving ten or more new dwelling units must (a) provide on-site below market rate units equal to 12 percent of the total number of units, (b) provide off-site below market rate units equal to 20 percent of the total number of units, or (c) pay a fee equivalent to 20 percent of the total number of units.<sup>49</sup>

## ***IMPACTS AND MITIGATION MEASURES***

### **SIGNIFICANCE THRESHOLDS**

The thresholds for determining the significance of impacts in this analysis are consistent with the environmental checklist in Appendix G of the State CEQA Guidelines, which has been modified by the San Francisco Planning Department. For the purpose of this analysis, the following applicable thresholds were used to determine whether implementing the Proposed Project would

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<sup>48</sup> Keyser Marston Associates, Inc. and Gabriel Roche, Inc., *Jobs Housing Nexus Analysis*, City of San Francisco, July 1997. Prepared for the Office of Affordable Housing Production Program, City and County of San Francisco.

<sup>49</sup> The Proposed Project exceeds requirements of Proposition C, which was passed by ballot in June 2016. The Proposed Project is subject to Proposition F, which was passed in November 2014 and set affordable housing rates for the 28-Acre Site at 30 percent. The remainder of the project site is subject to the Residential Inclusionary Affordable Housing Program (Planning Code Section 415).

result in a significant impact on population and housing. Implementation of the Proposed Project would have a significant effect on population and housing if the project would:

- C.1 Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure);
- C.2 Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing; or
- C.3 Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

### **APPROACH TO ANALYSIS**

CEQA Guidelines Section 15064(e) notes that an economic or social change by itself would not be considered a significant effect on the environment. Population growth is considered in the context of local and regional plans and population, housing, and employment projections. Generally, a project that induces population growth is not viewed as having a significant impact on the environment unless this growth is unplanned and results in significant physical impacts on the environment. Thus, the growth and changes in employment and population, and potential demand for housing that would occur with implementation of the Proposed Project would not be adverse physical impacts in themselves. However, the physical changes needed to accommodate project-related growth may have physical impacts on the environment. Project-related growth and the increase in population would primarily result in increased demand on transportation infrastructure, public services, utilities and service systems, and recreational facilities, as well as increases in ambient noise levels and criteria air pollutant and toxic air contaminant emissions. These physical impacts are evaluated in Section 4.E, Transportation and Circulation; Section 4.F, Noise and Vibration; Section 4.G, Air Quality; Section 4.H, Greenhouse Gas Emissions; Section 4.J, Recreation; Section 4.K, Utilities and Services Systems; and Section 4.L, Public Services.

The impact analysis considers whether the Proposed Project would contribute to substantial residential population and employment growth. The Maximum Residential Scenario and the Maximum Commercial Scenario are analyzed separately. Direct population growth would result from the residents who would occupy the newly developed housing units and the people who would be employed by the proposed residential, commercial, and retail/arts/light-industrial (RALI) uses at the project site, as well as from temporary construction employment. Indirect or secondary growth is often defined as development that occurs as infrastructure is expanded to previously unserved or underserved areas. This type of development pattern typically occurs in suburban areas adjacent to or near undeveloped lands and is not applicable to the project site, which is located in a built-up urban environment that is already served by infrastructure. The

analysis also considers whether substantial numbers of residents, housing units, or employees would be displaced.

The analysis compares the population, employment, and housing characteristics that would result from development of the Proposed Project to existing conditions. The 2010 U.S. Census, 2013 ACS, 2014 Housing Element, and ABAG's *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022* were used to prepare the analysis because they are the most recent data consistently available for the project site across all population, employment, and housing indices.

## **PROJECT FEATURES**

The Proposed Project entails the development of the 28-Acre Site and the Illinois Parcels (20<sup>th</sup>/Illinois Site and the Hoedown Yard). It would include residential, commercial, and RALI uses. Under the provisions of the proposed Special Use District, the Proposed Project would provide a flexible land use program under which certain parcels could be developed for primarily commercial or residential uses, with much of the ground floor dedicated to RALI uses.

The two scenarios, the Maximum Residential Scenario and the Maximum Commercial Scenario, would have separate effects on population and housing at the project site. Under the Maximum Residential Scenario, there would be up to 3,025 residential units, 1,102,250 gross square feet (gsf) of commercial use, and 479,980 gsf of RALI use (269,495 gsf of retail, 67,375 gsf of restaurant, and 143,110 gsf of art/light-industrial). Under the Maximum Commercial Scenario, there would be 1,645 residential units, 2,262,350 gsf of commercial use, and 486,950 gsf of RALI use (275,075 gsf of retail use, 68,765 gsf of restaurant use, and 143,110 gsf of art/light-industrial).

As stated under "Households" on pp. 4.C.3-4.C.4, ABAG *Projections 2013* estimates 2.27 persons per household for San Francisco in 2015. Because household population projections tend to fluctuate over time, for the purpose of this analysis, the 2015 household size of 2.27 is used. Therefore, the Proposed Project would have a residential on-site population of approximately 6,868 residents under the Maximum Residential Scenario (4,881 residents on the 28-Acre Site and 1,987 residents on the Illinois Parcels), and approximately 3,735 residents under the Maximum Commercial Scenario (2,497 residents on the 28-Acre Site and 1,238 residents on the Illinois Parcels). (See Table 4.C.4: Population and Employment Estimates for the Maximum Residential Scenario and the Maximum Commercial Scenario.)

Under both the Maximum Residential Scenario and Maximum Commercial Scenario, the proposed uses would displace approximately 60 to 70 existing on-site employees. As part of the Proposed Project, these employees would be offered the opportunity to lease space on the project site or to relocate to other Port properties to the extent required under California Relocation

Assistance Law (California Government Code Section 7260 et seq.), and applicable regulations. Total employment under the Maximum Residential Scenario would be 5,599 employees, with approximately 5,443 employees at the 28-Acre Site and 156 employees at the Illinois Parcels. Total employment under the Maximum Commercial Scenario would be 9,768 employees, with approximately 8,754 employees at the 28-Acre Site and 1,014 employees at the Illinois Parcels.<sup>50,51</sup> Potential impacts on population, housing, and employment are analyzed for both scenarios. (For a summary of employment by scenario and corresponding land use, see Table 4.C.5: Total Employment at Build-Out by Land Use under the Maximum Residential Scenario, p. 4.C.21, and Table 4.C.6: Total Employment at Build-Out by Land Use under the Maximum Commercial Scenario, p. 4.C.30.)

**Table 4.C.4: Population and Employment Estimates for the Maximum Residential Scenario and the Maximum Commercial Scenario**

	Maximum Residential Scenario	Maximum Commercial Scenario
Population <sup>1</sup>		
28-Acre Site	4,881	2,497
Illinois Parcels	1,987	1,238
<b>Total Residents</b>	<b>6,868</b>	<b>3,735</b>
Employment <sup>2</sup>		
28-Acre Site	5,443	8,754
Illinois Parcels	156	1,014
<b>Total Employees</b>	<b>5,599</b>	<b>9,768</b>

*Notes:*

<sup>1</sup> ABAG *Projections 2013* estimates 2.27 persons per household in San Francisco for 2015.

<sup>2</sup> Employment numbers for residential, open space, and parking uses were determined using the factors in Table III.C-7, p. III.C-12, from the San Francisco Planning Department, *Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR*, November 2009.

Source: City of San Francisco, *Transportation Impact Analysis Guidelines for Environmental Review*, Table C-1, p. C-3, October 2002

<sup>50</sup> City of San Francisco, *Transportation Impact Analysis Guidelines for Environmental Review*, Table C-1, p. C-3, October 2002. Available online at <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=6753>. Accessed November 9, 2015.

<sup>51</sup> Employment numbers for residential, open space, and parking uses were determined using Table III.C-7, p. III.C-12, from the San Francisco Planning Department, *Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR*, November 2009.

## IMPACT EVALUATION

### **Impact PH-1: The Proposed Project would not induce substantial population growth in an area, either directly or indirectly. (*Less than Significant*)**

The project site is located within the *Central Waterfront Area Plan*, part of the larger Eastern Neighborhoods Planning Area. The Eastern Neighborhoods community planning process initiated by the Planning Department encourages new housing to be located at the Central Waterfront due to this area's proximity to transit and essential services.<sup>52</sup> The Housing Element identifies the Central Waterfront Area for growth of 2,000 residential units; however, this does not include the Pier 70 project site.<sup>53</sup> The *Central Waterfront Area Plan* encourages the transformation of traditional Port activities (i.e., industrial uses) to accommodate a substantial amount of new housing. The Plan sees the Central Waterfront as "critical to supporting a much-needed increase in commercial services, enlivening open spaces, and creating a vibrant and cohesive residential neighborhood."<sup>54</sup> Additionally, the project site is located in the Port of San Francisco PDA, an area identified by the City and ABAG as a possible area for population and housing growth.<sup>55</sup>

#### Maximum Residential Scenario

##### *Population*

Up to 3,025 new residential units would be developed under the Maximum Residential Scenario (2,150 units on the 28-Acre Site and 875 units on the Illinois Parcels), which would result in approximately 6,868 new residents at the project site.<sup>56</sup> New housing associated with the Proposed Project would add to the City's contribution to the regional housing supply.

Based on the 2010 U.S. Census, the new residents would represent an approximately 448 percent increase in the total number of residents located in Census Tract 226, which comprises most of the *Central Waterfront Area Plan*. As discussed above, the project site is located within an area of the SOMA Planning District, which has an average housing density of 54 units per acre.<sup>57</sup> The Proposed Project would result in a maximum housing density of about 86 residential units per acre (78 residential units per acre on the 28-Acre Site and 125 residential units per acre on the Illinois Parcels), assuming maximum development of 3,025 new residential units with the Maximum Residential Scenario; thus, the average housing density of the Proposed Project would be higher than the average housing density in this portion of the SOMA Planning District.

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<sup>52</sup> San Francisco Planning Department, Data and Needs Analysis, p. A.3.

<sup>53</sup> San Francisco Planning Department, Data and Needs Analysis, p. A.8.

<sup>54</sup> City and County of San Francisco, *Central Waterfront Area Plan*, December 2008, p. 21.

<sup>55</sup> ABAG, *Projections 2013*, p. 75.

<sup>56</sup> ABAG *Projections 2013* estimates 2.27 persons per household in San Francisco for 2015.

<sup>57</sup> San Francisco Planning Department, Data and Needs Analysis, Map 6, p. 70.

Local policy emphasizes promoting mixed use development with moderate to high residential densities to meet the City's housing needs and reduce greenhouse gas emissions; this has resulted in the development of buildings with more than 10 units (91 percent of the new construction in the last 10 years). A large proportion of new housing development has occurred in areas of the City well served by transit and essential services such as the SOMA Planning District, which includes the *Central Waterfront Area Plan* and the project site. The *Central Waterfront Area Plan* identifies Pier 70 as playing a substantial role in defining the Central Waterfront; however, changes to the zoning and height controls at Pier 70 were not included in the analysis of the Eastern Neighborhoods community planning and rezoning program in recognition of the Port's Pier 70 area master planning efforts. In 2014 the construction of new housing in the SOMA Planning District more than doubled compared to that in the previous four years (approximately 54 percent of net new housing Citywide), with almost 74 percent in developments with 10 or more units.

Although the addition of approximately 6,868 new residents would be substantial for the project area, it would not be substantial for the City as a whole, as it would represent approximately 2.4 percent of the projected increase in Citywide population growth of 280,465 persons between 2010 and 2040 (from 805,235 in 2010 to 1,085,700 in 2040), and less than 1 percent of the projected increase in the Bay Area-wide population growth of approximately 2.1 million persons over the same time period.

Although the residential density and number of units are higher than what is called for in the Housing Element, the amount of housing and residential population within the SOMA Planning District has increased more rapidly than in many other parts of the City, and the rate of growth and increased densities are consistent with the goals of the *Central Waterfront Area Plan*, the Housing Element, and *Plan Bay Area*. Further, the proposed residential density would not be considered to result in a substantial adverse impact in and of itself because the site is located in proximity to major transit corridors (e.g., T-Third Street, 22-Fillmore, and CalTrain) and employment centers (e.g., the Financial District, Mission Bay, and the SOMA area); is within an area that is currently being developed with higher residential densities; and is identified in City and regional planning documents as an area designated to accommodate a substantial proportion of the City's future residential growth, and so is appropriate for higher residential densities.

The scale of residential development from the Maximum Residential Scenario would also be above the estimated population growth within the Port of San Francisco PDA (3,059 residents

and 1,497 households by 2040).<sup>58,59</sup> However, the development of residential uses in this area would conform with ABAG and the City's designation of the Port of San Francisco as one of 12 PDAs that are served by existing utilities, infrastructure, and transit, and with the potential to accommodate substantial population and housing growth in the City and Bay Area.<sup>60</sup> The Port of San Francisco PDA remains a viable location for population growth due to its location near transit and neighborhood-serving amenities. The construction of residential units associated with the Proposed Project would assist the City in meeting its share of regional housing needs identified in the *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022* of 28,869 units by 2022.

The Proposed Project would contribute to the City's supply of affordable housing. Under the Proposed Project, 30 percent of all completed residential units on the 28-Acre Site would be required to be offered at below market rate prices, and a majority of all residential units constructed would be available as rentals. The Proposed Project's affordable housing requirement would be established through transaction documents between the Port and Forest City for the Proposed Project. The 30 percent affordable housing requirement would exceed the on-site (12 percent of all units) and off-site (20 percent of all units, within 1 mile) percentages required by Planning Code Section 415. The Illinois Parcels would also contribute to affordable housing by complying with the provisions of San Francisco Planning Code Section 415. The Proposed Project would assist San Francisco in meeting its regional housing needs allocation and affordability metrics, as outlined in the *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*.

For the reasons discussed above, the Maximum Residential Scenario would not induce substantial<sup>61</sup> population growth in the Central Waterfront or Citywide, either directly, through the development of a large number of new residential units, or indirectly, through the extension or expansion of roads or other public infrastructure that could allow more growth than could be served by existing infrastructure. The increase in population from the Proposed Project would not, in itself, result in adverse physical effects, but would serve to advance key City policy

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<sup>58</sup> ABAG, *Projections 2013*, p. 75. ABAG defines the Port of San Francisco PDA as a Mixed-Use Corridor Place Type (transit-served areas with a mix of moderate-density housing, services, retail, employment, and civic or cultural uses).

<sup>59</sup> ABAG, Plan Bay Area Priority Development Area Showcase, February 2015. Available online at <http://gis.abag.ca.gov/website/PDAShowcase/>. Accessed March 7, 2016.

<sup>60</sup> San Francisco County Priority Development Areas include Bayview/Hunters Point Shipyard/Candlestick Point; Balboa Park, Downtown-Van Ness-Geary; Eastern Neighborhoods; Mission Bay; Port of San Francisco; Transbay Terminal; Treasure Island; San Francisco/San Mateo Bi-County Area (with Brisbane); 19<sup>th</sup> Avenue Corridor, Market and Octavia, and Mission-San Jose Corridor.

<sup>61</sup> Substantial growth is defined as increases in population that are unplanned, without consideration of or planning for infrastructure, services, and housing needed to support proposed residents, employees, and visitors.



objectives, such as providing housing in appropriate locations next to Downtown and other employment-generating areas, and would further the City's Transit First policy.<sup>62</sup> Thus, the Proposed Project's contribution to the population and employment growth in the immediate project area would continue current development trends in the City and region and would focus development in an area that would be able to accommodate such future growth. Therefore, impacts of the Maximum Residential Scenario on population growth would be less than significant, and no mitigation measures are necessary.

### *Employment*

#### Temporary Construction Employment

There would be direct, but temporary, growth in construction jobs on the project site as a result of the Proposed Project. Project construction would be phased over approximately 11 years, beginning in 2018 and concluding in 2029. Temporary construction employment would vary, depending on the construction phase. Daily average and maximum (peak) employment is estimated for the various phases of construction. However, it is assumed that an average of about 70 construction workers would be at the site per day, with a greater number during peak periods of building construction.<sup>63</sup> Peak periods of construction would involve having workers on the site for a combination of activities involving building construction, architectural coatings, and paving, with a maximum of 419 total daily workers.<sup>64</sup>

San Francisco and the five-county subregion of San Francisco, Alameda, Contra Costa, Marin, and San Mateo counties have experienced persistently high unemployment in recent years. The construction sector was particularly affected by the 2007-2008 mortgage crisis and subsequent recession. Between 2007 and 2010, construction jobs in the five-county subregion declined by nearly 38,000 jobs, or about a third, over this period. However, the trend for the five counties as a whole began to reverse in 2011, with an increase of about 520 construction jobs in the five-county subregion that year. Construction job growth has continued, and between 2010 and July 2014, more than 22,700 construction jobs were added in the five-county subregion. Therefore, as of July 2014, the loss in construction employment in the five-county subregion since 2007 stands at about 15,000 jobs.<sup>65</sup> Given the continuing number of unemployed construction workers, nearly

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<sup>62</sup> The Transit First policy is a section of the San Francisco City Charter that directs City officers, boards, commissions, and departments to prioritize public transportation, bicycling, and walking, over use of a private automobile.

<sup>63</sup> Forest City, Pier 70 SUD Project EIR Data Request No. 2, February 6, 2015.

<sup>64</sup> Ibid.

<sup>65</sup> California Employment Development Department, *Regional Economic Analysis Profile: San Francisco Bay Area Economic Market*, February 2015. Available online at <http://www.labormarketinfo.edd.ca.gov/Publications/REA-Reports/SanFranciscoBayArea-REAP2015.pdf>. Accessed November 17, 2015.

all project construction labor needs would readily be met by current residents of San Francisco and the rest of the five-county subregion.

Thus, it is anticipated that construction employees not already living in the City would commute from their permanent residences elsewhere in the Bay Area rather than relocate from more distant cities or towns. Once construction phases are complete, construction workers would typically seek employment at other job sites throughout the region that require their particular construction skill. Therefore, construction of the Proposed Project under the Maximum Residential Scenario would not generate a substantial, unplanned population increase. Temporary, project-related impacts associated with construction employment would be less than significant, and no mitigation measures are necessary.

#### Permanent Employment

There are currently approximately 60 to 70 employees on the project site. Included as part of the Proposed Project, the Port would develop a plan for tenant relocation to the extent required under the California Relocation Assistance Law (California Government Code Section 7260 et seq.), and applicable regulations. The Port would also try to relocate larger-scale tenants to other available, suitable Port property. In accordance with the Term Sheet between the Port and Forest City, Forest City has offered the tenants of Building 11 (the Noonan Building), most of whom are on month-to-month leases, replacement space at Pier 70 after the Noonan Building is demolished, with rent based on the Port's current parameter rent schedule for the Noonan Building. Therefore, all existing employment at the project site would largely remain the same, although some jobs would relocate to a different location.

As shown in Table 4.C.5: Total Employment at Build-Out by Land Use under the Maximum Residential Scenario, the Maximum Residential Scenario would result in approximately 5,599 employees at project completion. The projected employment increase at the project site would represent approximately 0.9 percent of total jobs in the City (617,420) and 1.2 percent of employed residents in the City (460,450) in 2015. As stated under "Total Jobs" on p. 4.C.8, ABAG projects that the number of total jobs in the City will increase to 759,500 in 2040 and that the number of employed residents under the Maximum Residential Scenario would increase to 571,580 by 2040. In 2040, the employment increases would represent approximately 0.7 percent of jobs and 0.9 percent of employed residents in the City. On a Citywide basis, this incremental increase in employment due to implementation of the Maximum Residential Scenario would not be considered significant, and would not exceed the employment growth identified by ABAG. Employment growth is also within the growth projections for the Port of San Francisco PDA (149,684 jobs by 2040).<sup>66</sup>

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<sup>66</sup> ABAG, Plan Bay Area Priority Development Area Showcase, February 2015. Available online at <http://gis.abag.ca.gov/website/PDAShowcase/>. Accessed March 7, 2016.

**Table 4.C.5: Total Employment at Build-Out by Land Use under the Maximum Residential Scenario**

Land Use	Total Employment at Build-Out
<b>28-Acre Site</b>	
Residential (1,870,000 gsf [2,150 units])	77 <sup>1</sup>
Commercial (1,095,650 gsf)	3,970 <sup>2</sup>
Retail/Arts/Light-Industrial (RALI)	
Retail (241,655 gsf)	691 <sup>3</sup>
Restaurant (60,415 gsf)	173 <sup>4</sup>
Arts/Light-Industrial (143,110 gsf)	519 <sup>5</sup>
Open Space (6.5 acres)	2 <sup>6</sup>
Parking (2,708 spaces)	11 <sup>7</sup>
<b>Subtotal</b>	<b>5,443</b>
<b>Illinois Parcels</b>	
Residential (760,000 gsf [875 units])	28 <sup>1</sup>
Commercial (6,600 gsf)	24 <sup>2</sup>
Retail/Arts/Light-Industrial (RALI)	
Retail (27,840 gsf)	80 <sup>3</sup>
Restaurant (6,960 gsf)	20 <sup>4</sup>
Open Space (2.5 acres)	1 <sup>6</sup>
Parking (663 spaces)	3 <sup>7</sup>
<b>Subtotal</b>	<b>156</b>
<b>Total</b>	<b>5,599</b>

*Notes:*

- <sup>1</sup> Residential employment would include security and leasing/administration personnel. Information provided by the project sponsors on October 20, 2015 indicates there would be seven employees per residential building.
- <sup>2</sup> Total employment for commercial land uses was calculated using the “Office – General” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 276 gsf per employee.
- <sup>3</sup> Total employment for retail land uses was calculated using the “General Retail” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 350 gsf per employee.
- <sup>4</sup> Total employment for restaurant land uses was calculated using the “Eating/Drinking” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 350 gsf per employee.
- <sup>5</sup> Total employment for Arts/Light-Industrial land uses was calculated using the “Office – General” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 276 gsf per employee.
- <sup>6</sup> Total employment for open space land uses was calculated using 0.26 employee per acre based on Table III.C-7 from the *Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR*.
- <sup>7</sup> Total employment for parking land uses was calculated using 270 spaces per employee based on Table III.C-7 from the *Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR*.

*Sources:* City of San Francisco, *Transportation Impact Guidelines*, Table C-1, 2002; San Francisco Planning Department, *Candlestick Point-Hunters Point Shipyard Phase II Development EIR*, November 2009, Table III.C-7, p. III.C-12; e-mail communication from Forest City, October 20, 2015

### Maximum Commercial Scenario

#### *Population*

Up to 1,645 new residential units would be developed under the Maximum Commercial Scenario (1,100 on the 28-Acre Site and 545 on the Illinois Parcels), which would result in approximately 3,735 new residents at the project site.<sup>67</sup>

Based on the 2010 U.S. Census, the new residents would represent an approximately 243 percent increase over the total number of residents located in Census Tract 226, which comprises most of the Central Waterfront Area. Although this increase would be large for the project area, it would be not be substantial for the City as a whole, as it would represent 1.3 percent of the total Citywide population growth from 805,235 in 2010 to 1,085,700 in 2040, and 0.03 percent of population growth in the nine-county Bay Area region.<sup>68</sup>

Similar to the Maximum Residential Scenario, the Maximum Commercial Scenario is located within an area of the *Central Waterfront Area Plan*. The project site is one of several PDAs in the City identified by ABAG and the City as an area that could accommodate anticipated housing development and population growth, an objective further supported by the City's *General Plan* Housing Element and ABAG's *Plan Bay Area*. The increase in population from the Proposed Project would not, in itself, result in an adverse physical effect, but would serve to advance key City policy objectives, such as providing housing in appropriate locations next to Downtown and other employment-generating areas, and would further the City's Transit First policies. The anticipated increase in population and density would not result in significant adverse physical effects on the environment. Therefore, the Maximum Commercial Scenario would not directly result in substantial population growth beyond that planned for in the City. Impacts from the Maximum Commercial Scenario on population growth would be less than significant, and no mitigation measures are necessary.

#### *Employment*

##### Temporary Construction Employment

There would be direct, but temporary, growth in construction jobs in the Central Waterfront area as a result of the Proposed Project. Project construction would be phased over approximately 11 years, beginning in 2018 and concluding in 2029. Temporary construction employment would vary, depending on the construction phase. Daily average and maximum (peak) employment is

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<sup>67</sup> ABAG *Projections 2013* estimates 2.27 persons per household in San Francisco for 2015.

<sup>68</sup> ABAG projects that between 2010 and 2040, San Francisco population will increase from 805,235 in 2010 to 1,085,700 in 2040, a total increase of about 280,465 persons. ABAG *Projections 2013*, p. 75.

estimated for the various phases of construction. However, it is assumed that an average of about 70 construction workers would be at the site per day, with a greater number during peak periods of building construction.<sup>69</sup> Peak periods of construction would involve having workers on the site for a combination of building construction, architectural coatings, and paving, with a maximum of 419 total daily workers.<sup>70</sup>

Similar to the Maximum Residential Scenario, construction employees not already living in the City would commute from their permanent residences elsewhere in the Bay Area rather than relocate from more distant cities or towns. Construction jobs are still recovering from the 2007 economic downturn; thus, nearly all project construction labor needs would be readily met by current residents of San Francisco and the rest of the five-county subregion. Once construction phases are complete, construction workers would typically seek employment at other job sites throughout the region that require their particular construction skill. Thus, construction of the Proposed Project under the Maximum Commercial Scenario would not generate a substantial, unplanned population increase. Temporary, project-related impacts associated with construction employment would be less than significant, and no mitigation measures are necessary.

#### Permanent Employment

There are currently approximately 60 to 70 employees on the project site. Included as part of the Proposed Project, the Port would develop a plan for tenant relocation to the extent required under the California Relocation Assistance Law (California Gov. Code Section 7260 et seq.), and applicable regulations. The Port would also try to relocate larger-scale tenants to other available, suitable Port property. In accordance with the Term Sheet between the Port and Forest City, Forest City has offered the tenants of Building 11 (the Noonan Building), most of whom are on month-to-month leases, replacement space at Pier 70 after the Noonan Building is demolished, with rent based on the Port's current parameter rent schedule for the Noonan Building. Therefore, all existing employment at the project site would largely remain the same, although some jobs would relocate to a different location.

As shown in Table 4.C.6: Total Employment at Build-Out by Land Use under the Maximum Commercial Scenario, the Maximum Commercial Scenario would result in approximately 9,768 employees once the project is completed (8,754 on the 28-Acre Site and 1,014 on the Illinois Parcels). The projected employment increase at the project site would represent approximately 1.6 percent of total jobs in the City (617,420) and 2.1 percent of employed residents in the City in 2015 (460,450). As stated under "Total Jobs" on p. 4.C.8, ABAG projects that the number of total jobs in the City will increase to 759,500 in 2040 and that the

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<sup>69</sup> Forest City, Pier 70 SUD Project EIR Data Request No. 2, February 6, 2015.

<sup>70</sup> Ibid.

**Table 4.C.6: Total Employment at Build-Out by Land Use under the Maximum Commercial Scenario**

Land Use	Total Employment at Build-Out
<b>28-Acre Site</b>	
Residential (957,000 gsf [1,100 units])	35 <sup>1</sup>
Commercial (2,024,050 gsf)	7,334 <sup>2</sup>
Retail/Arts/Light-Industrial (RALI)	
Retail (238,485 gsf)	682 <sup>3</sup>
Restaurant (59,620 gsf)	171 <sup>4</sup>
Arts/Light-Industrial (143,110 gsf)	519 <sup>5</sup>
Open Space (6.5 acres)	2 <sup>6</sup>
Parking (2,849 spaces)	11 <sup>7</sup>
<b>Subtotal</b>	<b>8,754</b>
<b>Illinois Parcels</b>	
Residential (473,000 gsf [545 units])	14 <sup>1</sup>
Commercial (238,300 gsf)	864 <sup>2</sup>
Retail/Arts/Light-Industrial (RALI)	
Retail (36,590 gsf)	105 <sup>3</sup>
Restaurant (9,145 gsf)	27 <sup>4</sup>
Open Space (2.5 acres)	1 <sup>6</sup>
Parking (647 spaces)	3 <sup>7</sup>
<b>Subtotal</b>	<b>1,014</b>
<b>Total</b>	<b>9,768</b>

*Notes:*

- <sup>1</sup> Residential employment would include security and leasing/administration personnel. Information provided by the project sponsors on October 20, 2015, indicates that there would be seven employees per residential building.
- <sup>2</sup> Total employment for commercial land uses was calculated using the “Office – General” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 276 gsf per employee.
- <sup>3</sup> Total employment for retail land uses was calculated using the “General Retail” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 350 gsf per employee.
- <sup>4</sup> Total employment for restaurant land uses was calculated using the “Eating/Drinking” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 350 gsf per employee.
- <sup>5</sup> Total employment for Arts/Light-Industrial land uses was calculated using the “Office – General” Land Use Type in Table C-1 of the *Transportation Impact Guidelines*, which indicates that average density is 276 gsf per employee.
- <sup>6</sup> Total employment for open space uses was calculated using 0.26 employees per acre based on Table III.C-7 from the *Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR*.
- <sup>7</sup> Total employment for parking uses was calculated using 270 spaces per employee based on Table III.C-7 from the *Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR*.

*Sources:* City of San Francisco, *Transportation Impact Guidelines*, Table C-1, 2002; San Francisco Planning Department, *Candlestick Point-Hunters Point Shipyard Phase II Development EIR*, November 2009, Table III.C-7, p. III.C-12; e-mail communication from Forest City, October 20, 2015

number of employed residents under the Maximum Commercial Scenario would increase to 571,580 by 2040. In 2040, the employment increases would represent approximately 1.3 percent of jobs in the City and 1.7 percent of employed residents in the City. On a Citywide basis, this incremental increase in employment due to implementation of the Maximum Commercial Scenario would not be considered significant, and would not exceed the employment growth identified by ABAG.

**Impact PH-2: The Proposed Project would not displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing elsewhere. (*Less than Significant*)**

Maximum Residential Scenario

The Maximum Residential Scenario would result in new construction of 1,102,250 gsf of commercial uses, 269,495 gsf of retail uses, 67,375 gsf of restaurant uses, and 143,110 gsf of arts/light-industrial uses. As discussed under “Housing” on p. 4.C.3, no housing units are located on the project site; therefore, the Proposed Project would not displace existing housing. However, the projected increase in employment on the site would be expected to indirectly increase demand for housing.

Assuming each new employee on the project site would live alone and seek a new housing unit in the City, the Maximum Residential Scenario would induce demand for 5,599 new housing units (5,443 on the 28-Acre Site and 156 on the Illinois Parcels). This figure likely overstates the induced housing demand of the Maximum Residential Scenario, as (1) some employees may already live in the City and would not require new housing; (2) some employees may share a housing unit (rather than live alone); and (3) some employees would be expected to seek housing outside of the City.

A more realistic approach based on current commute patterns assumes 27.3 percent of jobs in San Francisco are held by commuters (and 72.7 percent of jobs are held by those who live in the City)<sup>71</sup> and that each household has approximately 1.27 workers. Under this assumption, the Maximum Residential Scenario would induce demand for about 3,205 housing units (3,115 on the 28-Acre Site and 90 on the Illinois Parcels).<sup>72</sup> However, it is probable that many employees would already live in San Francisco or other parts of the Bay Area and would not require new housing due to the Proposed Project. Therefore, this estimate of induced housing demand likely overestimates the number of employees who would move to the Bay Area as a result of the Proposed Project.

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<sup>71</sup> San Francisco Planning Department, Data and Needs Analysis, p. I.14, indicates that 27.3 percent of the jobs in the City are held by commuters.

<sup>72</sup> San Francisco Planning Department, Data and Needs Analysis, p. I.14, indicates that the City of San Francisco has an average of 1.27 workers per household in 2015.

As part of the Maximum Residential Scenario, 3,025 new residential units would be constructed on the project site (2,150 on the 28-Acre Site and 875 on the Illinois Parcels), which would represent approximately 94 percent of the project's estimated induced housing demand. Depending on the number of new project employees who would share housing and who already live in the area, it is possible that the induced housing demand of the Maximum Residential Scenario could exceed the amount of housing that would be provided on the project site.

A portion of the Proposed Project's employment growth would be considered substantial if it resulted in housing demand that would exceed anticipated on-site, Citywide, and regional housing development. The housing demand for 3,205 residential units could be met with the new residential units proposed under the Maximum Residential Scenario, when considered in the context of the projected growth in the project area and Citywide. The induced housing demand would not exceed the number of projected housing units that would likely be developed under various area-wide planning efforts, including the Candlestick Point-Hunters Point Project, the Treasure Island / Yerba Buena Island Redevelopment Plan, and the Parkmerced Project. The induced demand for 3,205 residential units represents approximately 13.3 percent of the projected 24,180 housing units that could be developed. In addition, this demand would also be within the 28,869 and 187,990 new housing units that ABAG has allocated to San Francisco and other Bay Area cities, respectively, in the *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*.<sup>73</sup>

The non-residential development at the project site would be subject to San Francisco's Jobs-Housing Linkage Fee (Planning Code Section 413). The fee would apply to the gross square feet of new office, retail, restaurant, and RALI uses, to mitigate the impact of employment growth on housing supply and affordability. The Jobs-Housing Linkage Fee revenue would be deposited in the Citywide Affordable Housing Fund to be used to increase the supply of affordable housing in San Francisco.

For the reasons stated above, the Maximum Residential Scenario would not displace existing housing or create a substantial demand for housing that could not be accommodated by on-site residential development and by anticipated Citywide and regional development, including affordable housing that would be developed as a result of Jobs-Housing Linkage Fee revenue. Therefore, displacement impacts of the Proposed Project would be less than significant, and no mitigation is necessary.

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<sup>73</sup> ABAG, *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, p. 1.



Maximum Commercial Scenario

Assuming each new employee on the project site would live alone and seek a new housing unit in the City, the Maximum Commercial Scenario would induce demand for 9,768 new housing units. However, this figure likely overstates the induced housing demand of the Maximum Commercial Scenario because some employees would likely already live in the City, share a housing unit, or live outside of the City.

A more realistic approach based on current commute patterns assumes 27.3 percent of jobs in San Francisco are held by commuters (and 72.7 percent of jobs are held by those who live in the City) and that each household has approximately 1.27 workers. Under this assumption, the Maximum Commercial Scenario would induce demand for about 5,592 housing units (5,011 on the 28-Acre Site and 581 on the Illinois Parcels).<sup>74,75</sup> Similar to the Maximum Residential Scenario, it is probable that many employees would already live in the City or Bay Area and would not require new housing due to the Proposed Project. Therefore, this estimate of induced housing demand likely overestimates the number of employees who would move to the San Francisco Bay Area as a result of the Proposed Project.

As part of the Maximum Commercial Scenario, 1,645 new residential units would be constructed on the project site (1,100 on the 28-Acre Site and 545 on the Illinois Parcels), which would accommodate approximately 29.4 percent of the estimated induced housing demand. Depending on the number of new project employees who would share housing and who already live in the area, it is possible that the induced housing demand of the Maximum Commercial Scenario would exceed the amount of housing being provided on the project site.

The Proposed Project's employment growth would be considered substantial if it resulted in housing demand that would exceed anticipated on-site, Citywide, and regional housing development. A comparison of the estimated induced housing demand and the number of housing units that would be developed as part of the Maximum Commercial Scenario indicates that a substantial imbalance would not occur, as the worst-case scenario of the induced demand for 5,592 housing units would represent approximately 23.1 percent of the projected 24,180 units that could be developed under various area-wide large-scale housing projects, including the Candlestick Point-Hunters Point Project, Treasure Island / Yerba Buena Island Redevelopment Plan, and the Parkmerced Project. In addition, the *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022* has determined that 28,869 and 187,990 new housing units are

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<sup>74</sup> San Francisco Planning Department, Data and Needs Analysis, p. 14, indicates that 27.3 percent of the jobs in the City are held by commuters.

<sup>75</sup> San Francisco Planning Department, Data and Needs Analysis, p. 14, indicates that the City of San Francisco has an average of 1.27 workers per household.

required for San Francisco and other Bay Area cities, respectively, between 2014 and 2022, substantially more than the 5,592 residential units that could be required under the Maximum Commercial Scenario.<sup>76</sup>

The non-residential development at the project site would be subject to San Francisco's Jobs-Housing Linkage Program (Planning Code Section 413). The Jobs-Housing Linkage Fee would apply to the gross square feet of new commercial, retail, restaurant, and arts/light-industrial uses, to mitigate the documented impact of employment growth on housing supply and affordability. The Jobs-Housing Linkage Fee revenue would be deposited in the Citywide Affordable Housing Fund to be used to increase the supply of affordable housing in San Francisco.

For the reasons stated above, the Maximum Commercial Scenario would not create a substantial demand for housing that could not be accommodated by on-site residential development and by anticipated Citywide and regional development, including housing that would be developed as a result of Jobs-Housing Linkage Fee revenue. Therefore, displacement impacts of the Proposed Project would be less than significant, and no mitigation is necessary.

### **Cumulative Impacts**

**Impact C-PH-1: The Proposed Project under the Maximum Residential and Maximum Commercial scenarios, in combination with past, present, and reasonably foreseeable future projects, would not result in a cumulatively considerable contribution to significant cumulative population and housing impacts. (*Less than Significant*)**

The geographic context for the analysis of cumulative impacts on population and housing is the City and the Bay Area region. The Proposed Project would potentially contribute to cumulative population and housing impacts in the context of existing, proposed, and reasonably foreseeable future development expected in San Francisco along with the region. The existing level of development in the City and region, described in the Environmental Setting on pp. 4.C.2–4.C.10, represents the baseline conditions for the evaluation of cumulative impacts. Population and employment forecasts are based on projections of future growth and take into account projects currently under review in the entitlement process.

The geographic context for an analysis of cumulative impacts to employment includes the entire Bay Area (as represented by the ABAG Planning Area<sup>77</sup>), since a percentage of the City population commutes to jobs outside City limits, and significant numbers of residents of other cities in the Bay Area commute to jobs within the City. The existing employment conditions,

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<sup>76</sup> ABAG, *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, p. 1.

<sup>77</sup> The ABAG Planning Area encompasses the nine Bay Area counties: Sonoma, Napa, Solano, Marin, Contra Costa, San Francisco, Alameda, San Mateo, and Santa Clara.

representing past and present trends in this geographic area, are described in the Environmental Setting on pp. 4.C.8-4.C.10.

### Population

ABAG's *Projections 2013* estimates an increase in San Francisco of 101,539 households (447,350 total households), 280,465 persons (1,085,700 total population), and 190,780 jobs (759,500 total jobs) from 2010 to 2040.<sup>78</sup> About 92 percent of the anticipated number of households and about 88 percent of the anticipated population growth will occur in San Francisco's PDAs.<sup>79</sup> At the regional level ABAG's *Projections 2013* indicates that about 78 percent of anticipated housing growth and about 69 percent of anticipated population growth would occur within PDAs.<sup>80,81</sup>

The population increase associated with the Proposed Project would exceed the 2040 household (1,497) and population (3,059) estimates for the Port of San Francisco PDA<sup>82</sup> but would be within the 2040 estimates for the adjacent PDAs (26,880 new households and 79,100 new persons) and the City (101,539 new households and 280,465 new persons). The PDAs adjacent to the project site are the Eastern Neighborhoods, Mission Bay, and Bayview/Hunters Point Shipyard/Candlestick Point. The Mission Bay PDA is to the north, the Eastern Neighborhoods PDA is to the west, and the Bayview/Hunters Point Shipyard/Candlestick Point PDA is to the south. These PDAs are Urban Neighborhood Place Types (primarily moderate- to high-density residential areas with local-serving retail services and other small business or older industrial uses). The Eastern Neighborhoods, Mission Bay, and Bayview/Hunter's Point Shipyard/Candlestick Point PDA populations are anticipated to grow by 31,060, 40,850, and 7,190 residents, respectively. When considered at the Citywide and regional level, the population increase attributable to the Proposed Project would not be considered substantial because it would not exceed population increases identified by ABAG for the adjacent PDAs (when considered together), for the City as a whole, or for the nine-county Bay Area region. The City's long-range planning efforts take into account anticipated population growth as well as demand on infrastructure, public services, and housing. Consequently, implementation of the Proposed

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<sup>78</sup> These calculations are based on ABAG *Projections 2013*, pp. 74-75.

<sup>79</sup> ABAG, *Projections 2013*, p. 71.

<sup>80</sup> ABAG, *Projections 2013*, p. 17.

<sup>81</sup> San Francisco Priority Development Areas include Bayview/Hunters Point Shipyard/Candlestick Point; Balboa Park; Downtown-Van Ness-Geary; Eastern Neighborhoods; Mission Bay; Port of San Francisco; Transbay Terminal; Treasure Island; San Francisco/San Mateo Bi-County Area (with Brisbane); 19<sup>th</sup> Avenue Corridor; Market and Octavia; and Mission-San Jose Corridor.

<sup>82</sup> ABAG, Plan Bay Area Priority Development Area Showcase, February 2015. Available online at <http://gis.abag.ca.gov/website/PDAShowcase/>. Accessed March 7, 2016.

Project would not contribute substantially to significant cumulative impacts associated with population and housing growth.

The Proposed Project would directly increase the on-site population within the context of an established urban area with high levels of local and regional transit services and facilities, and would include other neighborhood amenities and services that could accommodate this increase. This direct population growth is considered planned growth, because the Proposed Project has been included in the City's population planning projections. By 2040, approximately 88 percent of San Francisco's projected population growth is expected to occur within PDAs, which includes the project site.<sup>83</sup> Although the scale of residential development from the Proposed Project would be greater than the estimated 2040 household and population estimates identified by ABAG for the Port of San Francisco PDA, the development of residential uses in this area would conform with ABAG and the City's designation of the Port of San Francisco as one of 12 PDAs that are served by existing utilities, infrastructure, and transit, and with the potential to accommodate future population and housing growth in the City and Bay Area region.<sup>84</sup>

Indirect growth (or unplanned growth) includes residential and employment growth in surrounding neighborhoods resulting from an expansion of local infrastructure and public services. The Proposed Project would improve the on-site infrastructure and transportation network, but would not build or expand infrastructure or public services that could encourage additional local growth beyond that already planned. Therefore, the Proposed Project would not result in substantial indirect population or employment growth.

For the reasons stated above, the Proposed Project would not have a cumulatively considerable contribution to any potential cumulative impact related to substantial increases in population, and its cumulative impact would be less than significant.

### Housing

As identified in ABAG's *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, the regional housing needs allocation for the nine-county Bay Area is 187,990 residential units, with San Francisco's share at 28,869 units. The Maximum Residential Scenario would provide approximately 3,025 new residential units, or 10.4 percent of the City's regional housing needs allocation and 1.6 percent of the total regional housing need. The Maximum Commercial Scenario would provide approximately 1,645 new residential units, or 5.7 percent of the City's

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<sup>83</sup> ABAG, *Projections 2013*, p. 71.

<sup>84</sup> San Francisco County Priority Development Areas include Bayview/Hunters Point Shipyard/Candlestick Point; Balboa Park; Downtown-Van Ness-Geary; Eastern Neighborhoods; Mission Bay; Port of San Francisco; Transbay Terminal; Treasure Island; San Francisco/San Mateo Bi-County Area (with Brisbane); 19<sup>th</sup> Avenue Corridor; Market and Octavia; and Mission-San Jose Corridor.

regional housing needs allocation and 0.9 percent of the total regional housing need. As noted under “Housing Needs” on pp. 4.C.5-4.C.8, over the course of the past several decades construction of housing in the region has failed to keep pace with population growth in the Bay Area. Population growth is predicted to continue to grow at a relatively moderate rate through 2040, and the region is still attempting to make up for housing shortages from previous growth periods. The Proposed Project would help reduce the housing shortage and would not contribute to significant unplanned population growth.

The demand for 3,205 to 5,592 housing units that would be generated by employment under the Maximum Residential and Maximum Commercial Scenarios, respectively, would be more than the total number of units provided by the Proposed Project. However, the housing demand could be met with units developed under various Citywide and regional planning efforts, on-site development, and housing built as a result of the Jobs-Housing Linkage Fee. As a result, the Proposed Project’s contribution to the substantial cumulative housing shortage in the Bay Area would be less than significant.

#### *Housing Demand*

The demand for housing units outside of the City generated by the Proposed Project, conservatively assuming that 27.3 percent of those employed within the project site would commute from outside of San Francisco, would be dispersed throughout the nine-county Bay Area. The Proposed Project would create a demand for housing in San Francisco in excess of the on-site residential development; however, anticipated household growth in adjacent PDAs (26,880), at the citywide level (101,539), and at the regional level (700,067) estimated in ABAG’s *Projections 2013* could accommodate this additional demand. Therefore, the population growth associated with increased project-related employment would not result in a housing demand that would exceed planned regional housing development, and would not be substantial. Because the employment increase associated with the Proposed Project would not be individually substantial or contribute to an exceedance of the City’s employment projections, the Proposed Project would not result in a cumulatively considerable contribution to a potentially significant cumulative impact related to employment. Cumulative impacts related to physical environmental topics (like transportation, noise, and air quality) are discussed in other sections of Chapter 4 in this EIR.

#### Employment

Development at the project site would provide about 5,599 (under the Maximum Residential Scenario) to 9,768 (under the Maximum Commercial Scenario) new permanent jobs by 2030 (in addition to temporary construction-related jobs generated by the Proposed Project). Regional projections indicate that by 2040 the San Francisco Bay Area will have about 4,505,230 jobs

(from 3,669,990 in 2015), an increase of 835,240 jobs. Citywide projections indicate that by 2040 San Francisco will have about 759,500 jobs (from 617,420 in 2015), an increase of 142,080 jobs.<sup>85</sup> The Proposed Project's contribution of 5,599 to 9,768 new permanent jobs would represent about 0.6 to 1.2 percent of the anticipated increase in regional employment and about 4 to 7 percent of the anticipated employment growth in San Francisco through 2040.

San Francisco has traditionally experienced, and will continue to experience, employment opportunities that are not met by an equal supply of housing within the City, or even the Bay Area. The demand for 3,205 to 5,592 housing units that would be generated by employment under the Maximum Residential Scenario and the Maximum Commercial Scenario, respectively, would be more than the total number of units provided by the Proposed Project. However, the housing demand could be met with units that could be developed under various Citywide and regional planning efforts and housing built as a result of the Jobs-Housing Linkage Fee. Therefore, the population growth associated with increased project-related employment would not result in housing demand that would exceed planned housing development, and would not be substantial. Because the employment increase associated with the Proposed Project would not be individually substantial or contribute to an exceedance of ABAG's employment projections for the City, the Proposed Project would not result in a cumulatively considerable contribution to a potentially significant cumulative impact related to employment.

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<sup>85</sup> ABAG, *Projections 2013*, p. 74.