

Supplemental Analysis of 469 Stevenson Street

Regarding Potential Gentrification and Displacement Impacts

Prepared for
San Francisco Planning Department

Prepared by
Seifel Consulting, Inc.



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Executive Summary

On July 29, 2021, the San Francisco Planning Commission (Planning Commission) certified the final EIR for the proposed mixed use development at 469 Stevenson Street (Proposed Project or project). On August 27, 2021, a letter was filed with the Clerk of the San Francisco Board of Supervisors (Board of Supervisors) appealing certification of the final EIR. The Board of Supervisors held a public hearing on October 26, 2021 to consider the appeal of the certified final EIR. The Board of Supervisors granted the appeal and reversed the final EIR certification. On December 14, 2021, the Board of Supervisors adopted findings (Motion No. M21-182) in support of its decision to grant the appeal of the final EIR certification. The findings state:

“MOVED, That this Board of Supervisors finds that the Final EIR contains inadequate analysis and information regarding potential impacts to historic resources; potential geotechnical impacts resulting from construction of the project; potential physical impacts resulting from gentrification and displacement of local residents; and potentially feasible mitigation measures and alternatives to address significant impacts in those impact areas, all of which were either improperly and prematurely scoped out of the EIR and studied only in the Initial Study, or studied in the EIR with insufficient analysis and evidence...”

This report provides analysis prepared by Seifel Consulting, Inc. (Seifel) to address the Board of Supervisors’ findings and direction to the Planning Department to further study the potential physical impacts resulting from potential gentrification and displacement impacts of the Proposed Project. In response to the Board’s findings, the Planning Department directed Seifel to conduct a peer review of the 2020 Socioeconomic Report prepared by ULH Regional & Urban Economic and conduct further analysis of the Proposed Project’s potential gentrification and displacement effects. Seifel’s peer review concludes that the 2020 Socioeconomic Report’s key findings are thoroughly documented and accurately reflect the socioeconomic analysis available at the time of its preparation. However, new research provides a different perspective on these findings, and Seifel’s peer review indicated that supplemental research and analysis should be performed to address the findings by the Board of Supervisors. That supplemental analysis has been prepared and is presented in the accompanying report.

As indicated in research reviewed for this report, displacement and gentrification are the result of a complex set of social and economic forces at both the local and regional scale. The construction of insufficient new housing over the past three decades, coupled with strong economic and job growth in the Bay Area region, including San Francisco, has intensified housing demand, which has led to increases in home prices and rents. These changes have contributed to gentrification and intensified displacement pressures throughout the region and in the City.

Researchers, planners and policy makers use different definitions to describe and measure gentrification and displacement, as well as to categorize the various types of displacement that may occur. The research indicates that gentrification may happen without displacement, and displacement may happen without gentrification. It also indicates that the process of gentrification can have both negative and positive impacts on residents, businesses and community organizations.

The California Environmental Quality Act (CEQA) guidelines section 15382 states, “An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant.” This analysis evaluates the potential for gentrification and displacement to occur from the Proposed Project, including any potential residential displacement and potential cultural displacement associated with the SoMa Pilipinas Filipino Cultural Heritage District. This report does not evaluate whether any potential physical effects on the environment could result from any potential gentrification and displacement caused by the Proposed Project.

The analysis in this report presents a broad variety of anti-displacement strategies that are being implemented by the City and through development projects in the SoMa and Tenderloin neighborhoods surrounding the Proposed Project (referred to as the “Surrounding Area”). These anti-displacement strategies include, but are not limited to, the protection of about three-quarters of residential units in the Surrounding Area through their status as affordable housing subject to long term regulatory restrictions or units subject to rent control, as well as the planned production of about 2,700 units of affordable housing in the Surrounding Area, including the 73 inclusionary units that would be provided by the Proposed Project and the 27-40 additional affordable units that the Proposed Project would help fund, as further described in the analysis below.

Table 1 below contains a summary of the findings presented in this report.

Table 1: Summary of Gentrification and Displacement Analysis Findings

Subtopic	Finding
Gentrification¹	<p>Several subareas within the Surrounding Area around the Proposed Project have experienced early/ongoing gentrification or advanced gentrification according to the Urban Displacement Project (UDP). These are existing conditions not attributable to the Proposed Project.</p> <ul style="list-style-type: none"> – The Proposed Project could increase the number of upper income households in the Surrounding Area (approximately 400 renter households of above moderate income earning \$150,000 or more based on a typical average occupancy level of 95 percent for market rate units). However, the distribution of renter households by income level would not shift substantially in the Surrounding Area as the result of the Proposed Project. Instead, the shift in household income level as the result of the Project would likely range from about 0% to 1% within each major income group. For example, the proportion of above moderate income households in the Surrounding Area is projected to shift from 17% to 18% with the Proposed Project, which would continue to be substantially less than the proportion of above moderate income households in the City as a whole (18% versus 36% citywide). – Of note, above moderate income households may have moved into existing housing in the Surrounding Area or could continue to move there with or without the Proposed Project. Lastly, the planned pipeline of affordable housing in the Surrounding Area coupled with other residential anti-displacement strategies would address both gentrification and displacement pressures, as further described below.
Physical (direct) displacement²	<p>No direct, physical displacement would occur from the Proposed Project as it is currently a parking lot without any buildings that house residents or culturally significant institutions, community organizations or businesses.</p>

¹ Gentrification is defined as a broad pattern of neighborhood change typically characterized by increases in the number of higher income households and increases in home values and/or rents over an extended period of time, for example ten years or more. Gentrification results from both flows of capital and people. The extent to which gentrification is linked to racial transition and other socioeconomic indicators differs across neighborhoods contexts.

² Physical (direct) displacement occurs as the result of eviction, acquisition, rehabilitation, or demolition of a property, or the expiration of covenants on rent- or income-restricted housing.

<p>Economic (indirect) displacement³</p>	<p>Economic displacement has likely occurred historically within the Surrounding Area of the Proposed Project. These are existing conditions not attributable to the Proposed Project.</p> <ul style="list-style-type: none"> – While the Planning Department had previously determined that substantial evidence did not establish a correlation between market rate housing development and the rate of involuntary displacement, UDP's March 2022 Policy Brief 1 studies how new market rate housing production affects residential displacement in the Bay Area and finds that new market rate housing production may increase displacement for lower income people under certain circumstances.⁴ – UDP's research indicates that a new market rate housing development may slightly increase displacement for lower income households in its immediate vicinity, but the increase in rates of displacement (involuntary moves) for very low to moderate socio-economic groups are not as high as commonly believed. – UDP found this rate to be 0.5 percent to 2 percent above normal annual rates of neighborhood churn (i.e., people moving out of the neighborhood and people moving in) for a four year period, while stating that more research is needed to understand these effects in different contexts and over the long term. – Based on applying the research methodology described in UDP's Policy Brief 1, the projected range of residential displacement impacts from the Proposed Project could be less than 10 to 41 households, when assuming that all households living nearby are lower to moderate income households who would be vulnerable to displacement.⁵ As indicated in Policy Brief 1, this range of displacement impacts could be addressed by one mid-size apartment building with entirely affordable or subsidized units. On site, affordable inclusionary units would also address the potential displacement impacts. – UDP also found that new market rate construction neither worsens nor eases the rates of people moving out of gentrifying areas, and the portion of the Surrounding Area where the Proposed Project is located is experiencing early/ongoing gentrification according to UDP.⁶ – Given the residential anti-displacement strategies of the Proposed Project and those being implemented by the City, including affordable housing production, housing preservation and protection of about 75% of units in the Surrounding Area, residential displacement from the project would likely be addressed. However, it cannot be concluded with certainty that a particular household or households would or would not be displaced as a result of the Proposed Project.
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³ Economic (indirect) displacement occurs when residents, businesses or organizations can no longer afford escalating rents or property taxes (and must move out). Residential displacement is a subset of economic displacement that occurs when residents can no longer afford to stay in their homes or are forced to move because of conditions beyond their control.

⁴ https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

⁵ UDP's Policy Brief 1 analyzes household movement from market rate development based on its effect on households living nearby within the surrounding census block group. The Proposed Project is located in block group 2 of census tract 176.02 according to the 2020 Census.

⁶ <https://www.urbandisplacement.org/blog/does-new-market-rate-housing-displace-low-income-people/>

<p>Exclusion or exclusionary displacement⁷</p>	<p>Based on an analysis of historical CoStar data on market rate rents in the Surrounding Area, average monthly rents for market rate units in the Surrounding Area are more affordable than the City as a whole and have increased at a slower pace than inflation over the past two decades. These market conditions coupled with the relatively high vacancy rate of 7.1% indicate that the Surrounding Area is not experiencing a rapid rise in market rents or exclusionary pressures.</p> <ul style="list-style-type: none"> – While market rents are more affordable in the Surrounding Area than citywide, the average market rent in the Surrounding Area is currently affordable to moderate income households and not lower income households, which indicates some level of exclusion. This is true for many neighborhoods across San Francisco and in the Bay Area. – The Proposed Project would include 73 onsite inclusionary units that would be affordable to very low, low, and moderate income households, and 422 market rate units that would likely have market rents that are affordable to above moderate income households. As the building of 73 affordable units onsite would not occur without its development, the Proposed Project could increase inclusion as the total number of affordable units in the Surrounding Area would increase. – While the market rate units in the project would likely only be affordable to above moderate income households, the residential anti-displacement strategies of the Proposed Project and those being implemented in the Surrounding Area by the City would provide housing affordable at lower incomes and address potential displacement effects. Furthermore, the production of new market rate and affordable housing in the Proposed Project and the Surrounding Area will help alleviate displacement pressures by increasing housing supply, and market rents in the Surrounding Area may stabilize or decrease as additional housing becomes available.
<p>Cultural Displacement⁸</p>	<p>A review of academic research indicates that research studies use different definitions and methodologies to measure cultural displacement, and comparatively few research studies have been done to measure cultural displacement impacts compared with research that has been conducted to analyze and measure residential displacement impacts.</p> <ul style="list-style-type: none"> – This report presents information regarding non-residential cultural assets that are part of the SOMA Pilipinas Filipino Cultural Heritage District (SOMA Pilipinas Filipino CHD or District). The cultural assets within the District are composed of community landmarks, nonprofit organizations and businesses, per their District map. The report then analyzes whether the cultural assets may have some form of protection that would preserve their cultural heritage, for example if the asset is located on publicly owned property, property that is owned or ground leased by a nonprofit entity or designated as an historic resource. – All of the non-residential community landmarks and almost all of the nonprofit organizations in the District are located on publicly owned property or on property that is owned by or ground leased to a nonprofit, which helps to protect these cultural assets

⁷ Exclusion or exclusionary displacement occurs when a lower income household cannot afford to move into an area given the cost of housing relative to their household income, which typically is the result of rising rents and/or home prices that contribute to the area becoming exclusive.

⁸ Displacement that occurs when there is a loss of historically and culturally significant institutions, organizations and businesses associated with a particular race, ethnicity, or other culturally significant group, which could occur either directly or indirectly. Such loss could also contribute to the loss of residents associated with that culture in the area, as the institution, organization, or business may serve as an anchor, place of employment, gathering place, place of commercial activity, etc. for that culture.

	<p>from displacement. Two of the Filipino businesses are located in Bayanihan House, owned by the local nonprofit Tenant and Owners Development Corporation (TODCO).</p> <ul style="list-style-type: none"> – Most of the businesses do not appear to have been in the District for more than a decade, and none appear to be listed as a legacy business. This indicates that business turnover has likely occurred historically and will likely continue to occur irrespective of the Proposed Project. – All of the residential cultural assets that consist of buildings with a significant Filipino population in the District or Surrounding Area are either located in affordable housing developments or in residential buildings subject to rent control that provide protections to existing tenants. – Based on an analysis of US Census data, the Filipino population size has likely remained stable or grown over the past two decades in the Surrounding Area, and the Surrounding Area has a higher proportion of Filipino residents (about 8.7%) compared to the City average (about 5.3%) in 2020.⁹ – However, it cannot be concluded with certainty that a cultural asset would or would not be displaced as a result of the Proposed Project.
<p>Residential Anti-Displacement Strategies¹⁰</p>	<p>Numerous residential anti-displacement strategies are being implemented by the Proposed Project and the City in the Surrounding Area, which were recommended by the research studies reviewed for this report to address potential residential displacement impacts from market rate housing, as summarized below.</p> <ul style="list-style-type: none"> – Proposed Project– The Proposed Project would incorporate both required and voluntary housing production strategies including the required provision of 73 onsite affordable units,¹¹ required payment of \$8 million in housing fees that could potentially support between 27-40 units of additional affordable housing units in the Surrounding Area, voluntary donation of property in the vicinity of the Proposed Project at 59 6th Street for community benefit use that could include affordable housing, and voluntary efforts to negotiate a lease for an urban rest and sleep center Helen Hotel at 166 Turk Street. – Housing Production– The City is in the process of approving numerous housing developments within the Surrounding Area, which would include about 1,600 housing units in 100% affordable housing developments. – Housing Preservation– The City has implemented a broad range of preservation strategies including preservation of federally subsidized housing, no-net-loss, one-for-one replacement strategies, Single Room Occupancy (SRO) residential rent and conversion controls, property rehabilitation and preservation programs (that include buildings with high proportions of Filipino tenants), and facilitation of community land banking/community control.

⁹ The US Census Bureau has not yet released 2020 Census data regarding the distribution of the Asian population by ethnicity, including Filipino. As further described in the report, historical 2000 and 2010 Census data on the Filipino population is compared with estimates of the 2020 Filipino population that were prepared using 2020 Census population data in combination with survey data regarding the proportion of the Filipino population in the Surrounding Area from the 2020 American Community Survey. The Filipino population estimate for 2020 indicates that the Filipino population has likely remained relatively stable or grown from 2000 to 2020 in the Surrounding Area, although it may have declined since 2000 if the 2020 Filipino population estimate is overstated.

¹⁰ The collection of policies, programs, strategies, components, actions, and laws that are focused on counteracting residential displacement pressures by addressing potential impacts on residents.

¹¹ The Proposed Project would develop 495 residential units and must provide at least 13 percent of the base project’s residential units as onsite affordable units.

	<ul style="list-style-type: none"> – Tenant Protection and Housing Stabilization– In addition to the housing preservation strategies described above, the City has funded and facilitated tenant protection and housing stabilization strategies including tenant rental assistance to lower income households, rent stabilization and control, tenant counseling and right to legal counsel, the Code Enforcement Outreach and SRO Collaborative Programs, tenant right to purchase, foreclosure assistance, and other homeowner assistance programs.
<p>Cultural Anti-Displacement Strategies¹²</p>	<p>Numerous cultural anti-displacement strategies are being implemented by the Proposed Project and the City, as recommended by publications that were reviewed for this report and would address potential cultural displacement impacts in the Surrounding Area as summarized below.</p> <ul style="list-style-type: none"> – Proposed Project– The Proposed Project would include both required and voluntary cultural anti-displacement strategies focused on arts and culture protection, business retention and stabilization, and workforce development and education in the Surrounding Area. These include the required provision of public art (which would voluntarily include art that recognize the Filipino community’s history, culture, and contributions), first source hiring programs and about 4,000 square feet of ground floor commercial space. The Project Sponsor has voluntarily committed to provide this commercial space at below market rents to community-serving retail and community organizations (accompanied by the donation of skilled labor services to improve the space for occupancy), provide funding for local community organizations and promote local hiring and workforce development. – Community, Arts and Cultural Stabilization– The City has implemented a variety of strategies to help stabilize and preserve arts and culture including the Cultural District initiative, historic resource and landmark designations, Community Investment Program, Nonprofit Sustainability Initiative, Community Cornerstones (which includes grants for property acquisition and lease stabilization), health and social services for vulnerable populations (including Filipino children and youth), provision of public art, improvement of the public realm, and the citywide Public Space Initiative. – Community, Business and Workforce Stabilization– The City has implemented a variety of strategies to support and grow local businesses and the local workforce including the Legacy Business Program,¹³ other programs and initiatives by the Office of Economic and Workforce Development (OEWD) and its Office of Small Business programs to sustain local businesses and commercial corridors (such as Invest in Neighborhoods) and the SoMa West Community Benefit District(CBD), which is the largest of the City’s CBDs and surrounds the project.

¹² The collection of policies, programs, strategies, components, actions, and laws that are focused on counteracting cultural displacement pressures by addressing impacts on businesses and organizations that are critical to a community’s culture.

¹³ As indicated earlier, none of the Filipino businesses identified as cultural assets appear to be listed on the City’s Legacy Business website, which would align with the City’s Cultural District goals to support legacy businesses and serve as a cultural anti-displacement strategy for long standing Filipino businesses.

Conclusion

The portion of the Surrounding Area where the Proposed Project is located is experiencing early/ongoing gentrification according to UDP. Based on the research publications reviewed for this report and the analysis presented in Section G, the Proposed Project might contribute to gentrification and economic (indirect) displacement because the Proposed Project would add approximately 400 new above moderate-income households to the Surrounding Area and could potentially indirectly displace between 10 and 41 households. However, research indicates that new market rate construction neither worsens nor eases the rates of people moving out of gentrifying areas.

As described in Section H of the report, while most cultural assets in the SOMA Pilipinas Filipino CHD have some level of protection (e.g., are located on publicly owned property or on property that is owned or ground leased to a nonprofit or have a historic resource designation), some cultural assets do not. Thus, some cultural assets would be more vulnerable to cultural displacement pressures. However, it is not possible to quantify or know if the Proposed Project would displace cultural assets.

The Proposed Project includes residential and cultural anti-displacement strategies that would likely lessen potential gentrification, exclusion, and indirect displacement effects from the Proposed Project in the Surrounding Area, and the City is implementing numerous complementary anti-displacement strategies in the Surrounding Area that are recommended by the publications reviewed for this report. Specifically, the anti-displacement strategies of the Proposed Project include the project's provision of 422 market rate units and the required provision of 73 on-site affordable housing units, approximately \$8 million in affordable housing funds, incorporation of public art, first source hiring programs, and designation of two ground floor spaces at approximately 4,000 square feet, which would voluntarily be provided at below market rate rents for community-serving retail and community spaces.

The City is implementing numerous housing production, housing preservation, tenant protection and housing stabilization strategies that would address residential displacement along with cultural, arts, business, workforce development, and other community stabilization strategies that would address cultural displacement. However, even with the provision of anti-displacement strategies described above, this report cannot conclude with certainty that indirect displacement would not occur as a result of the Proposed Project.

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A. Introduction

This report provides a supplemental analysis regarding potential gentrification and displacement impacts from a proposed mixed use development in the City of San Francisco (City) at 469 Stevenson Street (Proposed Project or project). The Proposed Project would be developed on a surface parking lot in the South of Market neighborhood in San Francisco (Assessor's Block 3704, Lot 045) and includes 495 mixed income apartment units and ground floor commercial space. Seifel Consulting, Inc. (Seifel) performed this supplemental analysis to support the preparation of a recirculated Draft Environmental Impact Report (EIR) for the Proposed Project at the request and direction of the San Francisco Planning Department (Planning Department), as a subcontractor to the project's environmental consultant, Stantec.

1. Purpose of Analysis

On July 29, 2021, the San Francisco Planning Commission (Planning Commission) certified the final EIR for the project. On August 27, 2021, a letter was filed with the Clerk of the San Francisco Board of Supervisors (Board of Supervisors) appealing certification of the final EIR. The Board of Supervisors held a public hearing on October 26, 2021 to consider the appeal of the certified final EIR. The Board of Supervisors granted the appeal and reversed the final EIR certification. On December 14, 2021, the Board of Supervisors adopted findings (Motion No. M21-182) in support of its decision to grant the appeal of the final EIR certification. The findings state:

“MOVED, That this Board of Supervisors finds that the Final EIR contains inadequate analysis and information regarding potential impacts to historic resources; potential geotechnical impacts resulting from construction of the project; potential physical impacts resulting from gentrification and displacement of local residents; and potentially feasible mitigation measures and alternatives to address significant impacts in those impact areas, all of which were either improperly and prematurely scoped out of the EIR and studied only in the Initial Study, or studied in the EIR with insufficient analysis and evidence...”

Generally speaking, CEQA does not require an analysis of socioeconomic issues or conditions such as displacement, gentrification, environmental justice, or effects on “community character.” CEQA guidelines section 15382 states, “An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant.” While socioeconomic effects are not routinely included in Environmental Impact Reports (EIRs) prepared for projects pursuant to the California Environmental Quality Act (CEQA), the purpose of this analysis is to address the Board of Supervisors findings and direction to the Planning Department to provide additional analysis of the Proposed Project's potential gentrification and displacement impacts. The Planning Department will use the findings of this analysis to evaluate whether the Proposed Project could result in potential physical impacts stemming from any identified gentrification and displacement impacts.

This report addresses the following topics raised in the above-noted findings by the Board of Supervisors:

- Potential for the Proposed Project to result in gentrification and displacement of local residents.
- Potential for the Proposed Project to result in cultural displacement impacts to the Sixth (6th) Street corridor, Filipino community, and the broader low-income community, if any.

The Planning Department will use the findings of this analysis to evaluate whether the proposed project could result in potential physical impacts stemming from any identified gentrification and displacement

impacts. Should significant physical impacts be identified, the EIR will identify potentially feasible mitigation measures and alternatives to address any significant physical impacts in those impact areas.

2. Report Organization

The report begins with an introduction that summarizes the purpose of the analysis and the report organization. As researchers, planners and policy makers use different terms to describe and measure gentrification and displacement, the next section presents relevant definitions used in the analysis. The report then describes the Proposed Project and presents the supplemental research and analysis that was performed along with a final conclusion. The contents of each chapter of the report and the technical appendices, which are also integral to the report, are summarized below:

Executive Summary– summarizes the key findings of the report.

- A. Introduction– introduces the report, describes the purpose of the analysis and summarizes how the report is organized.
- B. Definitions of Gentrification and Displacement– presents the definitions of gentrification and displacement used in the report, which are based on research reviewed for this report.
- C. Description of Proposed Project and Surrounding Geographic Areas –describes the Proposed Project at 469 Stevenson Street that is being proposed by 469 Stevenson Property Owner LLC, the Project Sponsor.
- D. Peer Review of 2020 Socioeconomic Report– summarizes and peer reviews the September 2020 analysis that was prepared for the Proposed Project by ALH Urban & Regional Economics (2020 Socioeconomic Report) to evaluate the potential socioeconomic impacts on residential gentrification and displacement as they relate to potential physical changes in the environment.
- E. Review of Supplemental Research and City Reports– summarizes relevant findings from additional research and reports regarding potential displacement and gentrification impacts in urban neighborhoods that were not addressed in the 2020 Socioeconomic Report, with a particular focus on those that apply to the City and publications from 2020 onward.
- F. Neighborhood Conditions– summarizes neighborhood conditions from recent reports that are relevant to the analysis of displacement and are supplemental to the 2020 Socioeconomic Report, with a focus on the areas surrounding the Proposed Project.
- G. Evaluation of Potential Gentrification and Residential Displacement Impacts from Proposed Project– evaluates potential gentrification and residential displacement impacts from the Proposed Project to address the Board of Supervisors’ findings reversing the Planning Commission’s certification of the final EIR.
- H. Evaluation of Potential Cultural Displacement Impacts from Proposed Project– evaluates potential cultural displacement impacts from the Proposed Project to address the Board of Supervisors’ findings reversing the Planning Commission’s certification of the final EIR.
- I. Conclusion

Appendices

- Attachment A– Glossary of Terms
- Attachment B– Supplemental Research Literature Summary
- Attachment C– Research Bibliography
- Attachment D– Residential Development Pipeline in One Mile Radius
- Attachment E– Residential and Cultural Anti-Displacement Measures
- Attachment F– Qualifications of Seifel Consulting, Inc.

B. Definitions of Gentrification and Displacement

Researchers, planners and policy makers use different terms to describe and measure gentrification and displacement, as well as to categorize the various types of displacement that may occur. As indicated by the Urban Displacement Project (UDP) and other researchers, the forces driving neighborhood change, including gentrification and displacement pressures, involve an interplay between the movement of people, public policy decisions and the availability of capital.

- Gentrification is generally described as a broad pattern of neighborhood change typically characterized by increases in the number of higher income households and increases in home values and/or rents over an extended period of time, for example ten years or more.
- Displacement refers to the involuntary movement or relocation of residents or businesses and organizations of cultural importance from their current location.
 - Displacement takes many different forms—direct and indirect, physical, economic, and exclusionary—and may result from either investment or disinvestment.
 - Displacement can affect residents and/or historically and culturally significant institutions, organizations and businesses.

For purposes of this report, the key terms used to define gentrification and the different types of displacement that are analyzed in this report are presented in Exhibit B-1 on the next page, which are based on a review of research prepared by the UDP and other researchers and as determined by the Planning Department.

- Please refer to Attachment A Glossary of Terms for further information regarding these definitions and other terms used in this report.

Table B-1 Key Terms Regarding Displacement and Gentrification Used in This Analysis

Gentrification	Broad pattern of neighborhood change typically characterized by increases in the number of higher income households and increases in home values and/or rents over an extended period of time, for example ten years or more. Gentrification results from both flows of capital and people. The extent to which gentrification is linked to racial transition and other socioeconomic indicators differs across neighborhood contexts.
Displacement	Displacement refers to the involuntary movement or relocation of residents or businesses and organizations of cultural importance from their current locations. <i>Various types of displacement may occur, and the following terms are used to define them.</i>
Physical (direct) Displacement	Displacement that occurs as the result of eviction, acquisition, rehabilitation, or demolition of a property, or the expiration of covenants on rent- or income-restricted housing.
Economic (indirect) displacement	Displacement that occurs when residents, businesses or organizations can no longer afford escalating rents or property taxes (and must move out).
Exclusion or exclusionary displacement	Exclusion or displacement that occurs when a lower income household cannot afford to move in to an area given the cost of housing relative to their household income, which typically is the result of rising rents and/or home prices that contribute to the area becoming exclusive.
Residential displacement	Displacement that occurs when residents can no longer afford to stay in their homes or are forced to move because of conditions beyond their control.
Cultural displacement	Displacement that occurs when there is a loss of historically and culturally significant institutions, organizations and businesses associated with a particular race, ethnicity, or other culturally significant group, which could occur either directly or indirectly. Such loss could also contribute to the loss of residents associated with that culture in the area, as the institution, organization, or business may serve as an anchor, place of employment, gathering place, place of commercial activity, etc. for that culture.
Anti-displacement strategies	The collection of policies, programs, strategies, components, actions, and laws that are focused on counteracting displacement pressures. Residential anti-displacement strategies address potential impacts on residents, while cultural anti-displacement strategies address impacts on businesses and organizations that are critical to a community's culture.

Please refer to Attachment A– Glossary of Terms for further information regarding these definitions and other terms used in this report.

Source: Urban Displacement Project and San Francisco Planning Department.

C. Description of Proposed Project and Surrounding Geographic Areas

The Project Sponsor, 469 Stevenson Property Owner LLC, is proposing to build the Proposed Project on a 28,790 square foot surface parking lot located at 469 Stevenson Street in the South of Market (SoMa or SOMA) area of the City, mid-block between 5th and 6th Streets and one block south of Market Street. The site has no existing buildings and consists of paved parking surrounded by a chain link fence.

The Proposed Project consists of a 27-story mixed income residential tower with 495 apartment units, including 73 units that would be leased at below market rate (BMR) rents to very low, low and moderate income households. The ground floor would include approximately 4,000 square feet of commercial retail space. The sponsor has entered into an agreement with the community that the space would be designated for community serving retail or services that would be leased at below market rate (BMR) rents to local businesses and organizations.¹

1. Development Program for Proposed Project and Project Alternatives

The recirculated Draft EIR will describe a reasonable range of potentially feasible alternatives to the Proposed Project that could attain most of the basic project objectives while reducing the significant impacts that would be caused by the Proposed Project. The key characteristics and the development program for the Proposed Project and the three Project Alternatives that will be considered in the recirculated Draft EIR are summarized below in Table C-1. The analysis presented in this report is solely focused on analyzing the Proposed Project. The Proposed Project includes both required and voluntary components as described in the next sections. As further described in this report, the Proposed Project would include onsite affordable housing, payments and other contributions to provide affordable housing and address homelessness, and other community benefits that serve as anti-displacement strategies.

Table C-1 Development Program for Proposed Project and Project Alternatives

	Proposed Project	Project Alternatives		
		Alternative A: No Project	Alternative B: Code Compliant	Alternative C: No Residential Parking/Tower
Number of Stories Residential	27	N/A	17	28
Apartment Units	495	N/A	346	467
Market Rate Units	422	N/A	280	398
Inclusionary Affordable Units	73	N/A	66	69
Average Unit Size (NSF)	732 NSF	N/A	621 NSF	753 NSF
Ground Floor Commercial				
Community Retail and Community Space	4,000 GSF	N/A	6,000 GSF	4,000 GSF
Parking / Below Grade Structure				
Below Grade Levels	3	N/A	2	1
Total Parking Spaces	178	176	156	5
Bicycle Parking				
Total Bicycle Spaces	227	N/A	215	218

Source: 469 Stevenson Street Project Draft Environmental Impact Report (March 11, 2020), Project Sponsor.

¹ Mid-Market Coalition, Letter of Support for the Proposed 469 Stevenson Street Project, October 20, 2021.

2. Required Components of the Proposed Project

As shown on Table C-2 on the next page, the Proposed Project would provide 422 market rate units. The Proposed Project would also include 73 affordable, BMR units within the proposed development that would be affordable to very low, low and moderate income households in compliance with the City's inclusionary housing requirements, as well as payments toward affordable housing, public art, and first source job opportunities for economically disadvantaged individuals. The following features are the required components of the Proposed Project based on City code requirements:

- **Provision of Onsite Housing**– 73 affordable BMR housing units that are required based on the total number of units (495 units) proposed by the Project Sponsor, which will be subject to a regulatory covenant that governs their affordability to very low, low and moderate income households based on percentage of unadjusted area median income (AMI).²
- **Payment of In-Lieu Affordable Housing Fees**– Approximately \$8 million payment of in-lieu affordable housing fees (with Mayor's Office of Housing and Community Development (MOHCD) intention to direct funding toward affordable housing in SoMa).³
- **Public Art Projects**– Expenditure of one percent (%) of the construction cost of the Proposed Project on public art (i.e., the 1%-for-art program or Public Art Fee). To help fulfill this requirement, the Project Sponsor would provide \$250,000 to support public art projects at 469 Stevenson that recognize the Filipino community's history, culture, and contributions in addition to enhance and enliven urban spaces and places.⁴
- **First Source Hiring**– Provision of employment opportunities for economically disadvantaged individuals during construction and operations.⁵

3. Voluntary Components of the Proposed Project

The voluntary components are features of the Proposed Project that the Project Sponsor has agreed to provide through agreements with private parties, including the Community Benefits Agreement (CBA) developed in collaboration with the Mid-Market Coalition⁶ or agreed to provide as indicated in correspondence with the Planning Department.⁷

All voluntary components would be funded by the Project Sponsor unless otherwise noted. Each of the voluntary components is described following Table C-2:

² In 2022, the Unadjusted San Francisco AMI is \$110,850 for a two person household at 100% AMI according to the Mayor's Office of Housing and Community Development (MOHCD).

<https://sfmohcd.org/sites/default/files/Documents/MOH/Asset Management/2022 AMI-IncomeLimits.pdf>

³ Mayor's Office of Housing and Community Development, Letter to Director of San Francisco Planning Department, May 25, 2021.

⁴ Mid-Market Coalition, Letter of Support for the Proposed 469 Stevenson Street Project, October 20, 2021

⁵ https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-20483

⁶ Mid-Market Coalition, Letter of Support for the Proposed 469 Stevenson Street Project, October 20, 2021

⁷ Vettel, Steven, Counsel for Project Sponsor, email correspondence with the San Francisco Planning Department, August 31, 2022.

Table C-2 Required and Voluntary Components of Proposed Project at 469 Stevenson Street

Category	Description	Sources
Required Components of Proposed Project		
On-Site Housing (Including Affordable Units)		1, 2
Market Rate Apartments (422 units)	Provision of 422 market rate apartment units, which will address housing need for above moderate income households.	
Affordable Apartments (73 units)	Provision of 73 on-site inclusionary, affordable apartments, which will address housing need for very low, low and moderate income households.	
Very Low Income (50% AMI)	45 units	
Low Income (80% AMI)	14 units	
Moderate Income (110% AMI)	14 units	
Payment of In-Lieu Affordable Housing Fees	\$8,000,000 (with MOHCD intention to direct funding toward affordable housing in SoMa).	2, 3
Public Art Projects	As part of required 1%-for-art program, contribute \$250,000 to support on-site public art projects that recognize the Filipino community's history, culture, and contributions.	2, 4
First Source Hiring	Provision of employment opportunities for economically disadvantaged individuals during construction and operations.	2
Voluntary Components of Proposed Project		
Use of In-Lieu Affordable Housing Fees	Potential use of the required in-lieu affordable housing fees described above to help fund a new 100% affordable housing senior development at 967 Mission Street.	2, 3, 4
Land Donation for Community Benefit Use	Donation of property at 59 6th Street for community benefit use, such as affordable housing, open space and recreation, or a community facility.	2, 4
Assistance for Persons at Risk of Homelessness	Efforts to either negotiate a lease of the ground floor of the Helen Hotel, located at 166 Turk Street, for use as an Urban Rest and Sleep Center, or a purchase option for the entire building. Should the negotiation be successful, assign the lease or purchase option to a local community group and fund a) 12 months of rent for the ground floor space and b) ground floor tenant improvements subject to a cap of \$35/sf of leased space, for a total of up to \$122,500 in tenant improvements.	2, 4
Community Serving Spaces	Designation of two ground floor spaces of about 4,000 square feet at below market rent for community-serving SoMa retail and community spaces, which are intended to be used for community programs and promotion of community-serving local businesses that would not otherwise have access to retail spaces in SoMa.	1, 2, 4
Tenant Improvements at Community Serving Spaces	Donation by the Building and Construction Trades Council of skilled labor for the construction of the tenant improvements for community serving non-profits.	2
Community Programming Fund Donation	\$578,700 to benefit resident-led projects and organizations in SoMa and Tenderloin and help fund programs to promote community, public safety, sanitation, and resident wellness.	2, 4
Local Employment Programs	Development of employment programs for local residents of SoMa and Tenderloin in conjunction with OEWD 6th Street Employment Program, including residents in zip codes 94103 and 94102.	2, 4
Impact Assessment	Funding for an independent impact assessment/study to evaluate the extent of the construction impact, including impact to social equity, livelihoods, health, and the general SoMa population, which would help inform current and future community programming.	2, 4
Mint Plaza Maintenance	In-kind contribution (valued at \$50,000/year) by the Project's on-site maintenance and administration staffs labor to help maintain Mint Plaza, which will begin upon the hiring of these staff members and no later than final certificate of occupancy.	2, 5

Note: Area Median Income (AMI) = In 2022, the Unadjusted San Francisco AMI is \$110,850 for a two person household at 100% AMI.

Key to Sources:

1. San Francisco Planning Case 2017-014833PRJ, which presents the residential and commercial components of the Proposed Project.
2. Vettel, Steven, Counsel for Project Sponsor, email correspondence with the San Francisco Planning Department, August 31, 2022.
3. Mayor's Office of Housing and Community Development, Letter to Director of San Francisco Planning Department, May 25, 2021.
4. Mid-Market Coalition, Letter of Support for the Proposed 469 Stevenson Street Project, October 20, 2021
5. 469 Stevenson Property Owner, LLC, 469 Stevenson (SF Planning Case 2017-014833PRJ) Contribution for Maintenance and Repair of Mint Plaza, July 29, 2021

- **Use of In-Lieu Affordable Housing Fees**– Potential use of the approximately \$8 million payment of required in-lieu affordable housing fees that are described above to help fund a new 100% affordable housing senior development at 967 Mission Street (Assessor’s Block 3725, Lot 086) near to the Proposed Project.^{8,9}
- **Land Donation for Community Benefit Use**– Donation of property at 59 6th Street (Assessor’s Block 3704, Lot 049) for a community benefit use, such as affordable housing, open space and recreation, or a community facility.
- **Community Serving Spaces**– Designate two ground floor spaces of 3,985 square feet at BMR rents for community-serving, SoMa retail and community spaces.
- **Assistance for Persons at Risk of Homelessness**– Efforts to negotiate either a lease of the ground floor of the Helen Hotel at 166 Turk Street (Assessor’s Block 0339 Lot 009) for an “urban rest and sleep center” or a purchase option for the entire building. Should the negotiation be successful, the Project Sponsor would assign the lease or purchase option to a local community group and fund a) 12 months of rent for the ground floor space and b) ground floor tenant improvements subject to a cap of \$35/sf of leased space, for a total of up to \$122,500 in tenant improvements.¹⁰
- **Community Serving Spaces**– Designation of two ground floor spaces of about 4,000 square feet at the project site provided at below market rent for community-serving retail or services that will provide community programs and promote community-serving local businesses that would otherwise not have access to retail spaces in SOMA.
- **Tenant Improvements at Community Serving Spaces**– Donation by the Building and Construction Trades Council of skilled labor for the construction of the tenant improvements for community serving non-profits.
- **Community Programming Fund Donation**– Donation of \$578,700 to a Community Programming Fund that would benefit resident-led projects and organizations in SoMa and Tenderloin and help fund programs to promote community, public safety, sanitation, and resident wellness.
- **Local Employment Programs**– Employment programs for local residents of SOMA and Tenderloin residing in 94103 and 94102 zip codes in conjunction with the Office of Economic and Workforce Development (OEWD) 6th Street Employment Program.
- **Impact Assessment**– Funding for an independent impact assessment/study to evaluate the extent of the construction impact, including impact to social equity, livelihoods, health, and the general SOMA population, which will help inform current and future community programming.
- **Mint Plaza Maintenance**– In-kind contribution (valued at \$50,000/year) of the Project’s on-site maintenance and administration staff’s labor to help maintain Mint Plaza. Maintenance will begin upon the hiring of these staff members and no later than final certificate of occupancy.

⁸ Mid-Market Coalition, Letter of Support for the Proposed 469 Stevenson Street Project, October 20, 2021. Per the agreement letter, the Project Sponsor agrees to work with the Mid-Market Coalition and Mayor’s Office of Housing and Community Development to redirect relevant impact fees to 967 Mission Street.

⁹ In a letter from the Mayor’s Office of Housing and Community Development (MOHCD) to the Planning Department, May 25, 2021, the director of MOHCD confirmed a commitment to allocating affordable housing fees generated by the proposed project to affordable housing investments in the South of Market neighborhood.

¹⁰ Kepler, Tyler, Representative for Project Sponsor, email correspondence with the San Francisco Planning Department, September 28, 2022.

4. Description of Geographic Areas Surrounding the Proposed Project

The Proposed Project is located one-half block south of Market Street within the South of Market (SoMa or SOMA) neighborhood in the mid-block of Stevenson Street between 5th Street and 6th Street (also known as Fifth Street and Sixth Street). The area of SoMa immediately surrounding the Proposed Project site is generally comprised of buildings between 1 and 7 stories tall that have commercial, residential, hotel, single room occupancy (SRO) residential, and/or industrial uses and other surface parking areas. Mint Plaza is located to the northeast of the site, which is a public open space adjacent to the historic San Francisco Mint building and across the street from the San Francisco Center.

The Tenderloin neighborhood is located immediately to the north of Market Street from the Proposed Project and has a similar mix of land uses. The northern portion of Sixth Street in SoMa and the Tenderloin neighborhood have a substantial concentration of the City’s SRO residential buildings.

a. Surrounding Area

The City of San Francisco and the Planning Department uses “Analysis Neighborhood” geographies that correspond to U.S. Census tract boundaries to study and report on housing and socioeconomic characteristics of the City’s neighborhoods.¹¹ As described above, the Proposed Project is located within the SoMa neighborhood and about a half block south of Market Street from the Tenderloin neighborhood, so these two neighborhoods surround the project site.

For this analysis, the SoMa and Tenderloin neighborhoods are collectively referred to as the “Surrounding Area,” which consists of the census tracts¹² within the South of Market and Tenderloin Analysis Neighborhoods.¹³ The **Surrounding Area** is the primary geography used to analyze neighborhood conditions and the socioeconomic characteristics of residents who live in the areas surrounding the Proposed Project. The Surrounding Area also includes:

- The portion of Sixth Street that has numerous residential SROs buildings is located in the northern area of the South of Market Analysis Neighborhood.
- The of the City’s cultural heritage districts:
 - SOMA Pilipinas – Filipino Cultural Heritage District (SOMA Pilipinas CHD), which is largely coterminous with the South of Market Analysis Neighborhood.
 - LEATHER & LGBTQ Cultural District, which is located in the South of Market Analysis Neighborhood.
 - Transgender Cultural District, which is located in the Tenderloin neighborhood.

¹¹ <https://data.sfgov.org/Geographic-Locations-and-Boundaries/Analysis-Neighborhoods/p5b7-5n3h>

¹² <https://www.census.gov/programs-surveys/geography/about/glossary.html>

¹³ <https://data.sfgov.org/Geographic-Locations-and-Boundaries/Analysis-Neighborhoods/p5b7-5n3h>

b. One Mile Radius

As analyzed in the previously circulated Draft EIR, a significant amount of development has occurred and is planned (in the development pipeline) within a one mile radius area around the Proposed Project. This geography, referred to as the “One Mile Radius,” includes the following neighborhoods in addition to SoMa and Tenderloin: Western Addition, Japantown, Hayes Valley, Mission, Mission Bay, Chinatown, Nob Hill, and Financial District/South Beach and the census tracts within them.¹⁴

- The **One Mile Radius** is the primary geography used to analyze the development of market rate and affordable housing located within one mile of the Proposed Project and is also used to describe housing market conditions in these eastern areas of San Francisco. Figure 1 shows an overlay of the Analysis Neighborhoods within the One Mile Radius area.

c. Project Area, Census Tracts and Block Groups

The U.S. Census uses specific geographies to collect and analyze demographic data across the United States, which are called census tracts, blocks and block groups.¹⁵

- According to the 2020 Census, the Proposed Project is located in **census tract 176.02** and within **block group 2 of census tract 176.02**, which is referred to as the “**Project Area**.”
 - The **Project Area** is the geography used to analyze the potential displacement impacts of the Proposed Project based on the methodology in UDP’s March 2022 Policy Brief 1.¹⁶
- For the prior 2000 and 2010 Census, the Proposed Project was located in **census tract 176.01**, which had a larger geographic area that ran further south along Market Street and was subdivided in the 2020 Census to include **census tracts 176.02, 176.03 and 176.04** given population growth in this area over the past decade. (As described above, the Proposed Project is now in census tract 176.02.)

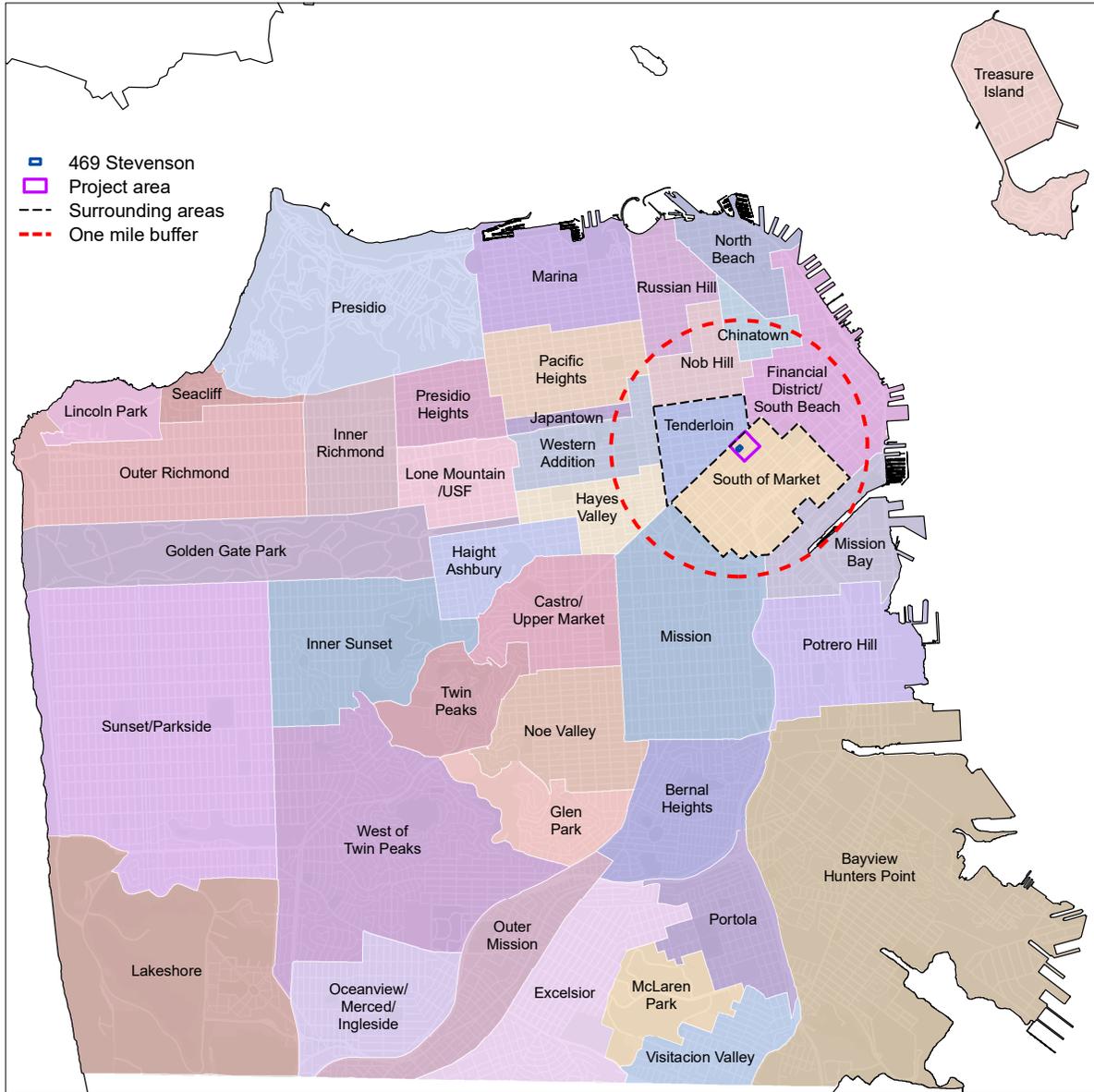
Figure C-1 below shows the boundaries of the Analysis Neighborhoods in the City, as well as the location of the Proposed Project, Surrounding Area, One Mile Radius and Project Area, as described above.

¹⁴ For purposes of analyzing housing production and the development pipeline, all of the census tracts within the one mile radius are included in the analysis. For purposes of performing socioeconomic analysis, census tracts that include 10 percent or more of area within the one mile radius are included, and the population, housing and household counts are adjusted by the percentage of area within the one mile radius. The entire area in the census tracts and related block groups in SoMa and Tenderloin (100%) are located within the one mile radius, so socioeconomic data from these census tracts is fully counted in the socioeconomic analysis of the one mile radius.

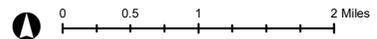
¹⁵ Census Tracts are small, relatively permanent statistical subdivisions of a county or statistically equivalent entity that can be updated by local participants prior to each decennial census as part of the Census Bureau’s Participant Statistical Areas Program (PSAP). Block Groups (BGs) are statistical divisions of census tracts. <https://www.census.gov/programs-surveys/geography/about/glossary.html>

¹⁶ https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

Figure C-1 Geographic Areas Surrounding the Proposed Project



Analysis Neighborhoods Located Within
One-Mile Radius of Proposed Project
Figure C-1
SAN FRANCISCO



The project area is defined as block group 2 of census tract 176.02 according to the 2020 Census

Source: DataSF Analysis Neighborhoods Map

Source: San Francisco Planning Department.

D. Peer Review of 2020 Socioeconomic Report

The 2020 Socioeconomic Report analyzes residential development patterns in San Francisco and within a one mile radius of the 469 Stevenson Street Project to assess the amount of development occurring in this area historically and presently in conjunction with the Proposed Project.¹⁷ The report also evaluates historic and current San Francisco rents to provide perspective on the existing market in which the proposed rental units will be developed. Based on a review of research literature available at the time of the analysis, the report assesses whether market-rate rental units such as those included within the Proposed Project would make rental housing less affordable for existing residents. In summary, the 2020 Socioeconomic Report presents the following socioeconomic analysis and review of research literature to develop its conclusions:

Socioeconomic Analysis

- Identifies residential pipeline projects within a 1.0-mile radius of 469 Stevenson Street (including the Proposed Project and other residential projects that may have a cumulative impact).
- Reviews historical development trends in San Francisco and key surrounding areas.
- Presents historical trends in San Francisco’s rental housing market.

Review of Research Literature

- Reviews eleven research publications on the relationship between housing production and housing costs, as well as the effect of market rate development on rents in the surrounding area.¹⁸
- Reviews twelve research publications regarding potential gentrification and displacement from new market-rate development.¹⁹
- Presents representative case studies that explore the relationship between housing production and the cost of market rate housing.

As further described below, while the conclusions of the 2020 Socioeconomic Report reflect this research and analysis, several recent reports prepared by the City of San Francisco, including the Housing Element 2022 Update, and recent academic research provide a different perspective on its conclusions, and the peer review indicates that supplemental research and analysis should be performed to augment its socioeconomic analysis in order to address the findings by the Board of Supervisors. That supplemental analysis has been prepared and is presented in this report.

1. Summary of the Socioeconomic Analysis

Based on the socioeconomic analysis and data presented in the 2020 Socioeconomic Report, the report concludes the following:

- The Proposed Project is being developed in a portion of the City historically characterized by the greatest amount of residential development over the past two decades as well many other new multifamily residential projects in the planning process.

¹⁷ Socioeconomic Effects of 469 Stevenson Street Market-Rate Development, ALH Urban & Regional Economics, September 2020.

¹⁸ Representative research studies are summarized in Appendix C of the 2020 Socioeconomic Report: Housing Production Impacts on Housing Costs Literature Overview.

¹⁹ Representative research studies are summarized in Appendix D of the 2020 Socioeconomic Report: Gentrification and Displacement Literature Overview.

- Apartment rents in San Francisco increased through 2019 but moderated and then sharply softened since the onset of the Covid pandemic in 2020.
- A high percentage of existing San Francisco apartment residents living in older units are insulated from rental increases due to San Francisco’s rent control provisions.
- No specific trends were identified for the City, South of Market, or Downtown, suggesting that housing production neither has an impact on increases in rent nor rent suppression.

2. Summary of the Research Review and Case Studies

The review of research literature and the case studies generally coalesce around the following key take-aways, which are consistent with the research and analysis presented in the 2020 Socioeconomic Report:

- Housing production does not result in increased costs of the existing housing base, but rather helps suppress increases in rents and home prices in existing buildings.
- Failure to increase housing stock to accommodate demand resulting from job growth and increasing population will result in greater competition for existing housing, with higher income households outbidding lower income households and otherwise exerting upward price pressure on existing housing.
- Both market-rate and affordable housing development help to suppress price appreciation and reduce displacement.
- Based on research presented in two 2019 research studies that analyzed the localized impact of the effects of development, rents of existing apartment projects immediately near new market-rate apartment development declined upon completion of the market-rate units in the surrounding area for a duration of up to three years after completion of the new units.²⁰
- Based on research regarding the causal relationship between gentrification and displacement, experts in the field generally appear to unite around the understanding that there is weak causation between gentrification and displacement.
- Displacement can occur without gentrification, and displacement is not inevitable, with public policy tools available to stabilize communities.
- In some instances, studies suggest that existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.
- Finally, some experts also conclude that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification.

²⁰ The 2020 Socioeconomic Report also indicates that research studies prior to 2019 suggest that further analysis on the relationship between development, affordability, and displacement at the highly localized level is required to understand the rate at which displacement occurs in very small, localized areas. The 2019 research studies reviewed are summarized in numbers 10 and 11 in Appendix C: Housing Production Impacts on Housing Costs Literature Overview of the 2020 Socioeconomic Report.

3. Summary of Report Conclusions

In summary, the 2020 Socioeconomic Report concludes the following:

- Case study research in San Francisco as well as academic and related research suggests that market-rate housing production such as the 469 Stevenson Street Project is not likely to cause an increase in rents in nearby housing units.
- Some research even suggests interim reductions in rents among nearby units. These and other literature findings suggest there is no evidence to support concern that new market-rate development will cause gentrification or displacement.
- Therefore, the 2020 Socioeconomic Report concludes that the evidence indicates that development of the Project is not likely to result in residential displacement and gentrification that will lead to socioeconomic impacts warranting further review under CEQA.

4. Peer Review Findings

Based on a peer review of the 2020 Socioeconomic Report, the key findings in the 2020 Socioeconomic Report are thoroughly documented and reflect the socioeconomic analysis and the research that was presented in the report. While the 2020 Socioeconomic Report conclusions reflect the analysis and research presented in the report, and recent academic research provide a different perspective on these conclusions as further discussed in this report. Furthermore, while the 2020 Socioeconomic Report includes socioeconomic analysis and findings with respect to residential displacement, the report does not address potential cultural displacement impacts other than as part of the literature review. In conclusion, the peer review indicates that supplemental research and analysis should be performed to augment the 2020 Socioeconomic Report in order to address the findings by the Board of Supervisors.

E. Review of Supplemental Research and City Reports

Recent reports published by the City of San Francisco are relevant to the analysis of potential displacement impacts from the Proposed Project, which are supplemental to what was presented in the 2020 Socioeconomic Report. This section begins with a summary of information from the following reports prepared by the City regarding displacement pressures and risks that are occurring in areas within San Francisco as well as the City's housing needs and potential strategies to address them:

1. Community Stabilization initiative and accompanying reports (2020)
2. Housing Affordability Strategies (2020)
3. Jobs Housing Fit Report 2020 (2021)
4. Housing Element 2022 Update and accompanying reports (2022)

Researchers have published numerous studies that analyze potential impacts from displacement and gentrification in the City of San Francisco and other similar urban areas. While many of these research reports were summarized in the 2020 Socioeconomic Report, recent reports published by UDP and other researchers indicate that areas with vulnerable populations like those surrounding the Proposed Project may be at risk of displacement although residential displacement impacts are much less than what many have feared. Furthermore, residential anti-displacement strategies can substantially reduce or eliminate displacement impacts on residents.

While more than 50 research studies were reviewed as part of this analysis, almost all of the research studies have studied residential displacement impacts, while only a limited number of studies have reviewed and measured cultural displacement impacts because most displacement research focuses on impacts on residents who live in an area instead of displacement impacts on businesses, non-profit organizations or other cultural institutions. The research reviewed indicates that potential cultural displacement impacts can be substantially reduced through cultural anti-displacement strategies, and new market rate development may offer some positive benefits to existing businesses and organizations, as well as residents.

The last two sub-sections summarize research regarding gentrification and residential displacement as well as cultural displacement:

5. Summary of Supplemental Gentrification and Residential Displacement Research
6. Summary of Supplemental Cultural Displacement Research

Attachment B presents a summary of the key research literature referenced for this analysis, and Attachment C presents a bibliography of research reports that were reviewed for this analysis, including all of the reports cited in the 2020 Socioeconomic Report.

1. Community Stabilization Initiative

The City's Community Stabilization initiative is a multi-agency effort to assess the City's existing portfolio of tools, unify fragmented efforts into one comprehensive inventory, and identify priorities for the future.²¹ The initiative seeks to mitigate the impacts of ongoing displacement and help vulnerable populations thrive and contribute to the City's economy and culture. The Community Stabilization Report

²¹ A description of the Community Stabilization Initiative and related reports can be found here: <https://sfplanning.org/community-stabilization-strategy>

and the accompanying Policy and Program Inventory Report were prepared to inform the Community Stabilization initiative.²²

The Community Stabilization Report indicates that San Francisco is experiencing increasing income inequality and a lack of affordable housing. These realities are leading to a loss of the middle class and displacement for many communities while the economy booms for others. Tied to economic growth, the City's population has grown, and housing stock has not kept pace with job growth, pushing prices up for a limited supply of housing units, which intensifies displacement and gentrification pressures. The mismatch between the City's production of new housing units and job growth is also described and documented in the Jobs-Housing Fit 2020 Report, which is summarized in Section E3.

As summarized in the Community Stabilization Report, researchers are undertaking extensive analysis regarding the complex web of contributing factors that lead to residential and commercial displacement in areas within a City, region or nation. While researchers recognize the many data and analytical challenges that are involved in measuring displacement and determining its direct cause, researchers report that one or more of the following factors contribute to displacement in an area:

- Strong economy with many more jobs created than new housing units.
- Market imbalance between housing supply and demand.
- Rising cost of rent and home prices, and significant gaps between what typical households can afford to pay for housing.
- Growing income disparities.
- History of land use discrimination such as redlining and racial covenants.²³
- Close proximity to job centers and transit centers.
- Older and historic housing stock, with relatively low values and rents.

The Community Stabilization Report indicates that the City of San Francisco experienced significant demographic changes between 1990 and 2015, particularly in neighborhoods where communities of color live. Some of the changes observed in these neighborhoods were not "natural" demographic shifts resulting from individual households choosing to move elsewhere, but resulted from eviction, large rent increases, or other reasons otherwise known as displacement.

One of the key research studies referenced in the Community Stabilization Report was performed by the Urban Displacement Project (UDP) and California Housing Preservation (CHPC), which analyzes demographic changes that occurred in San Francisco's neighborhoods between 2000 and 2015.²⁴ The findings from this research indicate that rising housing costs are leading to resegregation in some of the City's neighborhoods, and several of the census tracts in the Surrounding Area of the Proposed Project

²² This section presents excerpts and summaries from the Community Stabilization Report. All of the research references in the Community Stabilization Report were reviewed as part of the analysis presented in this memorandum.
https://default.sfplanning.org/plans-and-programs/community-planning/stabilization-strategy/cs_report.pdf

²³ Redlining and racially restrictive covenants are defined in Appendix A Glossary of the Draft 3: Goals, Objectives, Policies and Actions of the Housing Element 2022 Update. <https://www.sfhousingelement.org/draft-3-goals-objectives-policies-and-actions>
Redlining is an explicitly discriminatory federal policy that color-coded Black and nearby neighborhoods in red, deeming them "hazardous" to potential mortgage lenders. Racially restrictive covenants refer to clauses that were written in to property deeds used by white property owners and subdivision developers to forbid the resale and sometimes rental of such property to non-whites, particularly African Americans.

²⁴ Urban Displacement Project and CHPC, Rising Housing Costs and Re-Segregation of San Francisco, 2018.
https://www.urbandisplacement.org/sites/default/files/images/sf_final.pdf

have experienced growth in low income households of color, particularly among Asian and African American (Black) households.

San Francisco's increasing income inequality and housing and business costs have been linked to changes in the city's socioeconomic composition and displacement of communities of color and the businesses and organizations that serve them and low-income households. Displacement can surface as residential, commercial, or psychological and can be direct and indirect, physical or economic and exclusionary.²⁵

Vulnerable populations tend to be most at risk of displacement, and renters are often considered to experience greater risks than homeowners. Vulnerable groups include people of color (American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or other Pacific Islander),²⁶ people living with disabilities, lower income households, people experiencing homelessness, seniors, youth, immigrants, LGBTQ+ people, refugees, linguistically isolated households, small businesses, veterans, and nonprofit organizations. (Persons and organizations from many of these vulnerable groups are located in areas surrounding the Proposed Project according to data provided by the Planning Department.)

Pressures from displacement cause vulnerable populations to move within San Francisco or leave the city entirely. Vulnerable residents may be pushed from their neighborhood into higher poverty, lower-resourced neighborhoods. Residential displacement of low income households to other lower income neighborhoods intensifies poverty conditions, creates new patterns of segregation and reduces access to opportunities. The movement into other housing may also increase the transportation and/or housing cost burden on the migrating household (who moves out of their prior home), especially if they move far away from where they work or need services or if their prior housing was more affordable.

In addition to residential displacement, businesses, non-profit organizations (NPOs) and service providers are similarly struggling to stay in San Francisco. Business closures and location changes have increased significantly in the last 20 years. Although commercial displacement is difficult to quantify, a significant number of commercial corridors have higher and longer periods of vacancy. The high cost of opening and operating a business, higher rent speculation, and online retail sales, among other factors may lead to empty storefronts and underutilized retail spaces throughout the City.²⁷

In 2016, a survey of non-profit organizations showed that those with at least one location in San Francisco are more likely to be very concerned about the real estate market having a negative impact on their futures. The implications not only include non-profits losing their space, but also constituents, who are often from vulnerable populations, losing valuable services and gathering space. Non-profits in the survey with at least one location in San Francisco are more likely to have to decide about relocation compared to non-profit organizations in other Bay Area cities.²⁸

²⁵ UC Berkeley and UCLA, Zuk et al, Gentrification, Displacement and the Role of Public Investment: A Literature Review. March 3, 2015. <https://www.frbsf.org/community-development/publications/working-papers/2015/august/gentrification-displacement-role-of-public-investment/>

²⁶ These racial and ethnic categories for people of color are used by the 2020 Census, as required by the US Office of Management and Budget (OMB), and generally reflect social definitions. <https://www.census.gov/programs-surveys/decennial-census/decade/2020/planning-management/release/faqs-race-ethnicity.html>
Historically, race and ethnicity has been categorized and/or defined differently in the US Census and in academic research. For example, some publications will use the term Black, others will use African American, and some use both terms. People of color may self-identify in one or more of these racial and ethnic categories.

²⁷ [https://oewd.org/sites/default/files/Invest In Neighborhoods/State of the Retail Sector - Final Report.pdf](https://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf)

²⁸ https://nccg.org/sites/default/files/files/news/NCG_NPO_survey_report.pdf

Although not specifically defined in the Community Stabilization Report, cultural displacement occurs when there is as a loss of historically and culturally significant institutions, organizations and businesses associated with a particular race, ethnicity, or other marginalized group, which could occur either directly or indirectly. The Community Stabilization Report and the accompanying Policy and Program Inventory report discuss key considerations and City programs that would prevent cultural and residential displacement.²⁹

The Policy and Program Inventory report provides City agencies, decision-makers, and the public with summaries of the City’s existing policies and programs to prevent displacement, which includes an inventory of 22 policy and program summaries. The Mayor’s Office and City agencies identified key priorities that were informed by input by City staff, community organizations, and the public, which focus on strengthening policies and programs that are currently underway and assessing potential programs and policies for the future.

These reports recommend priorities for future City actions to stabilize housing, protect arts and culture, address displacement of vulnerable populations. In summary, these priorities include the following residential and cultural anti-displacement strategies:

Residential Anti-Displacement Strategies

- Tenant Protection and Housing Stabilization
- Housing Production
- Housing Preservation

Cultural Anti-Displacement Strategies

- Arts and Culture Protection (including the Cultural Districts Initiative)
- Business Retention and Stabilization (including commercial district planning and management)
- Workforce Development and Education

The policies and programs within each of these priorities, which include many existing City policies and programs that are being deployed in San Francisco, are focused on stabilizing communities and addressing potential residential and cultural displacement impacts. These strategies build upon and are consistent with anti-displacement policies and strategies that are presented by researchers such as UDP, as further described below.

2. Housing Affordability Strategies

Along with the Community Stabilization initiative, the City’s Housing Affordability Strategies (HAS) report examines how the City can improve housing affordability over the next 30 years, particularly for low- and moderate-income households.³⁰ The purpose of the HAS is to help residents, City staff, and policy makers understand how different policies and funding strategies work together to address affordability and foster the City’s diversity.

Led by the Planning Department, the HAS also incorporates input from other City agencies, including the Mayor’s Office of Housing and Community Development (MOHCD), San Francisco Office of Housing Delivery, and the Office of Economic and Workforce Development (OEWD), and was informed by

²⁹ https://default.sfplanning.org/plans-and-programs/community-planning/stabilization-strategy/cs_policy_program_inventory_draft01.pdf

³⁰ https://default.sfplanning.org/publications_reports/Housing_Affordability_Strategies_Report.pdf

feedback from the community, advocates, researchers, and policy experts. The analysis and outreach conducted for the HAS has also informed the Housing Element 2022 Update, which is described below.

The HAS report analyzes residential development feasibility, City policies, and public investments needed to achieve the City's housing targets created through both Mayoral and voter action: to build 5,000 new housing units per year, at least one third of which should be permanently affordable at low and moderate incomes. In addition, the HAS analyzed programs to preserve affordable housing and to protect and stabilize residents.

As indicated in the HAS report, the Mayor's Office and City agencies identified key priorities that were informed by input from City staff, community organizations, and the public, which focus on strengthening policies and programs that are currently underway and assessing potential programs and policies for the future. Four overarching strategies represent a comprehensive approach to improving housing affordability over the next 30 years and complement the residential anti-displacement policies in the Community Stabilization Initiative:

Affordable Housing Strategies and Residential Anti-Displacement Strategies

- Increase housing development potential with a focus on equitable development
- Streamline approvals and permitting and reduce construction costs
- Expand and sustain funding to produce and preserve affordable housing
- Protect vulnerable residents and stabilize and preserve existing affordable housing

The strategies presented in the HAS are informing the Housing Element 2022 Update policies and actions and are consistent with residential anti-displacement strategies presented in relevant research as further described below.

3. Jobs-Housing Fit Report 2020

The Jobs-Housing Fit Report 2020 was prepared by the Planning Department in 2021 to analyze the fit between the housing needed by workers of new jobs located in San Francisco and housing produced in San Francisco by affordability and to identify the need for housing based on job growth.³¹ The analysis revealed the following key points and indicated a significant unmet housing need in San Francisco:³²

- **Historical Deficit**– The exceptional job growth of the historical period 2009-2019 following the Great Recession created an overall housing deficit of 124,250 units (81% of total housing unit need) and an affordable unit deficit of 53,500 (87% of affordable unit need). This deficit may be an overestimate because some job growth was filled by existing residents or by new residents who found housing in vacant units, neither needing new housing.
- **Future Balance**– Anticipated future development from 2020-2040 will meet and exceed overall housing need by 18,500 units (35%) and have a substantially smaller affordable housing deficit at 3,000 units (14%), compared to 87% for the 2009-2019 period).
- **Overall Deficit**– Yet the better performance expected of the growth period will not reverse the historical deficits, yielding a period total 2009-2040 deficit of 106,000 units (51%) and affordable

³¹ The Jobs-Housing Fit 2020 Report was prepared pursuant to San Francisco Administrative Code Section 10E.41(b)(4) and released in November 2021.

https://sfplanning.org/sites/default/files/resources/2021-11/Jobs-Housing_Fit_Report_2020.pdf

³² This echoes the findings in the Community Stabilization Report and Housing Element 2022 that historical production of housing has not kept pace with job growth in the City and Bay Area region, which has intensified displacement pressures.

deficit of 56,500 units (68%). Meeting this need would require increasing housing production many times greater than the City's historical production capacity (2,950 units per year, 765 affordable).

As of 2019, prior to construction of the Proposed Project, the City is reported to have a housing deficit exceeding 124,000 units, which includes a substantial affordable housing deficit. The City's historical deficit of both market rate and affordable housing is contributing to displacement pressures as indicated in the Community Stabilization Report. Therefore, the City needs to produce substantial amounts of new market rate and affordable housing in the future as also indicated in the Housing Element 2022 Update.

4. Housing Element 2022 Update

The Housing Element 2022 Update is San Francisco's housing plan for the next 8 years (2022-2030), which will include policies and programs that express the City's collective vision and values for the future of housing in San Francisco.³³ Draft 3 of the Housing Element 2022 Update was released in March 2022 and includes a series of draft reports that assess the City's housing needs and present various City goals, objectives, policies and actions to address these housing needs and potential priorities for decision making and resource allocation for housing programs, development, and services. One of these reports is the Draft Housing Needs Assessment and Assessment of Fair Housing Report (Draft Housing Needs Report), which includes detailed data and analysis regarding the City's housing needs.³⁴

The Draft Housing Needs Report describes the Regional Housing Needs Assessment (RHNA) methodology that was used to establish San Francisco's RHNA for the 2023-2031 period, which is 82,067 units (or 10,248 units per year) with a distribution by income group that is very similar to the region. The RHNA for 2023-2031 is about three times the prior RHNA requirement for the 2015-2022 period.³⁵

While the bulk of the RHNA increase is attributable to the overall increase in the total RHNA for the Bay Area, which takes into consideration statewide and regional housing conditions, the RHNA increase is also attributable to higher forecasted growth in San Francisco as well as the City's relatively high scores for job proximity and access to higher opportunity areas compared to the region.

The higher RHNA for the 2023-2031 period means that San Francisco will need to do more to produce and preserve housing across all income groups. The annual target is twice the highest year of the City's housing production in the last forty years so a variety of strategies will be needed to achieve RHNA targets. The policies and actions of the draft Housing Element update and accompanying sites inventory and constraints analysis describe how the City can do more to meet the RHNA housing needs and address racial and social equity.

The Draft Housing Needs Report also analyzes the socioeconomic characteristics and housing needs of people who live in San Francisco, including those who live near the Proposed Project, and presents detailed data and analysis regarding:

³³ This section of this memorandum presents excerpts and summaries from the Housing Element 2022 Update website and the Draft Housing Needs Assessment and Assessment of Fair Housing Report (March 2022) related to this update.
<https://www.sfhousingelement.org/>

³⁴ <https://www.sfhousingelement.org/draft-housing-needs-assessment-and-assessment-fair-housing>
The analysis in this report is based on Draft 3 of the Housing Element 2022 Update, released March 2022. Draft 4 of the Housing Element 2022 Update was released in October 2022 after the analysis in this report was substantially prepared. While the text of the policies referenced in this section have been revised and/or updated in Draft 4, none of the policies have been removed, and the overall intent of the policies is consistent with the version in Draft 3.

³⁵ San Francisco's 2015-2022 RHNA had a RHNA target of 28,869 total units. While about 27,000 housing units have been produced, the City has not yet met its RHNA targets for very low, low and moderate income households.

- Population and employment trends.
- Existing housing characteristics.
- Equity analysis including displacement, fair housing, and environmental justice challenges.
- Overall housing needs, including special needs groups.

Consistent with the Community Stabilization Report, the analysis in the Draft Housing Needs Report also indicates that people of color, lower income households and special needs groups are more likely to face housing insecurity and vulnerability, and these vulnerable City residents are at greater risk of residential displacement. The draft Housing Element 2022 Update contains several policies that are focused on addressing Housing Element Objective 3c, which seeks to: “Eliminate community displacement within areas vulnerable to displacement.”³⁶ The following policies and related actions are focused on addressing residential displacement:

- Policy 1. Minimize all no-fault and at-fault evictions for all tenants and elevate direct rental assistance as an eviction protection strategy.
- Policy 2. Preserve affordability of existing subsidized housing, government-owned or cooperative-owned housing, or SRO hotel rooms where the affordability requirements are at risk or soon to expire.
- Policy 3. Reform and support the City’s acquisition and rehabilitation program to better serve areas and income ranges underserved by affordable housing options and areas vulnerable to displacement.
- Policy 4. Preserve the affordability of unauthorized dwelling units while improving their safety and habitability.
- Policy 5. Improve access to the available Affordable Rental and Homeownership units especially for racial and social groups who have been disproportionately underserved or for American Indian, Black, Japanese, Filipino, and other communities directly harmed by past discriminatory government actions including redlining, Redevelopment and Urban Renewal, the Indian Relocation Act or WWII Japanese incarceration based on a reparation’s framework.
- Policy 15. Expand permanently affordable housing investments in Priority Equity Geographies to better serve American Indian, Black, and other People of color within income ranges underserved, including extremely-, very low-, and moderate-income households.
- Policy 19. Enable low and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-resourced Neighborhoods by increasing the number of permanently affordable housing units.
- Policy 21. Prevent the potential displacement and adverse racial and social equity impacts of zoning changes, planning processes, or public and private investments especially in areas vulnerable to displacement. (Objectives: 3.c, 2.c, 4.c)³⁷

These policies are focused on strengthening the City’s anti-displacement policies, which will reduce both direct and indirect displacement of vulnerable communities. In addition, the overall objective of the Housing Element 2022 Update is to increase housing production for all income levels to accommodate projected population growth and to shift a greater share of the City’s future housing growth from the

³⁶ Further information regarding the proposed goals, objectives, policies and actions is contained in Draft 3: Goals, Objectives, Policies and Actions of the Housing Element 2022 Update. <https://www.sfhousingelement.org/draft-3-goals-objectives-policies-and-actions>

³⁷ The Planning Department is currently conducting a race and social equity analysis for the update and will use the results of this study to inform the creation of guidelines to avoid displacement for future zoning changes and development projects, among other items as called for in Policy 21.

communities that are most vulnerable to displacement impacts on the east side of the city to well-resourced areas along transit corridors and within low-density areas that are primarily located on the west and north sides of the City.

5. Summary of Supplemental Gentrification and Residential Displacement Research

This section of the report summarizes key findings from recent reports published by the Urban Displacement Project (UDP) and other researchers that have analyzed gentrification and residential displacement, which is organized into the following key findings based on a review of this research:

- The mismatch between housing production and demand intensifies displacement risk
- Gentrification may happen without displacement, and displacement may happen without gentrification.
- The production of both market rate and affordable housing help address displacement.
- Residential anti-displacement strategies reduce or eliminate displacement.

a. Mismatch Between Housing Production and Demand Intensifies Displacement Risk

As indicated in the City reports described in this section as well as research by UDP, CHPC and other researchers, housing production in the City and broader region hasn't kept pace with the growth in population and workers, with job growth outpacing new housing production and resulting in supply shortages and spikes in housing prices and rents that date back at least 30 years.

- Many households are increasingly unable to compete in the housing market and face declining real purchasing power, with lower income renters often facing the most significant displacement pressures. These trends have contributed to racial segregation in the region and led to gentrification and displacement of lower income households across the Bay Area.³⁸
- In this context, a key mechanism for providing housing affordability for all but the lowest income households—filtering—is broken.³⁹ With traditional filtering— the process by which communities produce most affordable housing— lower-income households move into older units as the cost and quality of older market rate housing decreases over time, and higher income people move to new market rate housing.
 - Housing markets are diverse, as are neighborhoods, which complicates studies of filtering.
 - Although evidence is mixed on whether nearby housing prices or rents rise or fall with new residential development, studies have generally concluded that rents will decrease. However, they may not decrease for everyone— for older buildings catering to low-income renters, new construction may raise rents, with even higher spikes for buildings closest to the new construction. The process of moving into market-rate housing initiates multiple rounds of

³⁸ https://www.urbandisplacement.org/wp-content/uploads/2021/08/bay_area_re-segregation_rising_housing_costs_report_2019.pdf

³⁹ The Urban Displacement Project Policy Brief 1 was published in March 2022, which summarized findings from its research for the Federal Reserve Bank of San Francisco regarding displacement impacts from new market-rate housing production. https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

The full research study is called: Housing Market Interventions and Residential Mobility in the San Francisco Bay Area. https://www.frbsf.org/community-development/publications/working-papers/2022/march/housing-market-interventions-and-residential-mobility-san-francisco-bay-area/?utm_source=referral&utm_medium=partnerreport&utm_campaign=regionalequity

migration, i.e., vacancy chains, which ultimately free up housing supply in low-income areas in just a few years, creating a critical infusion of lower cost housing.⁴⁰

- Using fine-grained data on new market-rate housing production and household mobility, UDP finds that when new market-rate housing is built, there is a slight increase in both people moving out of the neighborhood and people moving in (churn) across most socioeconomic status (SES) groups. All but the lowest-SES residents experience increased outmigration rates, and the highest-SES groups move out at lower rates and move in at higher rates than others. In other words, market-rate housing production shifts outmigration and in-migration patterns only very slightly, and primarily benefits high-SES groups.⁴¹
- UDP also found that new market rate construction neither worsens nor eases the rates of people moving out of gentrifying areas (areas with both fast-rising housing prices/rents and a large influx of high-income or highly-educated residents). New market rate construction increases rates of people moving in across all socio-economic groups, particularly high socio-economic residents.⁴²
- According to the Urban Displacement Project (UDP) website as of July 2022, areas throughout the Bay Area region and in San Francisco have experienced displacement pressures or are at risk of displacement, gentrification or exclusion due to increasing housing costs, the high cost of housing in comparison to household incomes (especially for lower income households) and lack of new housing supply (including affordable housing), among other factors.⁴³
- UDP uses the following metrics to measure the degree of displacement, gentrification and exclusion in census tracts in San Francisco, Bay Area and other regions across the country:⁴⁴
 - Gentrification is measured based on changes in the income mix of an area and increase in housing costs or above regional median change in rents and home prices.
 - Displacement is measured based on the proportion of low income households or the loss of low income households.
 - Exclusion is evaluated according to risk factors for becoming exclusive based on housing affordability (including whether lower income households can afford typical market rents) and rapid increases in home prices and rents that will inhibit affordability.
- UDP recently developed an Estimated Displacement Risk (EDR) model for California that identifies varying levels of displacement risk for low income renter households in all census tracts in the state.

⁴⁰ [Ibid.](#)

⁴¹ [Ibid.](#)

⁴² UDP summary of Policy Brief 1 published on March 15, 2022: <https://www.urbandisplacement.org/blog/does-new-market-rate-housing-displace-low-income-people/>

⁴³ As indicated in the Housing Element Update 2022 Report, the UDP displacement and gentrification maps have been created to better understand and predict where gentrification and displacement was happening and would likely occur in the Bay Area through a community-engaged research process. The gentrification and displacement typology maps summarize housing market dynamics and displacement and gentrification risk into categories (“typologies”) at the census tract level. These maps are based on 2018 American Community Survey data, and these maps are undergoing another update in 2022 to incorporate new data on migration patterns.
<https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>

⁴⁴ UDP revised its urban displacement project typology in recent years and reported on the reasons for the modifications in the following report: Urban Displacement Project, UC Berkeley Center for Community Innovation, SPARCC, The Urban Displacement Replication Project. October 2020.
https://www.urbandisplacement.org/wp-content/uploads/2021/08/udp_replication_project_methodology_10.16.2020-converted.pdf

The EDR model is a conservative estimate of low income loss and is considered by UDP to be a tool to help identify housing vulnerability.⁴⁵

- As displacement may occur because of either investment or disinvestment, and this risk assessment does not identify the causes of displacement, UDP does not recommend that the EDR model be used to assess vulnerability to investment such as new housing construction or infrastructure improvements but rather refers to their recent research published in March and April 2022 instead.⁴⁶
- UDP also recommends combining the EDR tool and map with on-the-ground accounts of displacement to achieve a full understanding of the issue.⁴⁷
- The analysis of residential displacement presented in Chapter G of this report is based on UDP’s March 2022 Policy Brief 1 and the analysis of neighborhood conditions in Chapter F.

b. Gentrification May Happen Without Displacement, and Displacement May Happen Without Gentrification.

Research indicates that while displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not gentrification and/or displacement occurs.

- Displacement happens to individual people; gentrification happens to places.⁴⁸
 - Some experts have found that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification.
 - While this finding is substantiated by some researchers, other researchers have found that mobility rates vary depending on the specific characteristics of the neighborhoods and the households living there, as well as other factors including market rate housing construction.
- The forces driving neighborhood change, including gentrification and displacement pressures, involve an interplay between the movement of people, public policy decisions and the availability of capital. Consequently, gentrification is a subject that requires analysis of social, political and economic circumstances.⁴⁹
- While community perceptions of gentrification range from hope for better living conditions to anxiety and even hostility, research on gentrification is divided on whether displacement is an inevitable outcome. This divergence of opinion could be because both the scale and type of gentrification vary from place to place. The urban form, or patterns of land-use in U.S. cities, differ considerably in size

⁴⁵ The UDP Estimated Displacement Risk model was released in June 2022. Displacement risk according to UDP’s EDP model means that in 2019—the most recent year with reliable census data—a census tract had characteristics that are strongly correlated with more low-income renter population loss than gain. In other words, the model estimates that more low-income households left these neighborhoods than moved in. The model uses 2015 – 2019 data, which means that correlations between tract characteristics and low-income renter population loss are based on this time period.
<https://www.urbandisplacement.org/maps/california-estimated-displacement-risk-model/>

⁴⁶ To understand the relationship between housing construction and displacement, UDP references their research that was released in March 2022, which is summarized in Policy Brief 1: <https://www.urbandisplacement.org/maps/housing-by-block/>
To understand the relationship between infrastructure and displacement, UDP references their April 2022 research report on the unintended effects of climate change mitigation: <https://www.urbandisplacement.org/maps/examining-the-unintended-effects-of-climate-change-mitigation/>

⁴⁷ <https://www.urbandisplacement.org/maps/california-estimated-displacement-risk-model/>

⁴⁸ <https://www.gwern.net/docs/economics/2020-pennington.pdf>

⁴⁹ <https://ncrc.org/gentrification/>

and structure, and the process of gentrification can involve neighborhoods in a rapid process of change or unfold over decades in larger districts.⁵⁰

- Published research indicates a broad range of potential outcomes from gentrification on existing residents, businesses and organizations.
- Depending on the circumstances, gentrification can contribute to three types of displacement that may affect a subset of existing residents and can cause negative outcomes for these residents:⁵¹
 - Direct (physical) displacement, in which existing residents are forced to move out because of rent increases, building rehabilitation, building demolition, or a combination of these factors.
 - Exclusionary displacement, in which affordable housing choices for lower income residents are limited, which can lead to higher rent burdens.
 - Displacement pressures (economic or indirect displacement) when the entire neighborhood changes, and the services and support system that existing households relied upon are no longer available to them.
- Positive outcomes from gentrification include the following:⁵²
 - Neighborhood improvements that help residents according to a variety of indicators such as reduction in violent crimes, better educational outcomes and employment opportunities. This finding is also supported by a study regarding the improved health and well-being of residents who remain in the neighborhood through the development of a higher opportunity community.⁵³
 - Greater access to services and retail establishments that can occur alongside new development. This is often associated with increased neighborhood business activity, which increases local buying power, employment and economic activity.
 - Deconcentration of poverty, where the exposure to neighborhood poverty is reduced for adults and children who continue to live in an area compared to those who move away and/or where per capita incomes increase for residents that stay.⁵⁴ This finding is also supported by a study that evaluated neighborhood changes in 100 largest metropolitan areas in the US.⁵⁵
- Displacement can occur without gentrification, and displacement is not inevitable. Even studies that found some evidence that gentrification and displacement are linked found only a modest relationship, at best.⁵⁶
- As further described below, public policy tools in the form of anti-displacement strategies are critical to stabilizing communities and preventing displacement, particularly of lower income households who are often most affected.

⁵⁰ [Ibid.](#)

⁵¹ <https://www.huduser.gov/portal/sites/default/files/pdf/displacementreport.pdf>

⁵² [Ibid.](#)

⁵³ <https://www.healthaffairs.org/doi/10.1377/hpb20200724.106767/full/brief-gentrification-health-captanian.pdf>

⁵⁴ Deconcentration of poverty occurs when households with incomes above the poverty level move in to an area or when incomes for some or all of the existing households increase above the poverty level, which can occur without the displacement of existing households with incomes at or below the poverty level.

⁵⁵ <https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2019/wp19-30.pdf?la=en>

⁵⁶ <https://www.huduser.gov/portal/sites/default/files/pdf/displacementreport.pdf>

c. Market Rate and Affordable Housing Production Help Address Gentrification and Displacement

As described earlier, the failure to build new housing to accommodate increased housing demand resulting from job, population and economic growth results in greater competition for existing housing, with higher income households outbidding lower income households and exerting upward price pressures on existing housing, which intensifies displacement and gentrification pressures.

- The acute housing shortage in the Bay Area and California has resulted in an increased regional housing needs allocation to cities across the State including San Francisco. As indicated in the prior section, San Francisco is now expected to plan for the production of over 82,000 units during the next eight year RHNA period from 2023 to 2031.⁵⁷ The statewide RHNA policy to encourage the production housing at all levels of affordability serves as a key anti-displacement strategy.
- Some researchers have found that market-rate housing production is not likely to cause an increase in rents in nearby housing units, while other researchers have found that rents of existing apartment projects immediately near new market-rate apartment buildings declined upon completion of the market rate units in the immediate surrounding area for a duration of up to three years after completion of the new units.
- Two recent UDP policy briefs published in March 2022 specifically analyze how new market-rate housing production affects displacement in the San Francisco Bay Area and evaluate how tenant protections can help low income households avoid displacement. These studies specifically analyze and track the movements of individuals and households by income and financial stability in areas within the Bay Area and in the cities of San Francisco, Oakland and San Jose.
 - Policy Brief 1 concludes that building new housing creates modest churn: some households leave and others move in, and the net impact on mobility is minimal, at least over the four-year period studied. The fact that new housing encourages newcomers at all income levels to move in suggests that market rate construction is easing housing market pressures.⁵⁸
 - Policy Brief 1 also finds that new construction may increase displacement for lower income people under certain circumstances, but the increase in rates of residential displacement (involuntary moves) for very low- to moderate-socio-economic groups are not as high as previously suspected at 0.5 to 2 percent above normal rates.
 - For example, while in a normal year, 10% of households might move out, after completion of construction for a market-rate project, this will mean that up to 12% move out per year for the next four years. If a block group houses 500 households, then 50 move out in a typical year, but 60 might move out each year post construction, for a total of 40 displaced households over four years. Thus, displacement impacts could be avoided with one mid-size apartment building with entirely affordable or subsidized units.
 - UDP's companion Policy Brief 2 indicates that tenant protections alone cannot improve access to housing to address the housing affordability crisis and mitigate displacement and exclusion. Tenant protections must be accompanied by other anti-displacement strategies including housing initiatives that substantially expand affordable, social housing, which is affordable to lower and moderate income households.⁵⁹

⁵⁷ <https://www.sfhousingelement.org/housing-element-2022-update-highlights>

⁵⁸ https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

⁵⁹ https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_2_Tenant-Protections_Brief_03.01.22.pdf

- Another recent study was published by Pennington at the end of 2020, which explores the spillover effects of new housing construction in San Francisco. Pennington finds that market rate housing differentially decreases nearby rents and displacement risk, while affordable housing has no spillover effects on the surrounding people and neighborhoods.⁶⁰
 - Pennington’s research suggests that increasing the supply of market rate housing has beneficial spillover effects for existing residents, reducing rents and displacement pressures while improving neighborhood quality. However, the spillover effects from market rate housing may not reduce gentrification, and they may not continue to reduce displacement in the long term.
 - While Pennington’s research indicates that new market rate housing reduces displacement in San Francisco overall, a hyperlocal demand effect exists within a narrow radius of 100m, i.e., within eyeshot of the new construction. Within this narrow band, building renovations and business turnover increase. The upgrade in neighborhood quality attracts higher-income newcomers, so that when incumbents move out, they are more likely to be replaced by wealthier newcomers.
 - The study concludes that policymakers who want to slow displacement and gentrification should accelerate both market rate and affordable housing construction.
 - Pennington summarizes her findings “as emphasizing that building more market-rate housing and building more affordable housing are complementary policy levers. Affordable housing, obviously, is much better targeted at the people who are actually at a high risk of displacement.”⁶¹

d. Effectiveness of Residential Anti-Displacement Strategies

UDP has done an extensive literature review to evaluate the effectiveness of anti-displacement strategies and recommends that policy makers consider adopting a three-pronged set of residential anti-displacement strategies to address displacement.⁶²

- **Production**– The development of affordable housing decreases displacement by retaining or increasing the affordable housing stock. Housing production policies that incentivize new market rate and mixed income housing address housing demand and provide affordable housing through inclusionary units and/or payment of housing fees.
- **Preservation**– Given that most lower income households with housing they can afford live in unsubsidized units, housing preservation programs for housing that is affordable at lower incomes have the most potential for a substantial impact in preventing displacement of residents from those buildings.
- **Neighborhood Stabilization**– Neighborhood stabilization and tenant protection strategies have a direct and immediate effect on reducing displacement but need to be accompanied by other anti-displacement strategies such as affordable housing for lower to moderate income households.

Figure E-1 presents the summary matrix included in Table 1 of UDP’s 2021 White Paper that summarizes and evaluates anti-displacement policies in terms of their effectiveness, market type, implementation scale, and timeframe.⁶³ All of these strategies are focused on residential anti-displacement strategies, which is the focus of this research paper.

⁶⁰ <https://www.gwern.net/docs/economics/2020-pennington.pdf>

⁶¹ <https://citymonitor.ai/housing/how-does-new-construction-affect-nearby-housing-prices>

⁶² <https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy-Effectiveness.pdf>

⁶³ [Ibid.](#)

Figure E-1 Literature Review Summary Table
Table 1 From UDP White Paper on Anti-Displacement Strategy Effectiveness

TABLE 1: LITERATURE REVIEW SUMMARY TABLE

Category	Policy Name	Literature Coverage Level	Potential to Prevent Displacement*	Market Type**	Implementation Scale	Timeframe to Prevent Displacement
Production	Housing Production	HIGH	HIGH+	Strong	Local, State	Long-term
Production	Inclusionary Zoning + Developer Incentives	MEDIUM	MEDIUM	Strong	Local, State	Long-term
Production	Accessory Dwelling Units	LOW	MEDIUM	Neutral	Local, State	Long-term
Production	Impact + Linkage Fees	MEDIUM	LOW	Strong	Local	Long-term
Production	Housing Overlay Zones	LOW	MEDIUM	Strong	Neighborhood, Local	Long-term
Production	Land Value Recapture	LOW	LOW	Strong	Local, State	Long-term
Preservation	Unsubsidized Affordable Housing	LOW	HIGH	Neutral	Local, State	Short-term
Preservation	Federally-Funded Housing Developments	MEDIUM	MEDIUM	N/A	Local, Federal	Short-term
Preservation	Housing Rehabilitation	MEDIUM	LOW	N/A	Local, State, Federal	Short-term
Preservation	Condominium Conversion Restrictions + Tenant Opportunity to Purchase	MEDIUM	MEDIUM	Strong	Local	Short-term
Preservation	Community Control of Land	LOW	HIGH	Neutral	Neighborhood, Local	Short-term
Neighborhood Stabilization	Rent Control	HIGH	MEDIUM	Strong	Local, State	Short-term
Neighborhood Stabilization	Community Benefits Agreements	MEDIUM	LOW	Strong	Neighborhood, Local, State	Long-term
Neighborhood Stabilization	Rental Assistance Programs	MEDIUM	HIGH	Neutral	Local	Short-term
Neighborhood Stabilization	Foreclosure Assistance	MEDIUM	HIGH	Neutral	Local, State, Federal	Short-term
Neighborhood Stabilization	Tenant Right to Counsel	MEDIUM	HIGH	Strong	Local	Short-term
Neighborhood Stabilization	"Just Cause" Evictions	MEDIUM	HIGH	Strong	Local	Short-term

* Potential: If we adopt this policy, how likely is it that displacement will be reduced directly or indirectly?

** For some policies, a strong market is necessary for feasibility, while for others, it makes them more effective.

+ Although both market-rate and subsidized housing production may successfully reduce indirect displacement, the effectiveness of a particular development depends on its context and scale.

Source: <https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy-Effectiveness.pdf>

6. Summary of Supplemental Cultural Displacement Research

Researchers utilize different definitions for cultural displacement, which makes it difficult to analyze and draw conclusions from these research efforts. For example, some researchers that have studied cultural displacement exclusively focus on residential displacement impacts on specific racial and ethnic groups, such as Black or African American and Hispanic or Latino households, as they typically have the lowest incomes and may live in areas that have higher concentrations of their racial and ethnic groups. Others focus on how gentrification and displacement may affect commercial businesses and/or cultural characteristics of neighborhoods associated with a particular race, ethnicity, or other marginalized group. While research regarding gentrification and displacement discusses the types of changes that may occur to the cultural fabric of the neighborhood, this research is typically focused on a specific neighborhood or set of neighborhoods, and very few studies have analyzed neighborhoods in San Francisco.

Most of the relevant research that has been prepared focuses on the potential impacts of gentrification on residents or commercial displacement of local businesses. No directly comparable research studies were found that analyzed cultural displacement impacts for San Francisco neighborhoods like SoMa or cultural assets such as those in the SOMA Pilipinas Filipino Cultural Heritage District, although several research studies recommend anti-displacement measures to address impacts from cultural displacement, gentrification and other forms of neighborhood change.

a. Commercial Gentrification and Displacement

While researchers have given significant attention to the dramatic changes that gentrification and residential displacement bring, the phenomenon of commercial change remains relatively unexplored. This may be in part because business turnover—or churn—is a common sight, so the changes lack the novelty of residential displacement. Because of the understudied nature of commercial gentrification and displacement, interesting questions remain about their relationship with residential change and how commercial gentrification affects existing businesses and residents.⁶⁴

- Researchers find it difficult to unpack the mechanism by which commercial gentrification relates to residential gentrification or which (if either) comes first. Indeed, changes in commercial districts have been noted as both a causal factor of and an outcome of residential demographic change. Rather than sort out this “chicken and egg” question, some researchers suggest that commercial and residential gentrification work together and are complicated to disentangle.
- In commercial districts, gentrification and displacement are at their most visible. Few miss the intrusion of new businesses that force out favorite local stores because of higher rents, or the influx of hip cafés, trendy retail boutiques, and art galleries—places that change the meaning of a neighborhood for better or worse.
- While commercial gentrification can also transform a neighborhood’s meaning, research is mixed on whether it is positive or negative for existing residents and businesses.
- Gentrification has implications for the economic survival and growth of businesses as well as impacts on existing residents, including those who own local businesses.
 - Increased rents may lead to displacement and business closures, although research indicates that it is challenging to detect the extent to which business loss stems from displacement because of rent increases, as businesses open and close regularly for a variety of reasons.

⁶⁴ <https://mitpress.mit.edu/books/transit-oriented-displacement-or-community-dividends> (See Chapter 7, Commercial Gentrification and Displacement, which is summarized in this section.)

- Increased foot traffic and buying power from new residents, workers or visitors may expand the local customer base, increase business revenues, facilitate business growth, or enable existing businesses to pay higher rents.
- A growing customer base may attract much-needed businesses, goods and services to residents of “retail deserts,” particularly if these new businesses fulfill immediate, every day needs.
- Local residents may also benefit from expanded job and business opportunities, although there is the risk that local entrepreneurs, including owners of minority-owned businesses, may be negatively impacted by rising rents and/or a shifting customer base.
- Cultural displacement of a neighborhood—defined at least partly by the mix of shops and restaurants—is another often-cited critique of gentrification. Recent research provides only mixed support for this concern.⁶⁵
 - Small businesses do not appear to be at heightened risk of displacement from gentrifying neighborhoods, and retention rates among small businesses are generally higher than exit rates in both gentrifying and non-gentrifying neighborhoods. However, gentrifying neighborhoods have a somewhat higher share of businesses that leave without any replacement.
 - When businesses are replaced, they are generally in a different sector than the original, with the highest gains in businesses providing services, such as art and entertainment venues and employee placement services, and losses in goods-producing industries, such as manufacturing.

b. Pandemic’s Impact on Minority Owned Business

Recent UDP research indicates that the COVID pandemic has affected minority owned businesses that are owned by people of color (POC) as defined by UDP. These businesses were disproportionately affected by the pandemic because they are likely to be concentrated in industries immediately affected by the pandemic (including arts and entertainment, personal services, construction, and restaurants). These businesses are also facing systemic inequalities that make it difficult to stay afloat.⁶⁶

- About 29% of Bay Area businesses are estimated to be minority owned businesses, with the majority concentrated in San Francisco (37%) followed by Oakland (29%) and San Jose (26%). Most are concentrated within predominantly POC neighborhoods and within ethnic business districts.
- Approximately one-third of minority owned businesses identified across the six cities studied own their commercial properties. Property ownership rates are relatively consistent across minority groups ranging from 34% for Black-owned businesses and 38% for Latinx-owned businesses.
- Food and beverage services has the lowest owner-occupancy rate at 30%, which means that 70% of food and beverage services businesses rent their current premises. Therefore, food and beverage services are likely to be at greater risk of displacement if rents were to increase, for example.
- This study highlights programs being undertaken in Bay Area cities to help small businesses and recommends strategies to help business owners, many of which are similar to the anti-displacement strategies referenced in other UDP research and included in the Community Stabilization report.

⁶⁵ <https://www.huduser.gov/portal/sites/default/files/pdf/displacementreport.pdf>

⁶⁶ UDP, Schmahmann, Laura et al, Mapping POC-owned Business Vulnerability in the Wake of COVID-19, December 2021. <https://www.urbandisplacement.org/wp-content/uploads/2022/01/UDP-Business-Vulnerability-Report-Final.pdf>

c. Cultural Anti-Displacement Strategies

Impacts from cultural displacement and gentrification are best addressed by undertaking anti-displacement and community stabilization strategies that are designed to preserve and stabilize cultural, community, arts and business organizations. In the research reviewed, including the findings from the City's Community Stabilization Report and UDP's research, cultural anti-displacement strategies build upon and leverage strategies and programs that promote equitable development, environmental justice and smart growth, collectively referred to as cultural anti-displacement strategies in this report.

The U.S. Department of Housing and Urban Development (HUD) Office of Policy and Research has sponsored research regarding displacement and gentrification, which presents the following strategies to address cultural displacement impacts based on case studies from communities across the nation:⁶⁷

- Engage existing community residents and organizations
- Provide support for community-led organizations
- Retain existing neighborhood businesses by assisting small business owners
- Help families achieve economic self-sufficiency, by connecting priority populations to targeted employment, preparing them for long-term success and by providing affordable childcare
- Improve access to quality education through early learning centers, adult education and services for the youth and arts, and stimulating economic development
- Support healthy environments through services by providing medical care, food and nutrition, and services for seniors

The U.S. Environmental Protection Agency (EPA) recommends strategies to advance environmental justice, smart growth, and equitable development, which are grouped into common elements and are also focused on minimizing displacement:⁶⁸

- Facilitate meaningful community engagement in planning and land use decisions
- Promote public health and a clean and safe environment
- Strengthen existing communities
- Provide housing choices and transportation options
- Improve access to opportunities and daily necessities
- Preserve and build on the features that make a community distinctive

The most relevant research report regarding anti-displacement strategies that can help preserve Asian Pacific American culture including Filipino culture was prepared by the National Coalition for Asian Pacific American Community Development & Council for Native Hawaiian Advancement, which compiled 24 anti-displacement strategies with case study examples of their effectiveness to address impacts on the Asian American and Pacific Islander (AAPI) communities.⁶⁹ Several of the featured case study strategies are being successfully deployed in San Francisco and other Bay Area cities.

⁶⁷ <https://www.huduser.gov/portal/sites/default/files/pdf/displacementreport.pdf>

⁶⁸ <https://www.epa.gov/smartgrowth/creating-equitable-healthy-and-sustainable-communities>

⁶⁹ National Coalition for Asian Pacific American Community Development & Council for Native Hawaiian Advancement, Asian American and Pacific Islander (AAPI) Anti-Displacement Strategies, May 2016
https://www.nationalcapacd.org/wp-content/uploads/2017/08/anti_displacement_strategies_report.pdf

- One featured strategy being deployed in San Francisco is the in-language tenant counseling program to prevent evictions provided by the Bill Sorro Housing Program of the Veteran’s Equity Center (VEC) located in SoMa and focused on the Filipino community. This program serves 1,000 tenants, predominantly Filipino elders and families, with counseling and a weekly drop-in clinic. Bilingual counselors help seniors apply for housing opportunities, and help tenants fight unfair evictions and rent increases through a care-giving case management approach that is culturally appropriate and holistic. VEC has also been part of a coalition that helped pass stronger eviction protections in addition to “just cause eviction” and rent control in San Francisco, which includes requiring that a substantial violation be stated in eviction notices with a tenant chance to cure violations.
- A second featured strategy focuses on helping residents in Chinatown. The Chinese Progressive Association of San Francisco (CPA SF), in partnership with the Chinatown Community Development Center’s SRO Organizing Project, has organized residents in Chinatown’s SROs, first providing much-needed services to about 475 families and then working with families to organize for better living conditions, fight unjust evictions, and advocate for systemic policies. CPA SF uses a peer organizer model, where SRO residents work part-time to outreach to other families to provide resources and information and operate as a member-led organization. CPA SF focuses on developing career pathways and training programs for workers and is advocating for a Beacon Center to help children in SROs succeed in school toward living wage jobs to be able to move to better housing.

The report also recommends a series of national anti-displacement strategies, which include strategies to be implemented at the local level, several of which are underway in San Francisco:

- Create a Cultural District designation that implements a series of protections for neighborhoods which serve as economic survival hubs for low-income and otherwise marginalized communities
- Invest in housing preservation through tenant services and education and acquisition for permanent affordability to stabilize housing stock
- Create funding incentives for cities to establish inclusionary zoning and rent control to ensure diverse cities and fair access to housing, particularly for family units with multiple bedrooms
- Encourage cities to prioritize at least 50% use of public land for affordable housing in hot markets.

The anti-displacement strategies recommended in these research reports were combined with strategy recommendations from the City’s community stabilization and affordable housing reports to inform the following cultural anti-displacement strategies that are further described in Chapter H and complement the residential anti-displacement strategies:

- Community, arts and cultural stabilization (including the Cultural Districts Initiative)
- Business and workforce stabilization (including business retention and workforce development)

F. Neighborhood Conditions

As described earlier, the Proposed Project is located in the South of Market neighborhood about one block south of the Tenderloin neighborhood. These two neighborhoods are collectively referred to as the Surrounding Area, as they include the surrounding areas that may be most affected by the Proposed Project. This chapter of the report summarizes and compares existing neighborhood conditions in the Surrounding Area to the City as a whole, and it also compares housing conditions in the Surrounding Area, One Mile Radius and the City as a whole. (See section C.4 for further information about the geographic areas used in the analysis presented in this report.)

This review of neighborhood conditions evaluates changes that have occurred in the Surrounding Area over the past two decades to inform the analysis of gentrification and displacement. As defined earlier, gentrification occurs when there is a broad pattern of neighborhood change typically characterized by increases in the number of higher income households and rapid increases in home values and/or rents over an extended period of time, for example ten years or more. The extent to which gentrification is linked to racial transition and other socioeconomic indicators differs across neighborhood contexts. Thus, this section of the report presents relevant housing and socioeconomic data regarding neighborhood and housing conditions prior to development of the Proposed Project, as well as describes anticipated future growth of affordable and market rate housing in the development pipeline.

1. Summary of Key Findings on Neighborhood Conditions

In summary, this analysis of neighborhood conditions and housing market trends finds that recent trends in population and housing have contributed to substantial neighborhood change in the Surrounding Area:

- Population and housing units have grown at a much faster pace in the Surrounding Area as compared to the City for the past two decades. Due to the large growth in housing since 2000, an increasing share of the City’s housing is in the Surrounding Area (about 9% of citywide units as of 2020).
 - The Surrounding Area has a much higher percentage of renters than the City (about 90% in the Surrounding Area compared to 62% citywide in 2020). Renters, particularly lower income renters, are often more susceptible to displacement.
- About 3,500 affordable units were produced between 2005 to 2021 in the Surrounding Area, which represents about 27% of all units produced during that period in the Surrounding Area. About 70% of the affordable units produced since 2005 in the Surrounding Area are in 100% affordable housing developments while about 30% are in mixed income developments with onsite inclusionary units.
- The increase in production of both affordable and market rate housing in the Surrounding Area and One Mile Radius have contributed to neighborhood change as a diverse mix of new households at all income levels have occupied the new housing that has been built.
- Many existing residents in the Surrounding Area are protected from displacement. As of 2021, about three-quarters of housing units (about 27,000 units) in the Surrounding Area are “protected units,” which consist of affordable units subject to regulatory agreements or units in older buildings (including apartments and SROs) that are subject to rent control. The Surrounding Area has a much higher proportion of protected units (75%) compared to the citywide average of 50%.
 - A substantial proportion of the “unprotected units” in the Surrounding Area are new market rate units that were built since 2005 (about 9,300 units), many of which are market rate apartments.
- Average rents for market rate apartments in the Surrounding Area are relatively more affordable than average rents citywide, which is partially due to the smaller average size of units compared to the

citywide average. While the rental market in the City is starting to recover since the pandemic, market rents as of Spring 2022 in the Surrounding Area and the City are still below 2019 market rent levels.

- While a moderate or above moderate income household can afford the average market rent in the Surrounding Area, a lower income household cannot afford average market rents.
- Average rents have not increased as rapidly in the Surrounding Area compared to what has occurred in the City and the One Mile Radius from 2000 to 2022, indicating the relative affordability of the Surrounding Area. Furthermore, average rents in the Surrounding Area have increased at a much slower rate than inflation over the past decade.
- Correlated with the large proportion of affordable housing and rent controlled units, about two thirds (67%) of households within the Surrounding Area have incomes below \$75,000 (considered lower income households), which includes low, very low and extremely low income households.
 - The Surrounding Area has a higher proportion of lower income households with incomes below \$75,000 compared to the City and a lower proportion of above moderate income households earning at least \$150,000.
- The population of all racial and ethnic groups has grown in the Surrounding Area between 2000 to 2020, which indicates that the new residents who have moved to the Surrounding Area are culturally diverse. The Asian population experienced the largest increase in population in the Surrounding Area, followed by the Hispanic/ Latino population during this time period.
 - The Surrounding Area has maintained its diverse population, with about three quarters of residents being people of color as of 2020, which is a higher proportion than the City as a whole.
 - Similar to the City, the Asian population represents the largest share of population in the Surrounding Area. The Surrounding Area has higher proportions of residents that identify as Black or African American and as Hispanic or Latino than the city as a whole.
- Based on an analysis of the best available data from the US Census on the Filipino population from 2000 to 2020, the size of the Filipino population has likely remained stable or grown over the past two decades in the Surrounding Area, and the Surrounding Area has a higher proportion of Filipino residents (about 8.7%) compared to the City average (about 5.2%) in 2020.⁷⁰
- As described above, a large proportion of existing residents in the Surrounding Area are protected from displacement as they live in affordable housing or in buildings subject to rent control.
- New development of affordable housing within the Surrounding Area and the One Mile Radius will provide additional affordable housing resources in both 100% affordable housing developments and as inclusionary housing units within new mixed income developments.
 - About 3,800 new affordable housing units (exclusive of ADUs) are in the housing pipeline to be built within the One Mile Radius, including about 2,600 new affordable units within the Surrounding Area.
 - About 29% of all units in the housing pipeline within the Surrounding Area are affordable units, which is a higher percentage than in the City and the One Mile Radius.

⁷⁰ The US Census Bureau has not yet released 2020 Census data regarding the distribution of the Asian population by ethnicity, including Filipino. As further described in this chapter, historical 2000 and 2010 Census data on the Filipino population is compared with estimates of the 2020 Filipino population that were prepared using 2020 Census population data in combination with survey data regarding the proportion of the Filipino population in the Surrounding Area from the 2020 American Community Survey. The Filipino population estimate for 2020 indicates that the Filipino population has likely remained relatively stable or grown from 2000 to 2020 in the Surrounding Area, although it may have declined since 2000 if the 2020 Filipino population estimate is overstated.

2. Population and Housing Growth Over Past Two Decades

Both the City and the Surrounding Area have experienced substantial growth in population and housing over the past two decades, as shown in Table F-1. According to recently released data from the US Census, the 2020 population in San Francisco was about 874,000, which is an increase of about 97,000 people since 2000, with most of the growth (about 69,000 people) occurring between 2010 to 2020. While housing has increased citywide by about 60,000 housing units from 2000 to 2020 to about 407,000 units, citywide housing growth was almost evenly split between the two decades, which may have contributed to pent up housing demand from the City’s significant population increase since 2010.

Table F-1 Comparison of Population and Housing Growth From 2000 to 2020 in Surrounding Area and San Francisco

Demographic Summary	Surrounding Area			Change Between 2000-2020	
	2000	2010	2020	Difference	Percent Change
Population	43,025	51,431	64,573	21,548	50%
Housing Units	24,014	30,786	36,720	12,706	53%
Households	22,194	27,261	32,637	10,443	47%
Renter Households*	21,174	24,957	29,504	8,330	39%
Percent Renter Households*	95%	92%	90%	-5%	-5%
Demographic Summary	City of San Francisco			Change Between 2000-2020	
	2000	2010	2020	Difference	Percent Change
Population	776,733	805,235	873,965	97,232	13%
Housing Units	346,527	376,942	406,628	60,101	17%
Households	329,700	345,811	371,851	42,151	13%
Renter Households*	214,385	222,165	230,480	16,095	8%
Percent Renter Households*	65%	64%	62%	-3%	-5%
Share of Housing in Surrounding Area	7%	8%	9%	21%	N/A

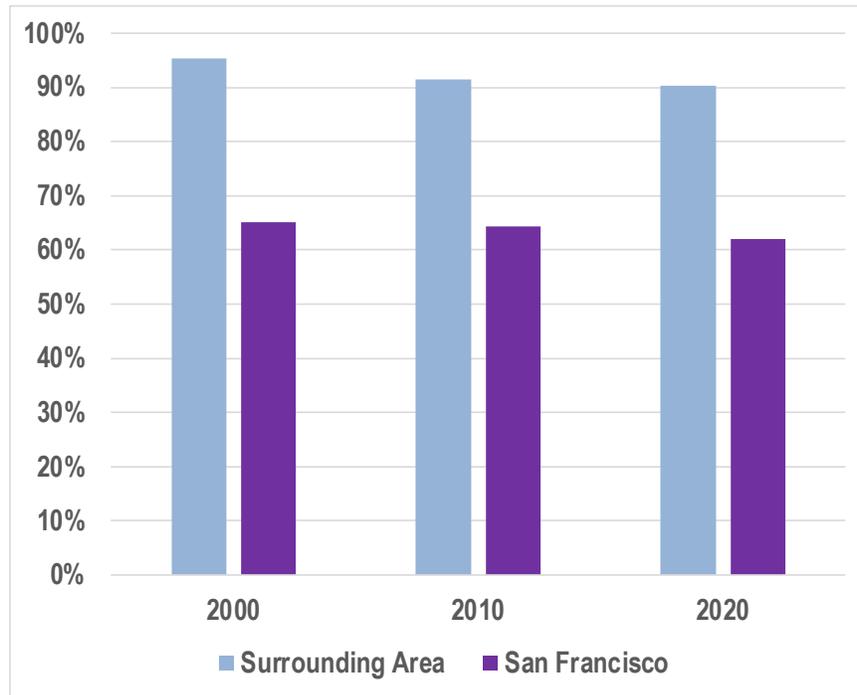
* Renter household data is not yet available from the 2020 Census as of August 2022. Thus, the number of renter households for 2020 is estimated based on the percentage of renter households in SoMa, Tenderloin and San Francisco based on data from the 2020 5-Year ACS.

Source: U.S. Decennial 2000, 2010 and 2020 Census and 2020 5-Year American Community Survey (ACS).

Population and housing units have grown at a much faster pace in the Surrounding Area compared to the City for the past two decades. Due to the large growth in housing since 2000, an increasing share of the City’s housing is now located in the Surrounding Area. The Surrounding Area has about 37,000 housing units in 2020, which represents about 9% of all housing units in the City (up from a 7% share in 2000). From 2000 to 2020, 21% of the citywide growth in housing units occurred in the Surrounding Area according to the US Census.

The Surrounding Area continues to have a much higher percentage of renters than the City (about 90% in 2020 in the Surrounding Area compared to 62% citywide). Renters, particularly lower income renters, are often more susceptible to displacement, although those who live in affordable housing subject to regulatory agreements or live in units that are protected by rent control are less vulnerable to displacement, as further discussed in Section F.4 below.

Graph F-1 Percent of Renter Households From 2000 to 2020 in Surrounding Area and San Francisco



Source: U.S. Decennial 2000 and 2010 Census and 2020 5-Year American Community Survey (ACS).

3. Housing Production

As indicated in the Housing Element 2022 Update,⁷¹ most of the City’s housing growth since 2005 (also referred to as housing production) has occurred in the eastern parts of San Francisco, including areas within the Surrounding Area and One Mile Radius, as illustrated in Figure F-1 below.⁷² (Geocoded housing production data by neighborhood and housing type is only available from 2005 onward.)⁷³

These recent patterns of housing growth are consistent with City policies to focus and intensify housing growth along transit corridors and near the City’s growing centers of employment. This substantial new housing growth from both affordable and market rate housing has contributed to neighborhood change in the Surrounding Area and One Mile Radius, which has occurred prior to development of the Proposed Project and is thus considered an existing condition.

⁷¹ The figures shown in this chapter have been prepared based on working draft documents of the Housing Element Update and updated maps provided by the Planning Department. <https://www.sfhousingelement.org/draft-housing-needs-assessment-and-assessment-fair-housing>

⁷² According to the 2020 Census and illustrated on the figures in this chapter, the Proposed Project is located in census tract 176.02 and within block group 2 of census tract 176.02, which is referred to as the “Project Area.” These figures also indicate the location of the Surrounding Area (consisting of the South of Market and Tenderloin Analysis Neighborhoods) and the One Mile Radius surrounding the Proposed Project. Please refer to section C4 for further information on these geographies.

⁷³ The geocoded housing production data is based on net housing units, which represent the net increase of housing units without counting existing housing units that were replaced on the site.

According to updated geocoded housing production data provided by the Planning Department and MOHCD for this analysis, more than half of the City’s housing growth from 2005-2021 has occurred within the One Mile Radius, while about one quarter of the City’s housing growth occurred within the Surrounding Area, as shown in Table F-2 below.⁷⁴ Housing growth (units produced) since 2005 is based on the net increase of housing units without counting existing housing units that were replaced on the site.

Table F-2 Distribution of Housing Growth From 2005 to 2021 by Affordability and Geographic Area

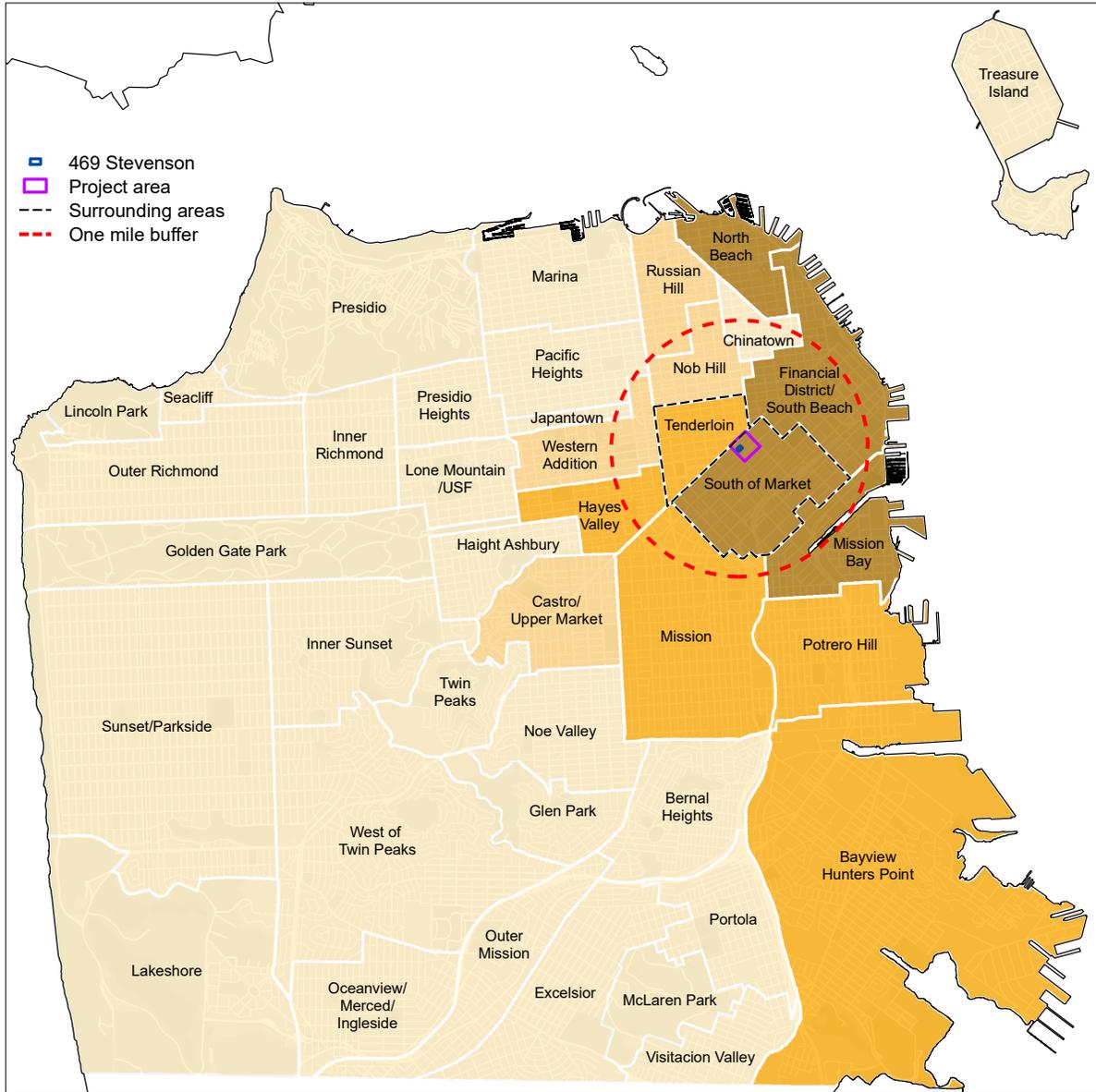
Production (Units Completed 2005-2021)	South of Market	Tenderloin	Surrounding Area	Remaining One Mile Radius	One Mile Radius	Remaining City Areas	San Francisco
100% Affordable Housing Units	1,412	955	2,367	1,489	3,856	4,964	8,820
Inclusionary Housing Units	865	218	1,083	1,301	2,384	1,259	3,643
Total (Net) Affordable Units	2,277	1,173	3,450	2,790	6,240	6,223	12,463
<i>Affordable Units as Percent of Total (Net) Units in Geographic Area</i>	24%	35%	27%	19%	23%	25%	24%
<i>Affordable Units as Percent of Citywide Affordable Units Produced</i>	18%	9%	28%	22%	50%	50%	100%
Accessory Dwelling Units (ADU)	9	10	19	39	58	1,108	1,166
Affordable Units (With ADUs)	2,286	1,183	3,469	2,829	6,298	7,331	13,629
Market Rate Units	7,145	2,128	9,273	11,717	20,990	17,952	38,942
Total (Net) Units Produced	9,431	3,311	12,742	14,546	27,288	25,283	52,571
<i>Total (Net) Units in Geographic Area as Percent of Citywide Units Produced</i>	18%	6%	24%	28%	52%	48%	100%

Note: Market rate developments may provide affordable inclusionary units on site or may choose alternative means of compliance that include providing units within 100% affordable housing developments, payment of in-lieu fees and/or land dedication. Housing growth or production of housing since 2005 is based on the net increase of housing units without counting existing housing units that were replaced on the site.

Source: San Francisco Planning Department, Mayor’s Office of Housing and Community Development.

⁷⁴ As indicated in Table F-1, about 21% of the City’s housing growth occurred in the Surrounding Area between 2000 to 2020, which is generally consistent with the share of housing growth reported for 2005 to 2021 in Table F-2.

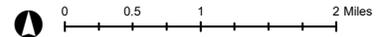
Figure F-1 Comparison of New Housing Production by Neighborhood in San Francisco



Comparison of New Housing Production
by Neighborhood
Figure F-1
SAN FRANCISCO

Net Units

3,001 - 7,500 Units
1,501 - 3,000 Units
301 - 1,500 Units
Less than 300 Units



The project area is defined as block group 2 of census tract 176.02 according to the 2020 Census

Source: Housing Element 2022 Update– Draft Housing Needs Assessment and Assessment of Fair Housing (March 2022).

Source: Housing Element 2022 Update– Draft Housing Needs Assessment and Assessment of Fair Housing (March 2022).

Table F-2 also shows the amount of housing growth— total (net) units produced— in each of the defined geographic areas within the City.⁷⁵As further described below, total (net) housing production since 2005 in the One Mile Radius was about 27,000 units out of about 53,000 units produced citywide.

A substantial portion of this housing growth is attributable to the production of affordable housing that is affordable to very low, low and moderate income households based on Areawide Median Income (AMI) according to the following definitions that are used by Federal and State governments:⁷⁶

- **Very low income households (VLI)**— incomes between 0% and 50% of AMI.
 - VLI includes extremely low income households (ELI) with incomes between 0%–30% of AMI.
- **Low income households (LI)** – incomes between 50% and 80% of AMI.
 - Lower income households include all households that are extremely low, very low or low income.
- **Moderate income households (MOD)** – incomes between 80% and 120% of AMI.

d. Affordable Housing Production Since 2005

About 6,300 units of affordable housing have been produced within the One Mile Radius since 2005, of which more than half has been built within the Surrounding Area (about 3,500 units). About 27% of units produced since 2005 in the Surrounding Area are affordable housing units, which consist of the following types of affordable units:

- **100% affordable housing units**— These affordable units are located within affordable housing developments where all units (other than those reserved for onsite property management) are subject to long term regulatory restrictions typically restricting their occupancy to lower income households, with a focus on very low and extremely low income households.⁷⁷
 - About 2,400 units produced in the Surrounding Area out of about 3,900 units produced in the One Mile Radius are located in 100% affordable housing developments.
- **Inclusionary housing units**— These affordable units are onsite inclusionary units within mixed income developments that are subject to long term regulatory restrictions typically restricting their occupancy to lower and moderate income households.
 - About 1,100 inclusionary units have been produced in the Surrounding Area out of about 2,400 inclusionary units in the One Mile Radius.

⁷⁵ Refer to section C-4 for further information regarding the definitions and boundaries for the geographic areas (i.e., South of Market, Tenderloin, Surrounding Area and One Mile Radius) used in the tables and graphs in this chapter. “Remaining One Mile Radius” refers to the remaining area within the One Mile Radius outside of the Surrounding Area. “Remaining City Areas” refers to the remaining area outside of the One Mile Radius in the City.

⁷⁶ The U.S. Department of Housing and Urban Development (HUD) and State of California Department of Housing and Community Development (HCD) define households by Area Median Income (AMI) level. AMI is the midpoint of the household income distribution, which means that 50% of the households in San Francisco earn less than the AMI while the remaining 50% of households earn more.

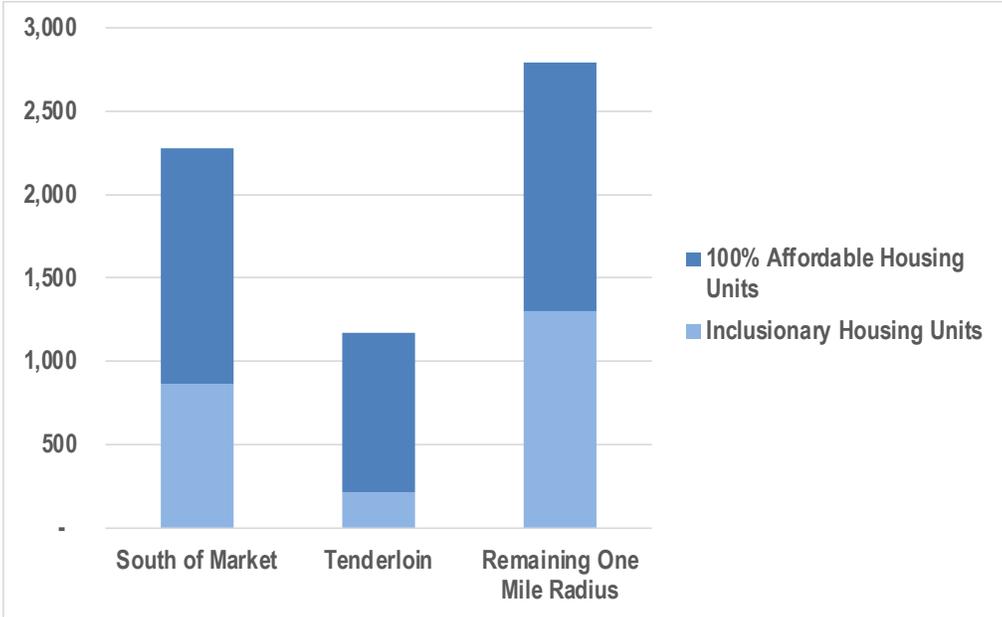
⁷⁷ 100% affordable housing developments are generally built by non-profit developers and usually require public subsidies. A high proportion of these developments in the City are rental developments that have been funded using Federal and/or State Low Income Housing Tax Credits, which limit occupancy to lower income households and include a large proportion of ELI and/or VLI households.

As illustrated in Graph F-2 below, most of the 6,300 units of affordable housing that have been completed within the One Mile Radius since 2005 have been built in the Surrounding Area:

- **Surrounding Area**– About 3,500 affordable units (56%) have been built in the Surrounding Area, which consists of 2,300 affordable units in SoMa and 1,200 affordable units in the Tenderloin.
 - About 70% of the affordable units produced in the Surrounding Area are located in 100% affordable housing developments.
- **Remaining One Mile Radius**– About 2,800 affordable units were built in the remaining areas within the One Mile Radius (outside of the Surrounding Area).
 - About half of the affordable units produced in the Remaining One Mile Radius are located in 100% affordable housing developments.

As indicated above in Table F-2, about half of the affordable units that have been produced in the City since 2005 are located within the One Mile Radius, while about 28% of affordable units have been produced in the Surrounding Area. While the City’s production of affordable housing has been similarly focused on these geographic areas, the Surrounding Area has produced a higher share of affordable units compared to both the One Mile Radius and the City.⁷⁸

Graph F-2 Comparison of Affordable Units Produced From 2005 to 2021 Within One Mile Radius



Source: San Francisco Planning Department, Mayor’s Office of Housing and Community Development.

⁷⁸ As previously shown in Table F-2 above, 52% of the City’s total (net) housing production from 2005-2021 has occurred within the One Mile Radius, while about 24% of the City’s total (net) housing production occurred within the Surrounding Area.

e. Accessory Dwelling Unit Production Since 2005

As the result of State Legislation designed to expand housing production throughout California, Accessory Dwelling Units (ADUs) represent a growing share of housing growth in cities across the State. While about 1,200 ADUs have been produced in the City since 2015, only a very small number are located within the Surrounding Area and One Mile Radius:

- **Accessory Dwelling Units (ADUs)**– Accessory Dwelling Units are units added to existing and new residential buildings, which are also called secondary units, in-law units, or cottages. ADUs may or may not be subject to rent restrictions and are typically affordable to lower to moderate income households, which means that they may be considered affordable housing for the City’s RHNA.
 - Only about 20 ADUs have been produced in the Surrounding Area out of about 60 ADUs in the One Mile Radius so ADUs have not significantly contributed to affordable housing in these areas, while they represent a significant proportion of affordable units developed elsewhere in the City.

f. Market Rate Production Since 2005

New market rate development has produced about 21,000 market rate apartments and condominiums in the One Mile Radius since 2005, of which about 9,300 units were built in the Surrounding Area:

- **Market rate units**– Recently built units are not subject to long term regulatory restrictions that restrict their occupancy and affordability to certain household income groups, although older units are often subject to rent restrictions. Market rate units are typically affordable to moderate or above moderate income households, although some units can be affordable to lower income households.
 - **Above moderate income households (Above MOD)** are households with incomes above 120% of AMI.

The substantial increase in production of both affordable and market rate housing in the Surrounding Area and One Mile Radius have contributed to neighborhood change as a diverse mix of new households at all income levels have occupied the new housing that has been built.

4. Protected Units of Housing

According to recent geocoded housing data provided by the Planning Department and MOHCD, about three-quarters (75%) of housing units in the Surrounding Area are either affordable housing units or protected by rent control, collectively referred to as “protected units” that consist of the following:

- **Affordable housing units**– These units are subject to long term regulatory restrictions that restrict their occupancy and affordability to households of very low, low and moderate income within 100% affordable housing developments or as inclusionary units within mixed income developments.⁷⁹
- **Rent controlled apartment units**– These units are located in older residential buildings that are apartments or flats that are subject to the City’s Residential Rent Stabilization and Arbitration Ordinance, which provides a series of protections for existing tenants including annual limitations in rent increases, rent arbitration, just cause eviction, tenant petitions, and tenant/landlord mediation.⁸⁰

⁷⁹ As described earlier, only about 60 ADUs have been produced in the One Mile Radius since 2005. Although considered affordable units, ADUs do not represent a significant portion of protected units.

⁸⁰ The San Francisco Rent Ordinance (SF Administrative Code, Chapter 37) was enacted effective June 13, 1979 by the Board of Supervisors and signed by the Mayor as emergency legislation to alleviate the city's housing crisis, which has been amended since then numerous times. [https://sfrb.org/sites/default/files/600 Ordinance 7-18-22.pdf](https://sfrb.org/sites/default/files/600%20Ordinance%207-18-22.pdf)

- **Single Room Occupancy (SRO) units**– These units are located in older residential hotels that are certified for residential occupancy and subject to the Residential Hotel Unit Conversion Ordinance (HCO), which preserves these units by preventing the loss of residential hotel units through conversion to tourist rooms or demolition.⁸¹ SRO units that have been occupied by the same tenant for 32 or more continuous days are also subject to the Rent Stabilization and Arbitration Ordinance.

Protection of a housing unit is targeted at the unit, not the individual or household. For example, protected units does not mean an individual or a household living in a protected unit is protected from eviction. All other units not classified within the three categories defined above are referred to as “unprotected” units.⁸² Table F-3 summarizes and compares the number of protected units within the three geographies, which indicates the following:⁸³

- **Surrounding Area**– The Surrounding Area has about 37,000 housing units, of which about 27,000 housing units are protected (75%), which is a much higher percentage than in the City and higher than the One Mile Radius.
 - The Tenderloin has a greater number of housing units than SoMA, and most of the protected units in the Surrounding Area are located in the Tenderloin, which has higher numbers of affordable housing, rent controlled apartments, and SRO units than SoMa.
- **One Mile Radius**– The One Mile Radius has about 84,000 housing units, of which about 57,000 housing units are protected (68%), which is a much higher percentage than in the City.
- **San Francisco**– The City has about 407,000 housing units, of which about 203,000 units are protected (50%), a much lower percentage than in the Surrounding Area and One Mile Radius.

Table F-3 Distribution of Protected Units by Geographic Area as of December 2021

Protected Units	South of Market	Tenderloin	Surrounding Area	Remaining One Mile Radius	One Mile Radius	Remaining City Areas	San Francisco
Affordable Housing Units	4,719	6,163	10,882	4,997	15,879	20,012	35,891
Rent Controlled Apartment Units*	1,520	6,717	8,237	19,192	27,429	120,053	147,482
SRO Units*	2,010	6,277	8,287	5,163	13,450	5,695	19,145
Protected Units	8,249	19,157	27,406	29,352	56,758	145,760	202,518
<i>Protected Units as Percent of Total Units in Geographic Area</i>	52%	92%	75%	62%	68%	45%	50%
<i>Protected Units as Percent of Citywide Protected Units</i>	4%	9%	14%	14%	28%	72%	100%
Total Units (per 2020 Census)	15,913	20,807	36,720	46,988	83,708	322,920	406,628
<i>Total Units in Geographic Area as Percent of Citywide Total Units</i>	4%	5%	9%	12%	21%	79%	100%

* Rent controlled apartment units include multifamily units in apartment buildings and flats. SRO units include single room occupancy units in residential hotels or other types of SRO buildings that are subject to rent control. In addition to rent controlled apartment and SRO units, other housing types may be subject to rent control, such as live work units, but they represent a small number of rent controlled units in the Surrounding Area and are not reflected in this table or analyzed in this report.

Source: San Francisco Planning Department, Mayor’s Office of Housing and Community Development. U.S. Decennial 2020 Census.

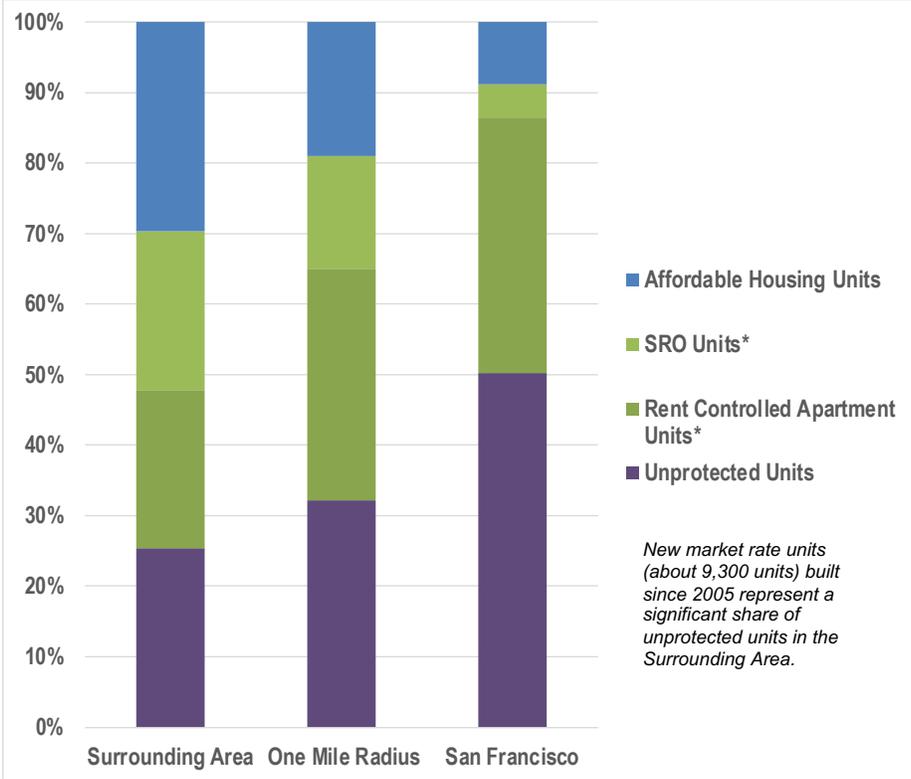
⁸¹ The Residential Hotel Unit Conversion and Demolition Ordinance (HCO) is to preserve affordable housing by preventing the loss of residential hotel units through conversion or demolition, and to prevent the displacement of low income, elderly, and disabled persons. <https://sfdbi.org/sites/default/files/Chapter 41.pdf>

⁸² In addition to rent controlled apartment and SRO units, other housing types may be subject to rent control, such as live work units, but they represent a small number of rent controlled units in the Surrounding Area and are not analyzed in this report.

⁸³ US Census 2020 data is the most recent information available regarding the number of housing units in the City and each of these geographies, which is used for this analysis based on guidance from the Planning Department.

Graph F-3 graphically compares the percentage distribution of protected units in the Surrounding Area, One Mile Radius and the City. As it illustrates, the Surrounding Area has a higher proportion of protected units than the rest of the City of San Francisco. While about one quarter of units are unprotected in the Surrounding Area, market rate units built since 2005 represent a substantial share of these unprotected units. As shown previously in Table F-2, about 9,300 market rate units were built from 2005 to 2021 in the Surrounding Area, which are typically rented to moderate and above moderate income households.

Graph F-3 Comparison of Protected Units by Geographic Area as of December 2021



* Rent controlled apartment units include multifamily units in apartment buildings and flats. SRO units include single room occupancy units in residential hotels or other types of SRO buildings that are subject to rent control.
 Source: San Francisco Planning Department, Mayor’s Office of Housing and Community Development, Department of Building Inspection.

5. Affordability of Market Rate Apartments

As described above, about three quarters of the housing units in the Surrounding Area are protected units, which include affordable housing units, rent controlled units and SROs, and about two thirds of units in the One Mile Radius are protected.

The remaining unprotected units in the Surrounding Area and the One Mile Radius are market rate housing units, many of which are market rate apartments.⁸⁴ Some of these market rate apartments, typically those that are 15 years or older, are covered by Assembly Bill 1482, which imposes rent caps in certain circumstances and includes “just cause” eviction requirements that apply after residents have occupied the unit for a certain period of time.⁸⁵

As further shown below, average rents for market rate apartments in the Surrounding Area are more affordable than average rents citywide, and the apartment market has not yet recovered from pre-pandemic levels according to historical CoStar data that has been analyzed to assess market conditions:

- While the rental market in the City is starting to recover since the pandemic, current rents are still below 2019 market rent levels in the Surrounding Area, One Mile Radius and the City.
- Average effective monthly rents in the Surrounding Area are more affordable than average monthly rents citywide and in the One Mile Radius, which is partially attributable to the higher proportion of smaller units in the Surrounding Area.
- A moderate income household can afford the average market rent in the Surrounding Area, One Mile Radius and the City while lower income households cannot afford average market rents.
- Average rents have not increased as rapidly in the Surrounding Area compared to what has occurred the City and the One Mile Radius, again indicating the relative affordability of the neighborhood. Furthermore, average rents in the Surrounding Area have increased at a much slower rate than inflation over the past decade.
- Vacancy rates are 7% in all three geographies as of May 2022, which is substantially higher than historical vacancy rates for multifamily apartments in the City as well as nationally.

Graph F-4 compares the average effective monthly rent (rent) for market rate units in the Surrounding Area and the One Mile Radius with citywide rent trends based on historical CoStar data for multifamily apartment buildings since 2000.⁸⁶ While rents have increased overall since 2000, rent levels have fluctuated over time. Notably, rents have declined in all three geographies since the COVID pandemic started in early 2020 and have only recently approached rent levels that were in place prior to the pandemic, although still lower than 2019 levels as of May 2022.

Historically rents in the Surrounding Area have been between 5% to 10% less than the citywide average, while they are currently about 14% less than the citywide average, which means that market rate apartments in the Surrounding Area are more affordable than many other locations in San Francisco. This

⁸⁴ Assembly Bill 1482 imposes rent caps on other residential rental properties in California, including “just cause” eviction requirements that apply after residents have occupied the unit for a certain period of time. The law exempts certain properties from the rent caps and just-cause requirements, including (1) most single-family homes and condominiums, and (2) housing built within the last 15 years. In cities that already have a rent control ordinance in place (under the Costa-Hawkins Rental Housing Act), AB 1482 extends rent caps to some additional housing that is otherwise not covered under the existing local ordinance.

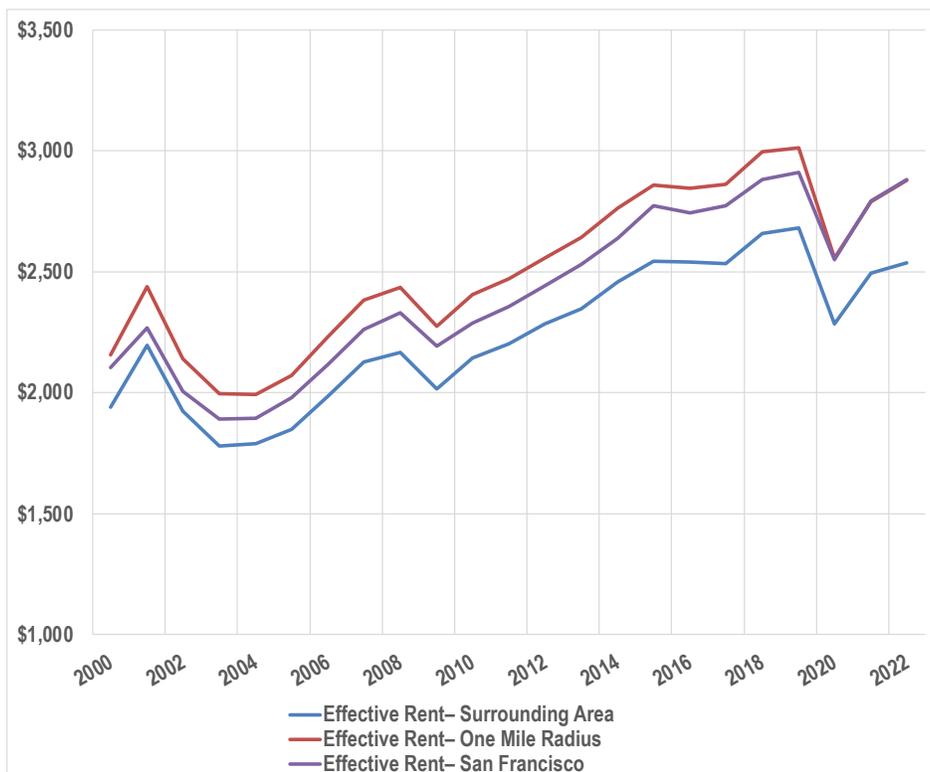
⁸⁵ As indicated previously in Table F-1, about 90% of households in the Surrounding Area are renters, which indicates that a high proportion of the housing in the Surrounding Area is rental housing.

⁸⁶ The average effective monthly rent (also called net effective rate or NER) is the average rent for all units within a geographic area based on data compiled by CoStar as of May 2022 that reflects what tenants are paying for rent during their lease term (taking into account any reported landlord concessions, such as one month free rent).

is partially attributable to the smaller average size of apartment units in the Surrounding Area compared to the City.⁸⁷

While rents in the One Mile Radius have typically been higher than the citywide average over the past two decades, rents in the One Mile Radius are currently about the same as the citywide average, while rents in the Surrounding Area are about \$350 per month less as of Spring 2022.

Graph F-4 Comparison of Apartment Rents for Market Rate Units From 2000 to 2022 by Geographic Area



Source: CoStar multifamily residential market data for the City of San Francisco (2000 through early 2022).

In the Surrounding Area, the effective rent⁸⁸ for a market rate apartment is about \$2,540 per month as of Spring 2022. Based on 30% of income paid toward rent, a typical apartment is affordable to a moderate income household at about 95% of the Unadjusted Area Median Income (AMI) for a two person household per MOHCD. Effective rents citywide and in the One Mile Radius average about \$2,900 per month, which would be affordable to moderate income households at about 110% AMI as of 2022.⁸⁹

⁸⁷ According to data compiled by CoStar, the average size for market rent apartments in the Surrounding Area in 2000 was 567 square feet compared to 730 square feet in the City. While the average apartment size in the Surrounding Area has increased more than the City over the past two decades, the average apartment size in May 2022 for the Surrounding Area was 637 square feet compared to 747 square feet in the City according to CoStar. As of May 2022, about 82% of the units in the Surrounding Area are studio and one bedroom units compared to 75% in the City.

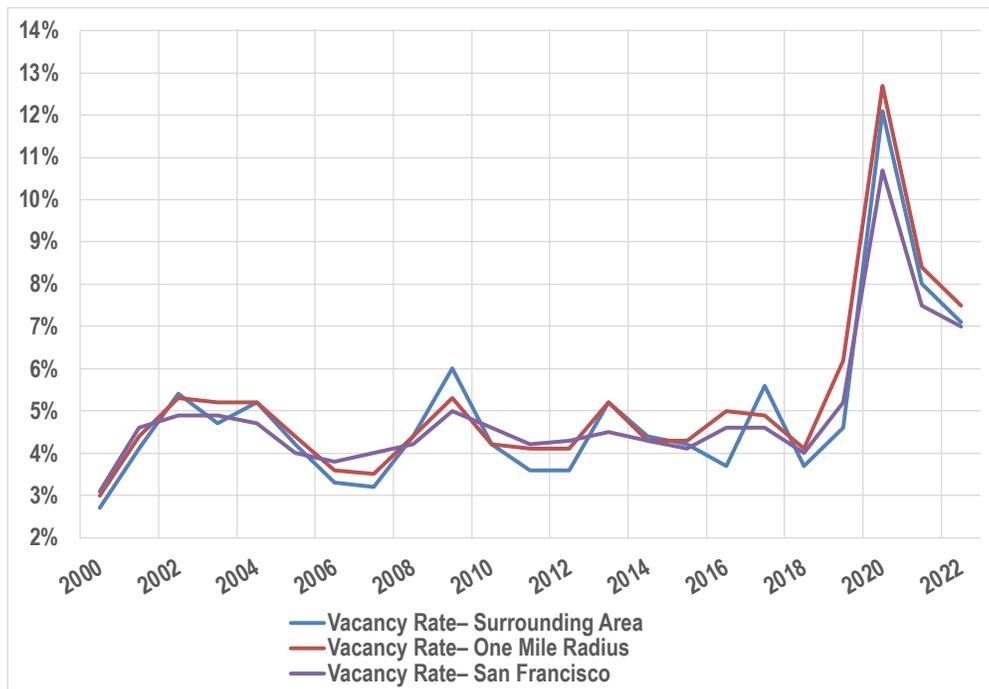
⁸⁸ Monthly effective rent is the average monthly rent over a lease term that reflects what tenants are paying for rent during their lease term taking into account any reported landlord concessions, such as one month free rent.

⁸⁹ The 30% affordability standard is used by the City, and the City’s average renter household is 2.14 persons per household according to the 2020 5-year American Community Survey. The corresponding household income level is based on a one bedroom unit at “Tier 1” per MOHCD. [https://sfmohcd.org/sites/default/files/2022 AMI-RentLimits-HMFA-ForMOHsf.pdf](https://sfmohcd.org/sites/default/files/2022%20AMI-RentLimits-HMFA-ForMOHsf.pdf)

The historical CoStar rent data also indicates that effective rents in the Surrounding Area have not increased as fast as the citywide average and the One Mile Radius between 2002 to 2022, increasing by about 32% in the surrounding area versus 44% citywide. In contrast, average median sales prices for existing single family homes in San Francisco have increased by over 300% since 2002 according to the California Association of Realtors.⁹⁰

Historically, apartment vacancy rates fluctuated between 3% to 6% in all geographies until the pandemic occurred starting in 2020 when vacancy rates spiked to double digits as shown in Graph F-5. While vacancy rates have declined substantially as of May 2022, they are still averaging about 7%, which is higher than national vacancy rates according to the National Apartment Association of about 3% in Spring 2022⁹¹ and above the target vacancy level of 5% for market rate multifamily apartments that is often used to underwrite apartment developments.⁹²

Graph F-5 Comparison of Apartment Vacancy Rates from 2000 to 2022 by Geographic Area



Source: CoStar multifamily residential market data for the City of San Francisco (2000 through early 2022).

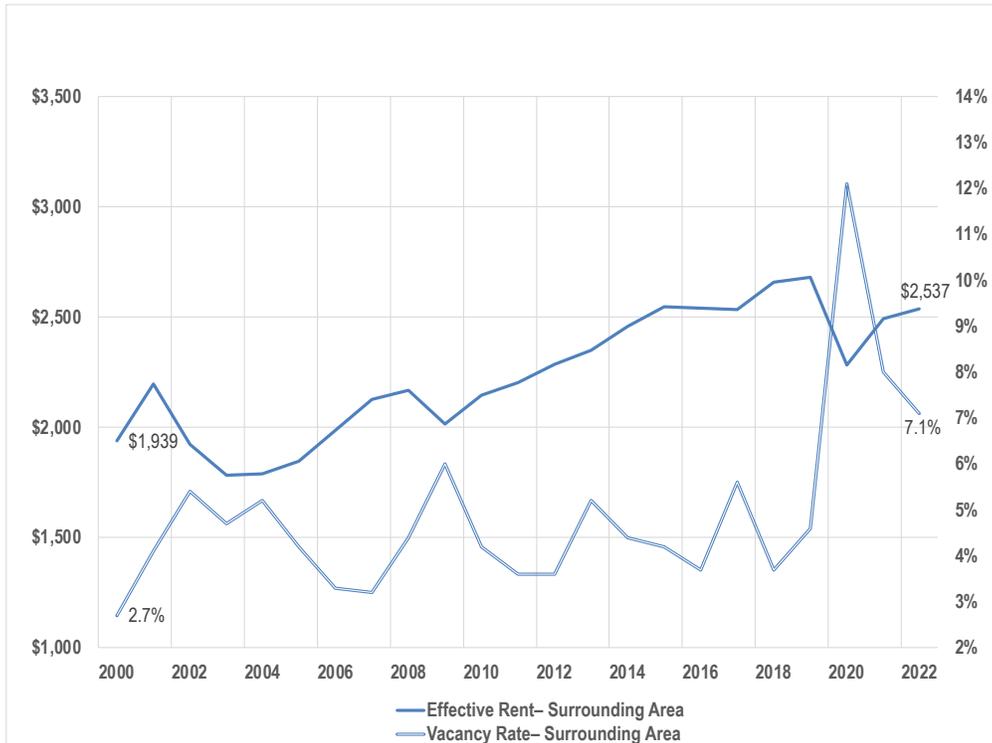
Graph F-6 shows the correlation between apartment vacancy rates and monthly effective rents in the Surrounding Area. This graph illustrates that rents tend to increase when vacancy rates are substantially below 5%, while rents decrease when vacancy rates climb above 5%, although there can be a time lag before this occurs. As vacancy rates spiked due to the pandemic, rents dropped substantially in all three geographies. As vacancy rates have declined from 2020 levels, rents have started to increase.

⁹⁰ Based on an analysis of data from the California Association of Realtors of historical median sales prices for existing single family homes from May 2002 to May 2022.

⁹¹ Based on guidelines from HUD Exchange, which provides training and resources on multifamily underwriting. <https://www.hudexchange.info/trainings/courses/2020-home-multifamily-underwriting-template-webinar/3682/>

⁹² <https://www.naahq.org/spring-2022-apartment-market-pulse>

Graph F-6 Correlation Between Apartment Vacancy Rates and Market Rents From 2000 to 2022 in Surrounding Area



Source: CoStar multifamily residential market data for the City of San Francisco (2000 through early 2022).

Over the past two decades, average rents in the Surrounding Area have increased less than the City as a whole and have remained more affordable with average rents about 14% less than the City as of Spring 2022. The average current vacancy rate of 7.1% indicates that market rate apartment supply is greater than demand.

Since 2000, average rents have increased by about 1.3% per year in the Surrounding Area, which is significantly less than the average annual inflation rate of 2.8% as measured by the Consumer Price Index (CPI) for approximately the same period.⁹³ The relative affordability of market rents, slow pace of rent increases and relatively high vacancy rate of 7.1% in the Surrounding Area indicates that the Surrounding Area is not currently experiencing strong gentrification and exclusionary displacement pressures.

⁹³ According to CoStar, the average monthly effective rent in the Surrounding Area in 2000 was \$1,939 and was \$2,537 as of May 2022. CoStar reports that average rents in the One Mile Radius and San Francisco increased at a faster rate during the same period. The U.S. Bureau of Labor Statistics reports that the Consumer Price Index (CPI) for All Urban Consumers— All Items in San Francisco-Oakland-Hayward, CA— had an annual average CPI in 2000 of 180.6, and the CPI was 324.9 in April 2022. This represents an average annual increase of 2.8% over a 21.33 year period. <https://abag.ca.gov/tools-resources/data-tools/consumer-price-index>

6. Lower Income and Special Needs Households

As described previously, the Surrounding Area has a high proportion of protected units, including 100% affordable developments and residential SROs that are typically occupied by very low and low income households. The Sixth Street area in SoMa and several streets in the Tenderloin have a high concentration of SROs that are occupied by extremely low income and very low income households, and a substantial number of homeless persons are visible on the streets surrounding the Proposed Project.

As indicated in the Housing Element 2022 Update, about 32% of households in San Francisco are extremely low income (ELI) and very low income (VLI), a similar share to the wider Bay Area (31%). As shown in Figure F-2 below, about 25-50% of households that reside in the Project Area and the census tract where the Proposed Project is located are extremely low and very low income while several of the census tracts immediately to the north and south of the Proposed Project in the Surrounding Area have a majority share of extremely low and very low income households. Four of the neighborhoods with the highest concentrations of lower to moderate income residents in the City – areas where these households represent more than 75% of the population – are located within the One Mile Radius of the project: Tenderloin, SoMa, Chinatown, and the Western Addition.⁹⁴

As indicated earlier, about 90% of the households in the Surrounding Area are renter households, and the Sixth Street area in SoMa and several streets in the Tenderloin have a high concentration of SROs in the Surrounding Area. As shown in Graph F-7 below, the census tracts within the Sixth Street area and the Surrounding Area have a majority share of lower income renter households with incomes below \$75,000 (indicated in shades of green) based on 2020 household income data published by MOHCD.⁹⁵

- **Surrounding Area**– About two thirds (67%) of households within the Surrounding Area have incomes below \$75,000 (considered low income households) as shown in Graph F-7.
 - A significant proportion of these households are VLI households with incomes below \$50,000 (about 56% as shown in the bottom two green shaded bars), which includes ELI households with incomes below \$25,000 (about 39% as shown in darkest green).⁹⁶
 - **Sixth Street**– About 54% of households in the Sixth Street area are considered low income households, a significant proportion of which are VLI households (including ELI households).
 - The Surrounding Area likely has a higher proportion of VLI and ELI households compared to the Sixth Street area because the Tenderloin has a much higher number of SROs compared to SoMa, and the Census tracts include a larger geography than the Sixth Street corridor.
- **San Francisco**– The City has a lower proportion of extremely low, very low and low income households as compared to the Surrounding Area and Sixth Street.

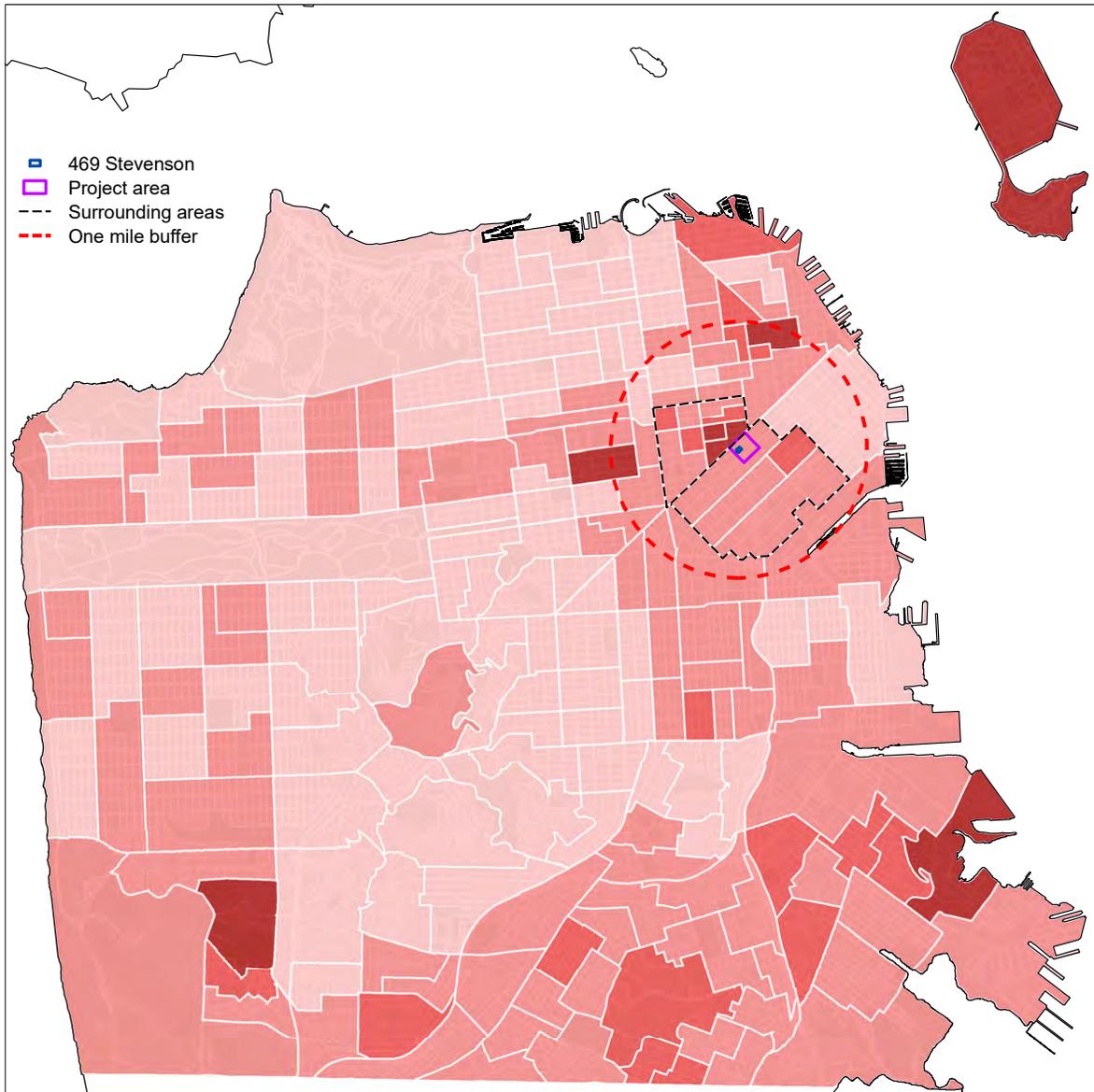
⁹⁴ <https://www.sfhousingelement.org/draft-housing-needs-assessment-and-assessment-fair-housing>

⁹⁵ The US Census presents data by household income tranches that were compiled for this analysis to generally correspond to household income levels according to MOHCD data. Based on a typical two person household size, a \$74,999 income corresponds to about 73% of AMI according to MOHCD income data and is between 50% to 80% AMI, which is considered a low income household.

https://sfmohcd.org/sites/default/files/Documents/MOH/Asset Management/2020 AMI-IncomeLimits-HMFA_05-01-20.pdf

⁹⁶ Based on a typical two person household size and the MOHCD income data cited above, a \$24,999 income corresponds to about 25% of AMI, which is considered an extremely low income household as below 30% AMI, and \$49,999 income corresponds to about 48% of AMI, which is considered a very low income household as below 50% AMI.

Figure F-2 Concentration of Extremely Low and Very Low Income Households Within San Francisco



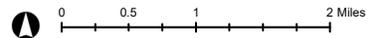
Concentration of Extremely Low and Very Low Income Households

Figure F-2

SAN FRANCISCO

% Extremely Low Income and Very Low Income

- 76% to 100%
- 51% to 75%
- 25% to 50%
- 0% to 25%

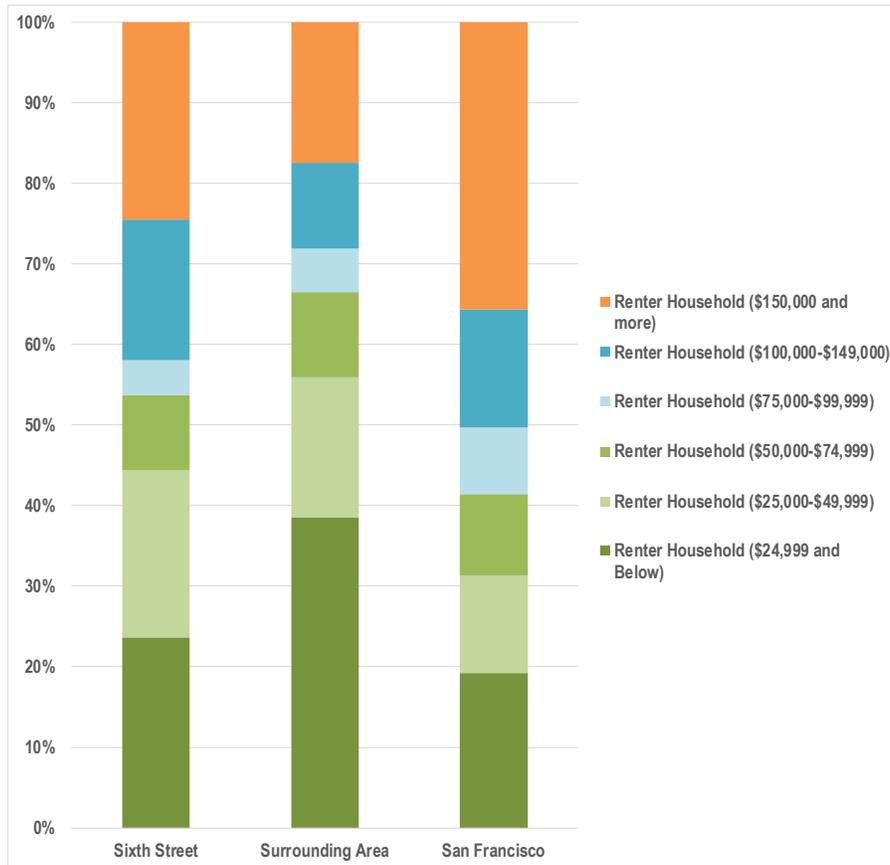


The project area is defined as block group 2 of census tract 176.02 according to the 2020 Census

Source: Housing Element 2022 Update– Draft Housing Needs Assessment and Assessment of Fair Housing (March 2022).

Source: Housing Element 2022 Update– Draft Housing Needs Assessment and Assessment of Fair Housing Report.

Graph F-7 Comparison of 2020 Renter Household Income Distribution by Geographic Area



Source: 2020 5-Year American Community Survey (ACS)

The Surrounding Area and Sixth Street have a much lower proportion of above moderate income households earning \$150,000 and above as compared to the City, as shown by the orange bars.⁹⁷ The Surrounding Area and Sixth Street have more similar shares of moderate and above moderate income households earning between \$75,000 to \$149,000, as shown by the blue bars, as compared to the City.⁹⁸

The Housing Element 2022 Update also indicates that the largest concentrations of people with disabilities are located in the Tenderloin, SOMA and Western Addition neighborhoods, which is related to the significant presence of permanent supportive housing, permanently affordable housing, and SROs.

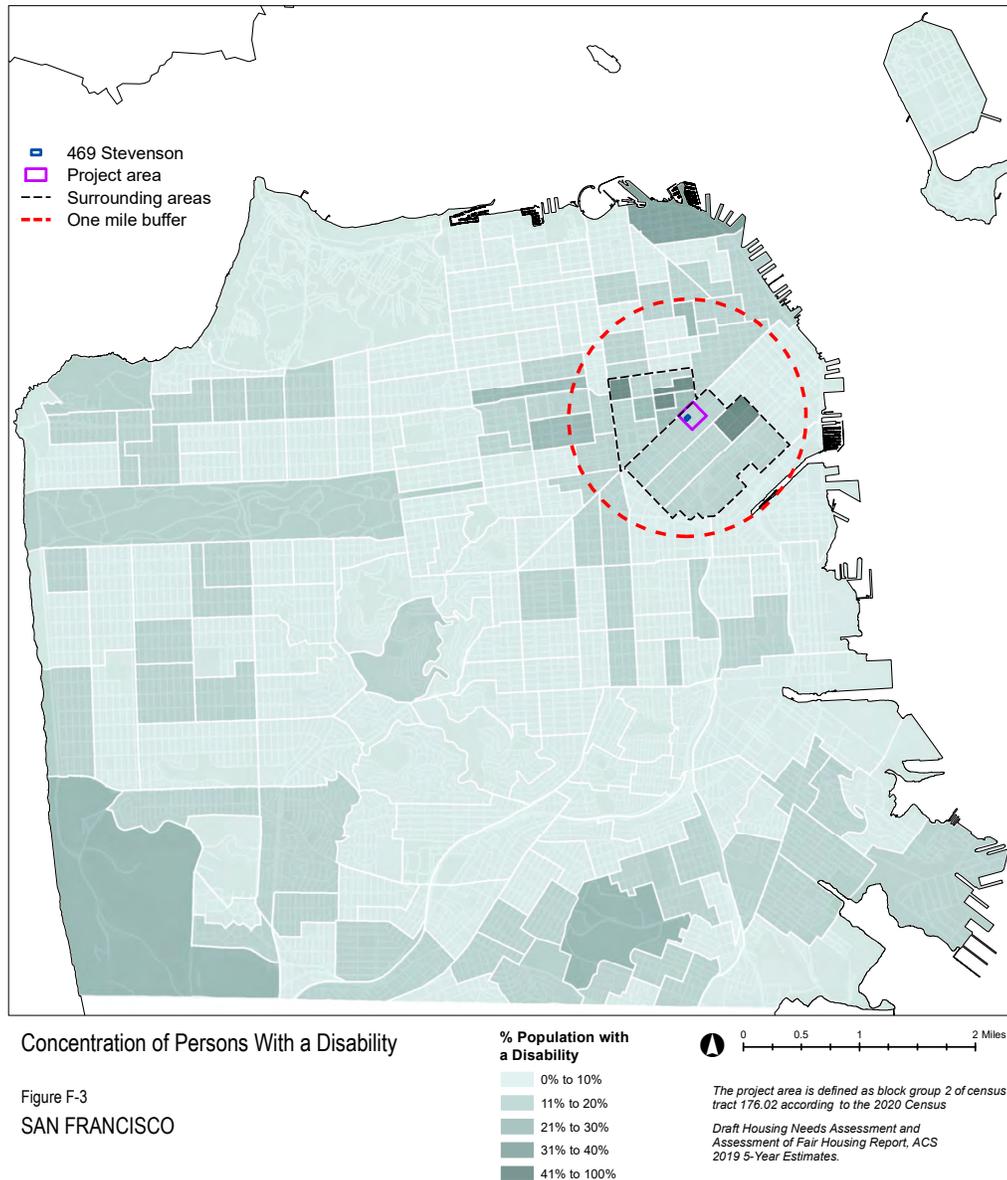
As indicated in the Housing Element 2022 Update, lower income households also include other special needs households including large families, female-headed households, immigrants and those linguistically isolated who are more likely to experience overcrowding and be housing cost-burdened. Groups with special housing needs face disproportionate housing challenges.

⁹⁷ Based on a typical two person household size and the MOHCD income data cited above, a \$150,000 income corresponds to about 148% AMI, which is considered an above moderate income household as above 120% AMI.

⁹⁸ Based on a typical two person household size and the MOHCD income data cited above, a \$99,999 income corresponds to about 98% of AMI, which is considered a moderate income household as between 80% to 120% AMI. The 2020 moderate income threshold of 120% AMI is \$123,000 according to MOHCD, but the US Census only reports incomes in an income tier of \$100,000 to \$149,999, which corresponds to both moderate and above moderate income households.

People with disabilities, including developmental disabilities, the elderly/seniors, and persons with HIV/AIDS and who are chronically ill are challenged with meeting the high cost of housing and amidst limited options. Census tracts with concentrations of people with disabilities overlap with high concentrations of extremely low and very low income households, low resource areas, and other disadvantaged groups. Figure F-3 shows concentrations of people with disabilities in the City, which shows similar patterns to Figure F-2.

Figure F-3 Concentration of Persons With a Disability Within San Francisco



Source: Draft Housing Needs Assessment and Assessment of Fair Housing Report, ACS 2019 5-Year Estimates.

7. People of Color

As indicated earlier, the population in both the Surrounding Area and the City has grown substantially over the past two decades. The population of all racial and ethnic groups has grown in the Surrounding Area between 2000 to 2020 according to the US Census, which indicates that the new residents who have moved to the Surrounding Area are culturally diverse as shown below in Table F-4.

San Francisco’s population continues to be culturally diverse, and both Asian and Hispanic or Latino groups have increased in population over the past two decades. In contrast to the Surrounding Area, the City has experienced a loss in people of color in certain racial and ethnic groups over the past two decades according to the US Census, with the Black or African American population experiencing the greatest loss in population.⁹⁹ However, some of the changes in a racial or ethnic group may be attributable to changes in the US Census survey methodology as it continually evolves how it gathers and reports data on race and ethnicity, and how people self-identify in each survey. Notably, both the Surrounding Area and the City have experienced a substantial increase in people of color who identify as Two or More Races or Some Other Race.¹⁰⁰

Table F-4 Distribution by Race and Ethnicity From 2000 to 2020 in Surrounding Area and San Francisco

Race and Ethnicity	Surrounding Area			Change Between 2000-2020	
	2000 Census	2010 Census	2020 Census	Difference	Percent Change
Non-Hispanic or Latino, White	15,380	17,694	19,547	4,167	27%
Asian	13,704	15,731	21,037	7,333	54%
Hispanic or Latino	6,462	9,683	13,184	6,722	104%
Two or More Races	2,510	2,574	6,106	3,596	143%
Some Other Race	2,674	4,684	7,780	5,106	191%
Black or African American	5,125	6,201	7,081	1,956	38%
American Indian or Alaskan Native	1,038	544	1,135	97	9%
Native Hawaiian or Pacific Islander	183	201	338	155	85%
Race and Ethnicity	San Francisco			Change Between 2000-2020	
	2000 Census	2010 Census	2020 Census	Difference	Percent Change
Non-Hispanic or Latino, White	338,909	337,451	361,382	22,473	7%
Asian	239,565	267,915	296,505	56,940	24%
Hispanic or Latino	109,504	121,774	136,761	27,257	25%
Two or More Races	33,255	37,659	86,233	52,978	159%
Some Other Race	50,368	53,021	73,169	22,801	45%
Black or African American	60,515	48,870	46,725	(13,790)	-23%
American Indian or Alaskan Native	8,971	4,024	6,475	(2,496)	-28%
Native Hawaiian or Pacific Islander	3,844	3,359	3,476	(368)	-10%

Source: U.S. Decennial 2000, 2010 and 2020 Census.

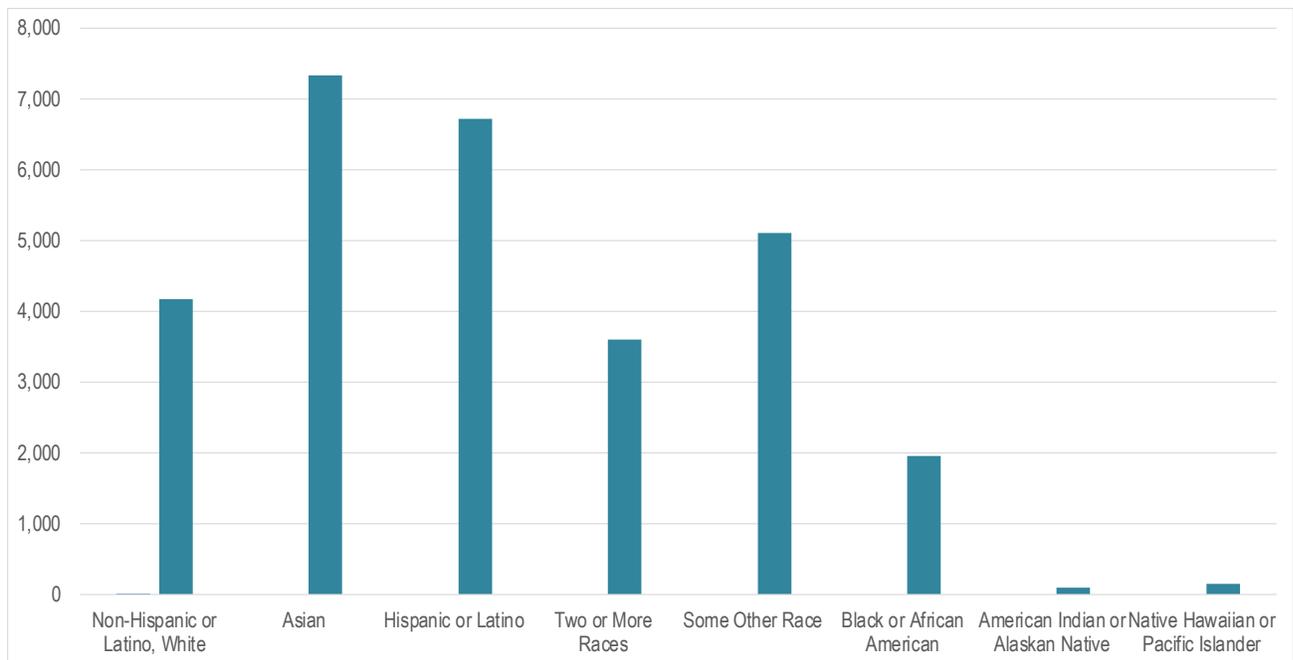
⁹⁹The US Census categories of race and ethnicity are used to describe people of color in this analysis, which differs from what the Planning Department uses in some of its analysis. Starting in Census 2000, individuals were presented with the option to self-identify with more than one race and this continued with the 2010 Census and has evolved in 2020. People who identify with more than one race may choose to provide multiple races in response to the race question. The Census data on race and ethnicity used in this section is based on population data indicating race alone and not in combination with other races.
<https://www.census.gov/topics/population/race/about.html>

¹⁰⁰ The population group of “Two or More Races” (also referred to as the Multiracial population) has changed considerably over the past decade in the nation from 9 million people in 2010 to 33.8 million people in 2020, a 276% increase. The population group of “Some Other Race” alone or in combination has also increased significantly nationally by 129%.
<https://www.census.gov/newsroom/press-releases/2021/population-changes-nations-diversity.html>

As the US Census survey methodology has evolved over the past decade, an increasing number of people of color across the United States are identifying as Two or More Races or Some Other Race, and the national population has become more diverse. As shown in Table F-4 above, this has also occurred in the City and the Surrounding Area.

As shown below in Graph F-8, the Asian population has experienced the largest increase in population in the Surrounding Area over the past two decades, followed by the Hispanic or Latino population.¹⁰¹ The Surrounding Area has also experienced a substantial increase in people of color who identify as Two or More Races or Some Other Race, along with increases in the Non-Hispanic or Latino, White population.

Graph F-8 Comparison of Population Change From 2000 to 2020 by Race and Ethnicity in Surrounding Area



Source: U.S. Decennial 2000, 2010 and 2020 Census.

As indicated in the Housing Element 2022 Update, certain areas within San Francisco have higher concentrations of race and ethnicity. Figure F-4 shows areas that are heavily dominated by one racial or ethnic group either by plurality (the largest share of the population) or majority (more than 50% of the population in the area). The color shading in Figure F-4 indicates the extent to which one group is more heavily present compared to another racial or ethnic group, with the darkest shades indicating a more significant presence of a particular racial or ethnic group.¹⁰²

As shown below in Figure F-4, the Proposed Project is located in an area with an Asian Majority/Plurality according to data in the Housing Element Update, as shown by the purple shading in the Project Area, as

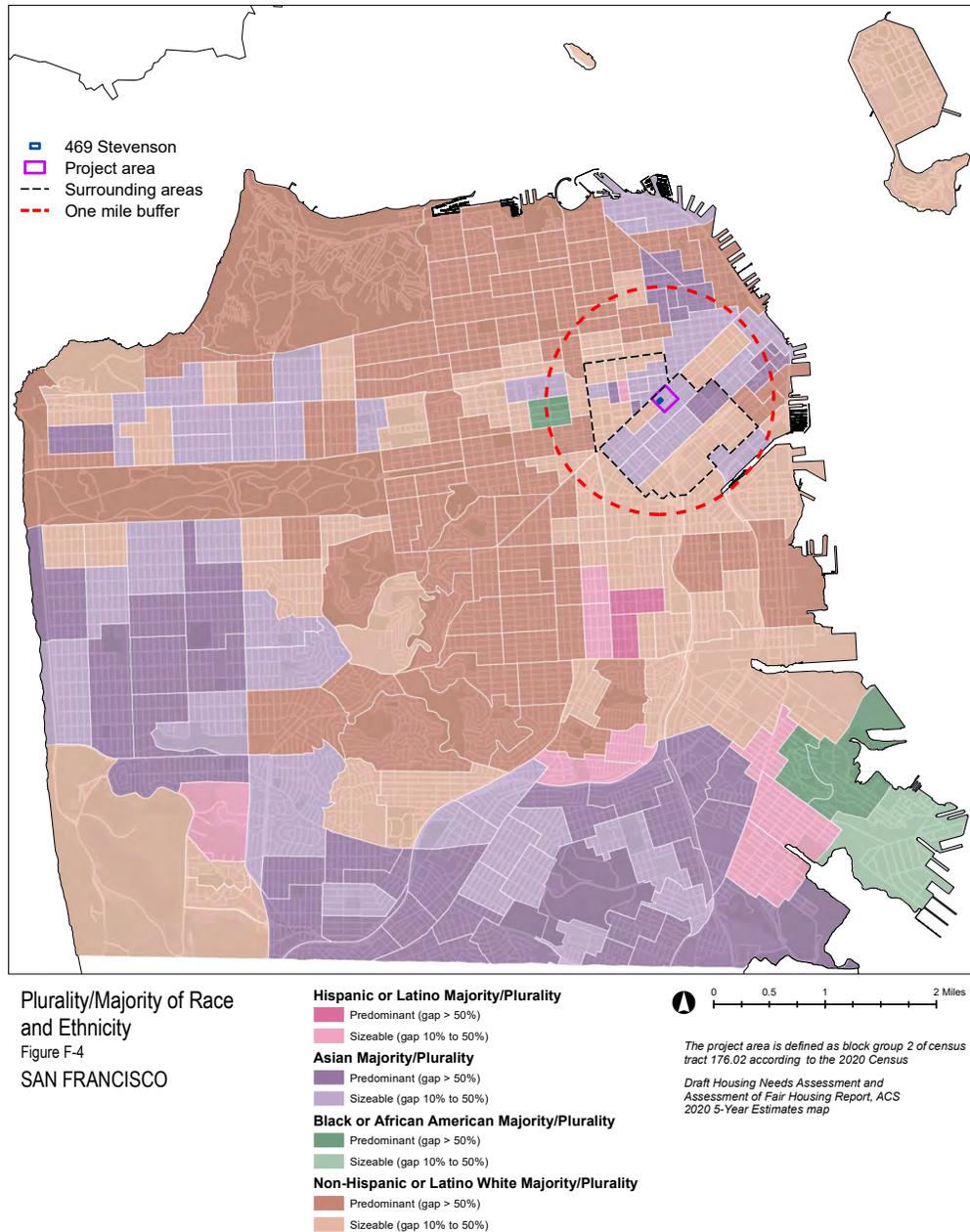
¹⁰¹ The US Census has also evolved its survey methodology with respect to Hispanic or Latino origin, which also may contribute to relative growth or declines in this ethnic group.

<https://www.census.gov/topics/population/hispanic-origin/about/comparing-race-and-hispanic-origin.html>

¹⁰² <https://www.sfhousingelement.org/draft-housing-needs-assessment-and-assessment-fair-housing>

well as the purple shading in other nearby areas in the Surrounding Area. Most of the other areas within the Surrounding Area have a Non-Hispanic or Latino White Majority/Plurality.

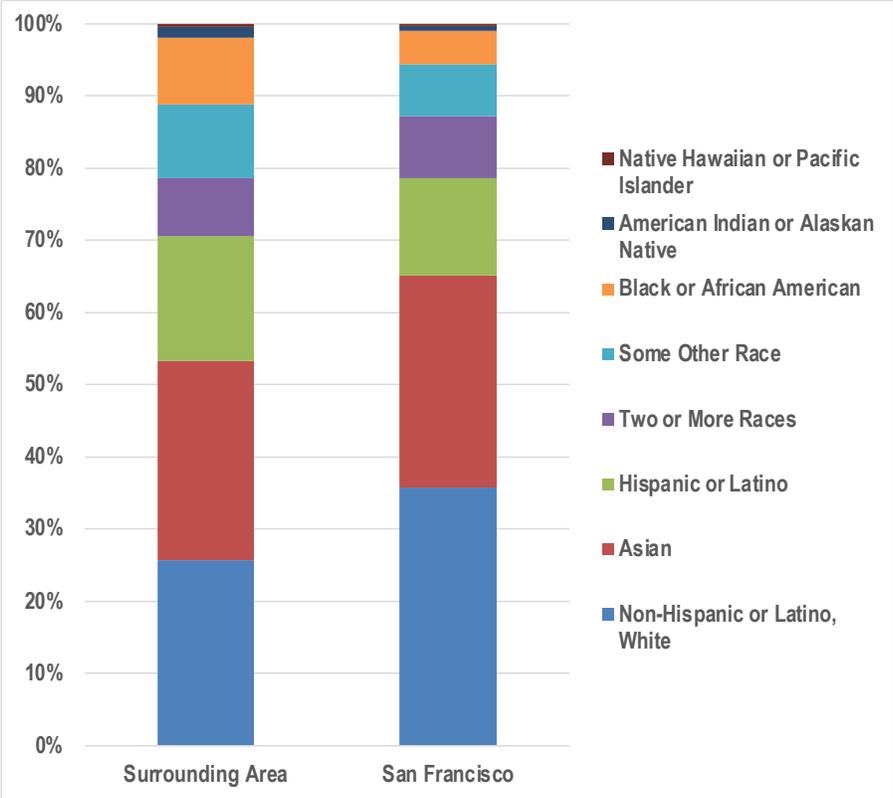
Figure F-4 Plurality/Majority of Race and Ethnicity Within San Francisco



Source: Housing Element 2022 Update– Draft Housing Needs Assessment and Assessment of Fair Housing Report (March 2022), ACS 2020 5-Year Estimates.

The Surrounding Area has maintained its diverse population, with about three quarters of residents being people of color as of 2020, which is a higher proportion than the City as a whole, as shown in Graph F-9. Similar to the City as a whole, the Asian population represents the largest share of population in the Surrounding Area, while the Surrounding Area has higher proportions of residents who identify as Black or African American and as Hispanic or Latino.

Graph F-9 Comparison of Race and Ethnicity by Geographic Area in 2020



Source: U.S. Decennial 2020 Census.

As indicated in the Housing Element 2022 Update, patterns in the concentration of extremely low and very low income residents in San Francisco match patterns in the distribution of the people of color. With the largest shares of people of color being situated in similar areas to those with large shares of extremely low and very low income populations, showing clear links between race and ethnicity, and income.

8. Filipino Community

The Housing Element 2022 Update includes a description of the history and displacement pressures facing various racial and ethnic groups within the City including the Filipino community. The following section on the Filipino community is an excerpted summary from this assessment.¹⁰³

¹⁰³ See pages 78 through 79 of the Draft Housing Needs Assessment and Assessment of Fair Housing Report, which reference numerous historical documents that were used as sources for this summary.

The first Filipino immigrants arrived in the United States in the early 1900s, following the annexation of the Philippines after the Spanish-American War and Philippine-American War. While Filipinos were recruited to the United States to provide low cost agricultural labor, they were denied the ability to naturalize and were only considered American nationals. At first, most immigrated to Hawaii to pursue work on sugar plantations, but many arrived in California by the 1920s to pursue agricultural and service work. Filipino immigrants in San Francisco, largely single men, established the enclave of Manilatown on the eastern border of Chinatown. Many others settled in SoMa, adjacent to a small Japanese enclave. They primarily lived in single-occupancy residential hotels. Excluded from many jobs by white Americans and limited in entrepreneurship by already established Chinese and Japanese business owners, Filipino Americans established fraternal societies, barbershops, and restaurants serving the Filipino community.

In the wake of WWII, new laws granted some Filipinos the opportunity to naturalize and others to own property in the US, although employment opportunities remained largely limited to service and agricultural work. Additionally, the expansion of the Financial District in the 1950s and 60s, encouraged by the city, caused the outpricing and displacement of Filipino Americans living in residential hotels in Manilatown. This displacement reached a peak in 1978, when residents from the last remaining residential hotel in Manilatown, the International Hotel, were finally evicted after a nearly decade long fight from residents, Filipino Americans, and allied community members.

Displaced Filipino residents resettled in SoMa, Mission, Excelsior, or outside of San Francisco entirely. The growth of a Filipino community in SoMa in the 1960s and 70s, however, was also threatened due to the Yerba Buena Redevelopment in central city. Community activists, including Filipino SoMa residents, successfully organized and won concessions from the San Francisco Redevelopment Agency, including the right to replacement housing and relocation. Despite these struggles, Filipino Americans established businesses, cultural and art collectives, and organizations dedicated to advocating for housing and social justice across the city, and the Filipino community has a strong cultural history and large number of cultural activities in the SoMa neighborhood within the Surrounding Area.

In order to understand how the total Filipino population may have changed in the Surrounding Area over the past two decades, an analysis was performed using the best available data from the US Census regarding the Filipino population. While 2000 and 2010 Census has published data regarding the Filipino ethnic group, the 2020 Census data on the Filipino ethnic group has not yet been released, although the 2020 Census has published data by major groups of race and ethnicity. The most current data on the Filipino population is published in the 2020 5-year American Community Survey (2020 ACS), which provides a representative survey of the Filipino population.

Due to the relatively small population and sample size for the Filipino population within individual census tracts in the Surrounding Area, the 2020 ACS data is not statistically reliable for the Filipino ethnic group by census tract due to the large sampling error. When the population data regarding the Filipino ethnic group is aggregated across all census tracts within the Surrounding Area, the data is more statistically reliable, with a summated margin of error of approximately +/- 20%, and this aggregated population data is used to estimate the 2020 Filipino population in the Surrounding Area.¹⁰⁴

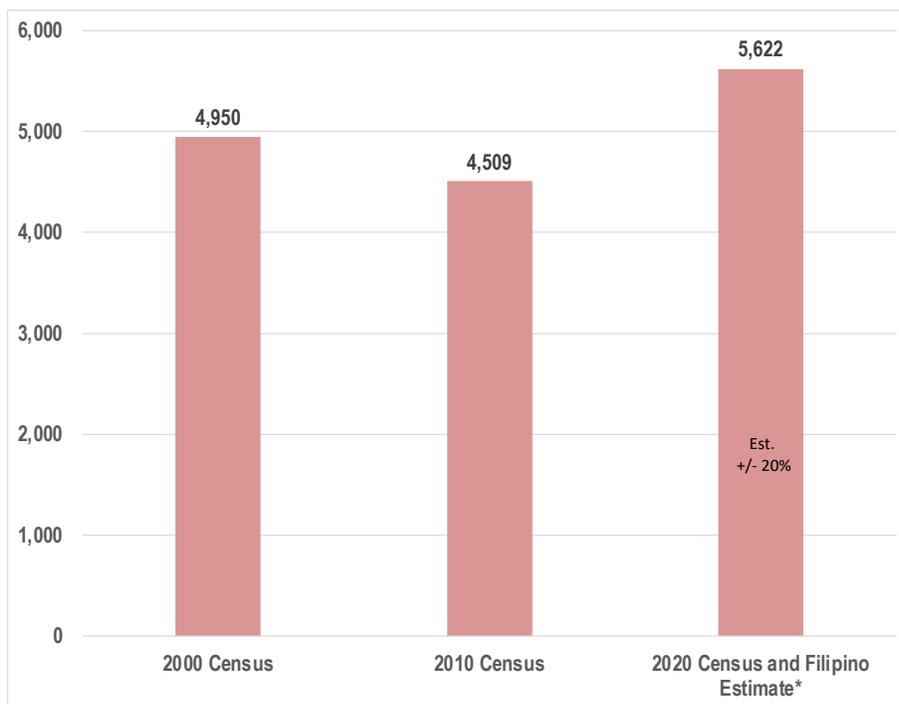
¹⁰⁴ Sampling error is the uncertainty associated with an estimate that is based on data gathered from a sample of the population rather than the full population. Sample-based estimates will vary depending on the specific population sample. Measures of the magnitude of sampling error, such as the variance and standard error (square root of the variance), reflect the variation in the estimates over all possible samples that could have been selected from the population using the same sampling methodology. <https://www.census.gov/programs-surveys/acs/methodology/design-and-methodology.html>

Graph F-10 shows the estimated growth in the Filipino population in the Surrounding Area using reported data on its Filipino population from the 2000 and 2010 Census and an estimate of the 2020 Filipino population based on the percentage of Filipino population (8.7%) in the Surrounding Area according to the 2020 5-year ACS multiplied by the population in the Surrounding Area from the 2020 Census.

The Filipino population estimate for 2020 indicates that the Filipino population has likely remained relatively stable or grown from 2000 to 2020 in the Surrounding Area, although it may have declined since 2000 if the 2020 Filipino population estimate is overstated. (As described above, the 2020 Filipino estimate is based on data from the 2020 5-year ACS with a summated margin of error of +/-20%, which indicates that it could range from about 4,500 persons to 6,700 persons.) As described earlier, a portion of the population change within an ethnic group, like Filipino, may be attributable to changes in the US Census survey methodology as it has evolved and how people self-identify in each survey.

The Surrounding Area also has a higher proportion of Filipino residents (8.7%) than the City, as about 5.2% of the City’s 2020 population is Filipino according to the 2020 5-year ACS.¹⁰⁵

Graph F-10 Estimated Change in Filipino Population from 2000 to 2020 in Surrounding Area



Note: The Filipino population includes those that identify as Filipino alone or in any combination with another group. The 2020 estimate of the Filipino population is based on the total population in the Surrounding Area according to the 2020 Census multiplied by the Filipino population’s percentage share of total population (8.7%) from the 2020 5-Year ACS, which reports a statistical count and resulting in a summated margin of error of approximately +/- 20%.

Source: U.S. Decennial 2000, 2010 and 2020 Census and 2020 5-Year ACS.

¹⁰⁵ The Filipino population includes those that identify as Filipino alone or in any combination with another group. As described above, the 2020 estimate of the Filipino population is based on data from the 2020 5-year ACS with a summated margin of error of 20% for the Surrounding Area.

9. Housing Pipeline

The Proposed Project would contribute to the future development of housing in the City, as would many other developments across the City. The San Francisco housing pipeline consists of development projects that would add housing units, applications for which have been formally submitted to the Planning Department or the Department of Building Inspection (DBI).¹⁰⁶ Housing pipeline projects are at various stages of development, including applications having been filed to entitlements secured, as well as from building permits approved and issued to projects under construction as of Q4 2021. This analysis primarily relies on data provided by the Planning Department and DBI, but also incorporates updated data from MOHCD regarding 100% new construction, affordable housing developments that are in the planning process.¹⁰⁷ Please refer to Attachment D for a summary of residential developments in the housing pipeline in the One Mile Radius by various stages of planning, permitting and construction.

About 3,800 new affordable housing units (exclusive of ADUs) are in the housing pipeline to be built within the One Mile Radius, including about 2,600 new affordable units within the Surrounding Area, as indicated in Table F-5. About 29% of all housing units in the pipeline within the Surrounding Area are affordable units, which is a higher percentage than in the City and the One Mile Radius.

Overall, about 17,200 total units (net) are in the housing pipeline to be built within the One Mile Radius, including about 8,900 units within the Surrounding Area. About 24% of the City’s housing pipeline is within the One Mile Radius, which includes about 13% in the Surrounding Area. These shares of the housing pipeline are significantly lower than the 52% share of historical production that occurred in the One Mile Radius and 24% share of historical production in the Surrounding Area that occurred since 2005, as previously shown in Table F-2. This indicates that other areas of the City will likely experience greater housing growth in the future than the Surrounding Area and One Mile Radius surrounding the Proposed Project.

Table F-5 Distribution of Housing Pipeline by Affordability and Geographic Area as of Q4 2021

Pipeline (Planned Units as of Q4 2021)	South of Market	Tenderloin	Surrounding Area	Remaining One Mile Radius	One Mile Radius	Remaining City Areas	San Francisco
100% Affordable Housing Units	1,266	314	1,580	467	2,047	3,308	5,355
Inclusionary Housing Units	594	380	974	778	1,752	9,691	11,443
Affordable Units (Net)	1,860	694	2,554	1,245	3,799	12,999	16,798
<i>Affordable Units as Percent of Total (Net) Units in Geographic Area</i>	30%	26%	29%	15%	22%	24%	24%
<i>Affordable Units as Percent of Citywide Affordable Units in Pipeline</i>	11%	4%	15%	7%	23%	77%	100%
Accessory Dwelling Units (ADU)	2	26	28	72	100	821	921
Pipeline Affordable Units (With ADUs)	1,862	720	2,582	1,317	3,899	13,820	17,719
Market Rate Units	4,373	1,929	6,302	7,034	13,336	39,739	53,075
Total Units (Net) in Pipeline	6,235	2,649	8,884	8,351	17,235	53,558	70,793
<i>Total (Net) Units in Geographic Area as Percent of Citywide Units in Pipeline</i>	9%	4%	13%	12%	24%	76%	100%

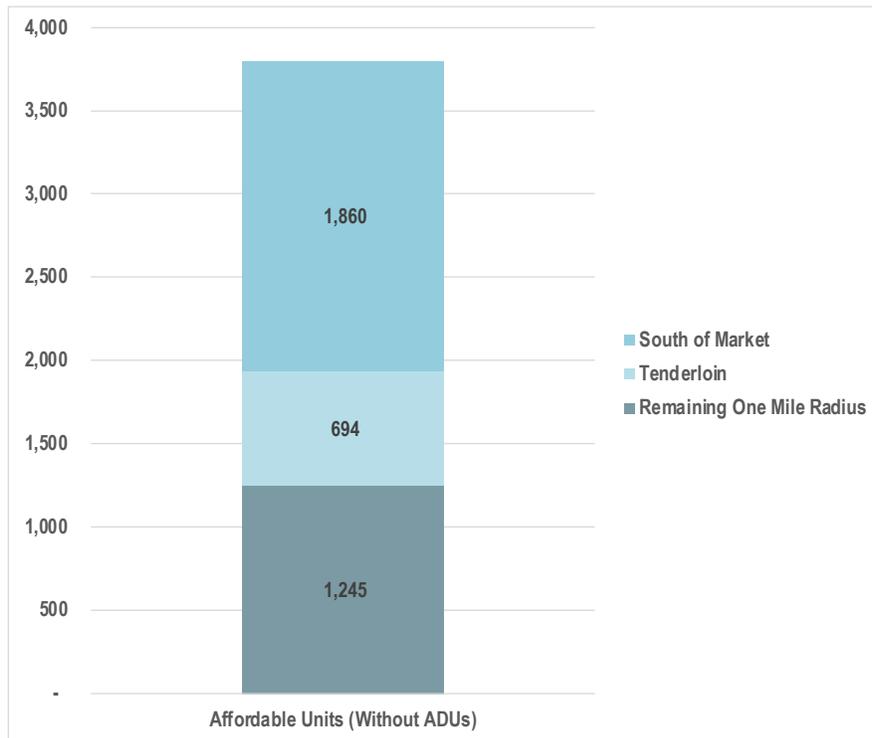
Source: San Francisco Planning Department, Department of Building Inspection, Mayor’s Office of Housing and Community Development.

¹⁰⁶ The Planning Department and DBI data housing pipeline only includes those projects with a land use or building permit application, and projects vary in size from single units to larger multi-year development programs undergoing environmental review. <https://sfplanning.org/project/pipeline-report> The reported pipeline data is based on net housing units, which represent the net increase of housing units without counting existing housing units that were replaced on the site, and the reported number of net units exclude projects that had been constructed or were substantially constructed as of the end of 2021.

¹⁰⁷ Planning provided citywide data that it collected from MOHCD for the Housing Element Update site inventory analysis, which includes sites that were not included in the Q4 2021 pipeline. The pipeline analysis presented in this report includes updated data from MOHCD regarding planned units in new construction, 100% affordable housing developments, which are in the preliminary planning stages and anticipated to receive City approvals but were not included in the Q4 2021 pipeline report.

As described above, about 3,800 new affordable units (exclusive of ADUs) are in the housing pipeline to be built within the One Mile Radius, which includes about 1,900 affordable units in South of Market, about 700 affordable units in the Tenderloin and about 1,200 affordable units in the Remaining One Mile Radius outside of the Surrounding Area, as indicated in Graph F-9 below.¹⁰⁸

Graph F-9 Distribution of Affordable Units in Pipeline Within One Mile Radius as of Q4 2021



Source: San Francisco Planning Department, Department of Building Inspection, Mayor’s Office of Housing and Community Development.

About 63% of the affordable units in the housing pipeline in the Surrounding Area are proposed in 100% affordable housing developments— about 1,600 units of which about 1,300 units are located in South of Market and about 300 units are located in the Tenderloin.

¹⁰⁸ Refer to Attachment E for more information regarding the planning and construction status of housing units in the pipeline in the One Mile Radius and their affordability.

G. Evaluation of Potential Gentrification and Residential Displacement Impacts from Proposed Project

This section evaluates potential gentrification and residential displacement impacts that could occur due to the Proposed Project. In summary, this evaluation finds the following:

- Gentrification is a broad pattern of neighborhood change typically characterized by increases in the number of higher income households and increases in home values and/or rents over an extended period of time, for example ten years or more. Areas surrounding the Proposed Project have experienced early/ongoing gentrification or advanced gentrification according to the Urban Displacement Project, which is an existing condition. While the Proposed Project would likely add about 400 renter households of above moderate income, the distribution of renter households by income level would not change substantially, and the proportion of above moderate income households with incomes of \$150,000 or more would be substantially less than the City as a whole. In addition, the planned pipeline of affordable housing in the Surrounding Area coupled with the residential anti-displacement strategies would address both gentrification and displacement pressures as further described below.
- Physical (direct) displacement occurs as the result of eviction, acquisition, rehabilitation, or demolition of a property, or the expiration of covenants on rent-restricted or income-restricted housing. No direct, physical residential displacement would occur from the Proposed Project as it is currently a parking lot without any buildings that house residents.
- Economic (indirect) displacement of residents has likely occurred historically within the Surrounding Area and the One Mile Radius of the Proposed Project, which is an existing condition. Thus, this section analyzes whether the Proposed Project could result in indirect displacement after its construction.
- As it is not known whether residential displacement may affect some existing residents, this report analyzes potential residential displacement impacts based on the research results and methodology presented in UDP's March 2022 Policy Brief 1 (Policy Brief 1), which was described in Section E of this report.¹⁰⁹
- While the Planning Department had previously determined that substantial evidence did not establish a correlation between market rate housing development and the rate of involuntary displacement, UDP's March 2022 Policy Brief 1 studies how new market rate housing production may affect residential displacement in the Bay Area and finds that new market-rate housing production may increase displacement for lower income people under certain circumstances.
- UDP's research indicates that new market-rate housing production slightly increases displacement for lower income people, but the increase in rates of displacement (involuntary moves) for very low- to moderate-socio-economic groups are not as high as commonly believed, at 0.5 percent to 2 percent above normal rates, while stating that more research is needed to understand these effects in different contexts and over the long term.
- Based on applying the research methodology described in Policy Brief 1, the projected range of residential displacement impacts from the market rate units in the Proposed Project are 10 to 41 households, and this range of displacement impacts could be addressed by one mid-size apartment building with entirely affordable or subsidized units.

¹⁰⁹ https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

- Given the residential anti-displacement strategies of the Proposed Project and those being implemented in the Surrounding Area by the City, residential displacement from the Proposed Project will be largely addressed.
- In addition to physical displacement and economic displacement, lower income households can experience exclusion or exclusionary displacement, which occurs when these households cannot afford to move in to an area given the cost of housing relative to their household income, which typically is the result of rising rents and/or home prices that contribute to the area becoming exclusive.
 - As previously indicated by CoStar rent data, average rents for market rate units in the Surrounding Area are more affordable and have increased at a slower pace than inflation over the past two decades. These market conditions coupled with the relatively high vacancy rate of 7.1% compared to historical vacancies indicates that the Surrounding Area is not experiencing a rapid rise in rents.
 - While market rents are more affordable in the Surrounding Area, the average market rent in the Surrounding Area is currently only affordable to moderate income households and not lower income households, which indicates some level of exclusion. However, this is true for many neighborhoods across San Francisco and in the Bay Area and is considered an existing condition according to CEQA.
 - The Proposed Project would include 73 onsite inclusionary units that would be affordable to very low, low and moderate income households and 422 market rate units that would likely have market rents that are affordable to above moderate income households.
 - The building would provide 73 affordable units onsite that would not occur without its development. As such, the Proposed Project could increase inclusion as the total number of affordable units in the Surrounding Area would increase.
- As further described below, the residential anti-displacement strategies that are incorporated into the Proposed Project as well as those being implemented by the City would likely address potential economic (indirect) and exclusionary displacement impacts from the Proposed Project on existing residents living in the Surrounding Area.
 - These residential anti-displacement strategies include the protection of about three-quarters of residential units in the Surrounding Area that are affordable housing or subject to rent control, as well as the planned production of affordable housing units, including the provision of 73 onsite inclusionary units and payment of \$8 million in housing fees by the Proposed Project that could potentially support between 27-40 units of additional affordable housing in the Surrounding Area based on MOHCD’s intention to direct funding toward affordable housing in SoMa.¹¹⁰

¹¹⁰ Mayor’s Office of Housing and Community Development, *Letter to Director of San Francisco Planning Department*, May 25, 2021.

1. Gentrification Trends and Impacts From Proposed Project

According to maps published on the Urban Displacement Project (UDP) website as of July 2022, areas throughout the Bay Area region and in San Francisco have experienced or are at risk of gentrification, displacement or exclusion due to increasing housing costs, the high cost of housing in comparison to household incomes, especially for lower income households, and the lack of new housing supply (including affordable housing), among other factors. As described earlier, UDP revised its “typology” to describe these conditions in 2020.¹¹¹

Figure G-1 below shows the components of the UDP 2020 typology, which include an evaluation of whether an area is at risk, susceptible or experiencing displacement, gentrification or exclusion, and Figure G-2 shows UDP’s evaluation of areas throughout San Francisco according to this typology.

In summary, the UDP typology measures three different conditions that may be occurring in an area that is defined by census tract boundaries, as shown in Figure G-1:

- Gentrification is measured based on changes in the income mix of an area and increase in housing costs or above regional median change in apartment rents and home prices, as shown in purple shading on Figures G-1 and G-2.
- Displacement is measured based on the proportion of low income households or the loss of low income households, as shown in blue shading on Figures G-1 and G-2.
- Exclusion is evaluated according to risk factors for becoming exclusive based on housing affordability (including whether lower income households can afford typical market rents) and rapid increases in home prices and rents that will inhibit affordability, as shown in orange shading on Figures G-1 and G-2.

As shown in Figure G-2, all of the census tracts in the SoMa neighborhood and in the southern areas of the Tenderloin bordering Market Street in the Surrounding Area have experienced early/ongoing gentrification or advanced gentrification, as indicated by the medium and dark shades of purple.¹¹² The census tract surrounding the Proposed Project is experiencing early/ongoing gentrification. A few census tracts within the Tenderloin have experienced ongoing displacement or are low income areas that are susceptible to displacement as indicated in the medium to dark shades of blue.

While areas outside of the Surrounding Area within the One Mile Radius have also experienced or are susceptible to gentrification and displacement, other areas within the One Mile Radius are at risk of exclusion or experiencing exclusion as indicated in the different shades of orange in Figure G-2. The Transbay areas immediately to the east of SoMa and the Proposed Project are experiencing stable/advanced exclusiveness as indicated by the dark orange shades.

As indicated in Figure G-2, while gentrification has occurred historically within the Surrounding Area and the One Mile Radius according to the Urban Displacement Project, this is not directly attributable to the Proposed Project and is considered an “existing condition” according to CEQA.

¹¹¹ https://www.urbandisplacement.org/wp-content/uploads/2021/08/udp_replication_project_methodology_10.16.2020-converted.pdf

¹¹² As indicated in the Housing Element Update 2022 Report, the UDP displacement and gentrification maps have been created to better understand and predict where gentrification and displacement was happening and would likely occur in the Bay Area through a community-engaged research process. The gentrification and displacement typology maps summarize housing market dynamics and displacement and gentrification risk into categories (“typologies”) at the census tract level. These maps are based on 2018 data, and these maps are undergoing another update in 2022 to incorporate new data on migration patterns. <https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>

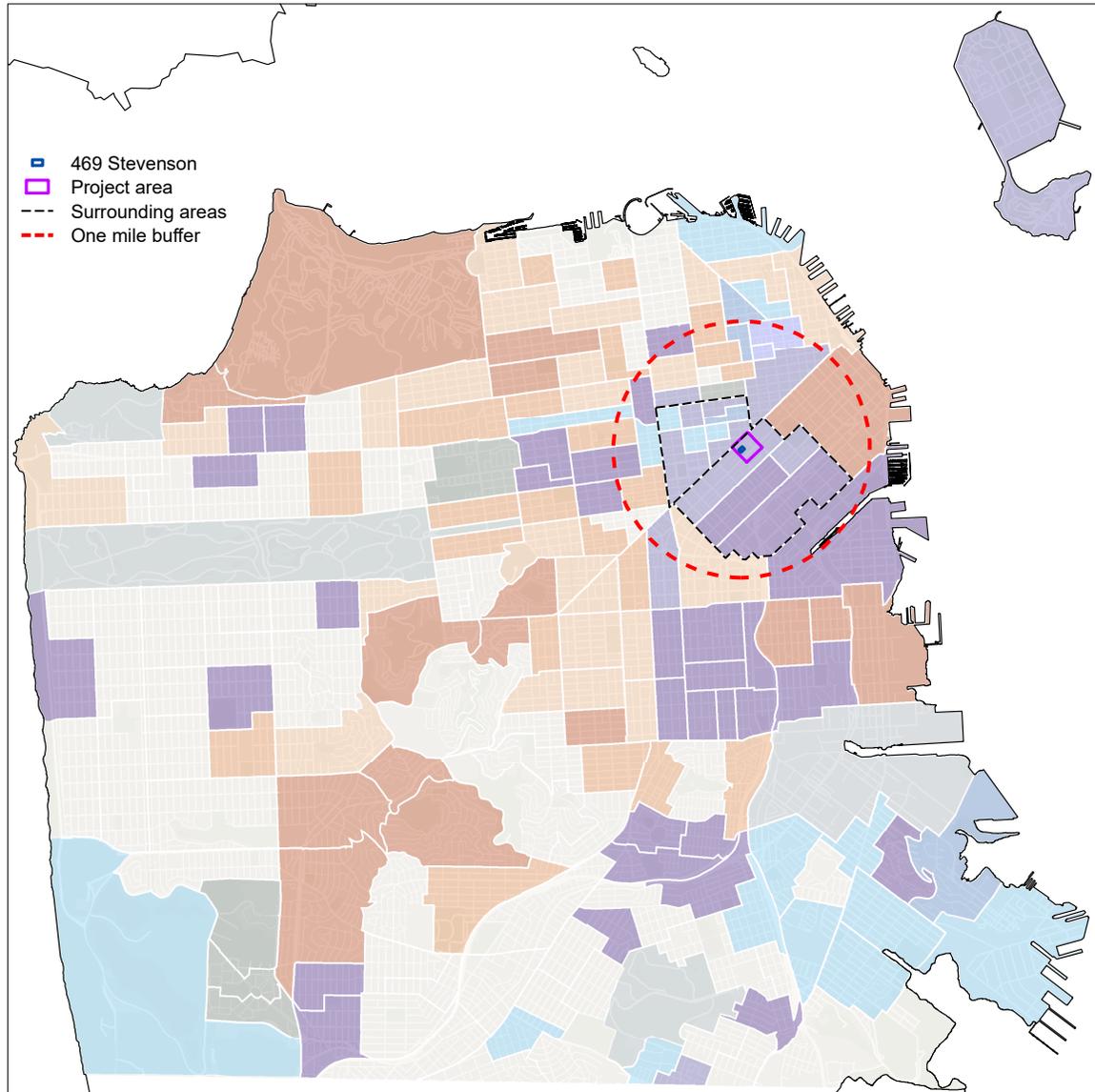
Figure G-1 Urban Displacement Project Typology

MODIFIED TYPES	CRITERIA
LOW-INCOME/SUSCEPTIBLE TO DISPLACEMENT	<ul style="list-style-type: none"> • Low or mixed low-income tract in 2018
ONGOING DISPLACEMENT OF LOW-INCOME HOUSEHOLDS	<ul style="list-style-type: none"> • Low or mixed low-income tract in 2018 • Absolute loss of low-income households, 2000-2018
AT RISK OF GENTRIFICATION	<ul style="list-style-type: none"> • Low-income or mixed low-income tract in 2018 • Housing affordable to low or mixed low-income households in 2018 • Didn't gentrify 1990-2000 OR 2000-2018 • Marginal change in housing costs OR Zillow home or rental value increases in the 90th percentile between 2012-2018 • Local and nearby increases in rent were greater than the regional median between 2012-2018 OR the 2018 rent gap is greater than the regional median rent gap
EARLY/ONGOING GENTRIFICATION	<ul style="list-style-type: none"> • Low-income or mixed low-income tract in 2018 • Housing affordable to moderate or mixed moderate-income households in 2018 • Increase or rapid increase in housing costs OR above regional median change in Zillow home or rental values between 2012-2018 • Gentrified in 1990-2000 or 2000-2018
ADVANCED GENTRIFICATION	<ul style="list-style-type: none"> • Moderate, mixed moderate, mixed high, or high-income tract in 2018 • Housing affordable to middle, high, mixed moderate, and mixed high-income households in 2018 • Marginal change, increase, or rapid increase in housing costs • Gentrified in 1990-2000 or 2000-2018
STABLE MODERATE/MIXED INCOME	<ul style="list-style-type: none"> • Moderate, mixed moderate, mixed high, or high-income tract in 2018
AT RISK OF BECOMING EXCLUSIVE	<ul style="list-style-type: none"> • Moderate, mixed moderate, mixed high, or high-income tract in 2018 • Housing affordable to middle, high, mixed moderate, and mixed high-income households in 2018 • Marginal change or increase in housing costs
BECOMING EXCLUSIVE	<ul style="list-style-type: none"> • Moderate, mixed moderate, mixed high, or high-income tract in 2018 • Housing affordable to middle, high, mixed moderate, and mixed high-income households in 2018 • Rapid increase in housing costs • Absolute loss of low-income households, 2000-2018 • Declining low-income in-migration rate, 2012-2018 • Median income higher in 2018 than in 2000
STABLE/ADVANCED EXCLUSIVE	<ul style="list-style-type: none"> • High-income tract in 2000 and 2018 • Affordable to high or mixed high-income households in 2018 • Marginal change, increase, or rapid increase in housing costs

Source: Urban Displacement Project.

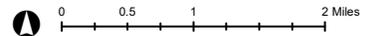
https://www.urbandisplacement.org/wp-content/uploads/2021/08/udp_replication_project_methodology_10.16.2020-converted.pdf

Figure G-2 Urban Displacement Project Typology Map for San Francisco



**Urban Displacement
Project Typology**
Figure G-2
SAN FRANCISCO

- Low-Income/Susceptible to Displacement
- Ongoing Displacement
- At Risk of Gentrification
- Early/Ongoing Gentrification
- Advanced Gentrification
- Stable Moderate/Mixed Income
- At Risk of Becoming Exclusive
- Becoming Exclusive
- Stable/Advanced Exclusive
- High Student Population
- Unavailable or Unreliable Data



The project area is defined as block group 2 of census tract 176.02 according to the 2020 Census

Urban Displacement Project
<https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>

Source: Urban Displacement Project <https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>

The Proposed Project would include 422 market rate units and 73 onsite inclusionary units that would be provided at below market rate rents that are affordable to very low, low or moderate income households.

- While the rent levels of the 422 market rate units are not known at this time, average market rents would likely range between \$3,350 to \$4,350 per month based on information provided by ALH in the Revised 469 Stevenson Street Alternatives Economic Analysis in 2021.¹¹³
 - The lower end of the range reflects market rents based on a November 2020 survey performed by Greystar, which were substantially impacted due to the pandemic.
 - The higher end of the range is based on a 27% to 30% increase from the November 2020 market rent levels, which reflects more normalized market conditions.¹¹⁴
 - As indicated previously with CoStar data, while market rents have increased in San Francisco and the Surrounding Area since 2020, rent levels still have not recovered to pre-pandemic 2019 levels so the upper range may not be realized in the near term.
- Based on this range of market rent levels, average market rents in the Proposed Project would be affordable to above moderate income households, which would likely increase the number of above moderate income households (with incomes above \$150,000) in the Surrounding Area by about 400 households based on a typical average occupancy level of 95% for market rate units.¹¹⁵
 - The average monthly rent level of \$3,350 (low end of range) is affordable to a household income of \$134,000, which is equivalent to a household at about 121% AMI as of 2022.
 - A rent level of \$4,350 per month (high end of range) is affordable to a household income of \$174,000, which is equivalent to a household at about 157% AMI as of 2022.
- The 73 onsite inclusionary units would increase the number of very low, low and moderate income households in the Surrounding Area by about 70 households based on a typical average occupancy level of 97% for affordable units.¹¹⁶

Although the addition of about 400 above moderate income households could intensify gentrification pressures in the Surrounding Area, the distribution of renter households by income level would not change substantially in the Surrounding Area with the Proposed Project, and the proportion of above moderate income households would be substantially less than the City as a whole.

- The shift in the distribution of household income level in the Surrounding Area as the result of the Proposed Project would likely range from about 0% to 1% within each household income bracket.
- For example, the proportion of above moderate income households in the Surrounding Area is projected to shift from about 17% to 18% with the Proposed Project, which would continue to be

¹¹³ Revised 469 Stevenson Street Alternatives Economic Analysis, ALH Urban & Regional Economics, March 8, 2021.

¹¹⁴ The lower end of the rent range is based on the average market monthly rents shown in the market rate apartment section of Exhibit 2 of this revised analysis and reflects market rents based on a November 2020 survey performed by Greystar. The higher end of the range is based on a 27% to 30% increase in the November 2020 rent levels, which reflect more normalized market conditions according to ALH and were used to demonstrate improved financial feasibility as shown in Table 4 of the Revised 469 Stevenson Street Alternatives Economic Analysis.

¹¹⁵ This analysis uses the 30% affordability standard and assumes a two person household corresponding with a 2022 household income level for a one bedroom unit at “Tier 1” per MOHCD and assumes a 5% vacancy rate for market rate units, consistent with the analysis in Chapter F. https://sfmohcd.org/sites/default/files/2022_AMI-RentLimits-HMFA-ForMOHsf.pdf

¹¹⁶ The distribution of households by income level for affordable units assumes the distribution of units by affordability level (very low, low and moderate) shown in Table C-2 and uses the same methodology as described above for market rate units, with an assumed 3% vacancy rate for affordable units.

substantially less than the proportion of above moderate income households in the City as a whole (18% versus 36% citywide), as shown in Graph G-1 below.¹¹⁷

Graph G-1 Comparison of Renter Household Income Distribution in Surrounding Area With and Without Proposed Project and San Francisco



*The renter household income distribution with the Proposed Project is estimated based on the distribution of renter household incomes by income level assuming 30% of income toward rent and the distribution of market rate and affordable units in the Proposed Project.

Source: ALH Urban Economics, CoStar, U.S. Decennial 2020 Census 2020, 5-Year American Community Survey (ACS)

Of note, above moderate income households may have moved into existing housing in the Surrounding Area or could continue to move there with or without the Proposed Project. In addition, the planned pipeline of affordable housing in the Surrounding Area coupled with the residential anti-displacement strategies would address both gentrification and displacement pressures as further described below.

¹¹⁷ The percentage distribution of renter households by income is based on 2020 5-year ACS data, which is multiplied by the number of renter households in the Surrounding Area and City of San Francisco from the 2020 Census, as shown in Table F-1. For example, the number of above moderate income households with incomes above \$150,000 is estimated based on the percentage of these households in the Surrounding Area (17.42%) according to the 2020 5-year ACS multiplied by the number of renter households in the Surrounding Area from the 2020 Census (29,504 households). The number of renter households by income level from the Proposed Project is then added to the number of renter households in each income bracket within the Surrounding Area and San Francisco to estimate the distribution of renter households by income with the Proposed Project.

2. Range of Residential Displacement Impacts From Proposed Project

As indicated in Policy Brief 1, about 10% of the U.S. population moves each year. UDP’s analysis indicates that new market rate housing production may increase displacement for lower income people under certain circumstances, but the increase in rates of residential displacement (involuntary moves) for very low to moderate income socio-economic groups are not as high as previously suspected, at 0.5 to 2 percent above normal rates.

As Policy Brief 1 indicates in its conclusion, the potential impacts from a new market rate development would be calculated as follows assuming the upper end of the range at 2 percent:

[W]hile in a normal year, 10% of households might move out, a construction year will mean that 12% move out per year for the next four years. If a block group houses 500 households, then 50 move out in a typical year, but 60 might move out each year post construction, for a total of 40 displaced households over four years. Thus, displacement impacts [from new development] could be mitigated with one mid-size apartment building with entirely affordable or subsidized units.

The residential displacement impacts from the Proposed Project at 469 Stevenson Street were projected using the same methodology deployed in Policy Brief 1. Based on applying its methodology, the projected range of displacement impacts from the Proposed Project are 10 to 41 households, as shown in Table G-1 below.

Table G-1 Projected Range of Displacement Impacts From the Proposed Project

	Block Group 2 Census Tract 176.02 ¹	Range of Annual Potential Displacement Impacts ²		Projected Range of Displacement Impacts Over Four Years (Rounded) ²	
		0.50%	2%	0.50%	2%
Number of Households	510	2.55	10.20	10	41

1. The Proposed Project is located in Block Group 2, Census Tract 176.02, which has 510 households according to the 2020 Census.

2. The potential range of displacement impacts is estimated based on the Urban Displacement Project methodology, which is contained in Policy Brief 1. https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

The methodology estimates displacement (involuntary moves) from new market rate development to range between .5% to 2% of existing households annually multiplied by the four year period post construction.

Source: Urban Displacement Project, US Decennial Census 2020.

As Policy Brief 1 indicates, this range of displacement impacts could be addressed by one mid-size apartment building with entirely affordable or subsidized units. As further described in Chapter C, the Proposed Project would be required to provide 73 onsite affordable housing units and \$8 million in housing fees that could potentially support between 27-40 units of additional affordable housing in the Surrounding Area based on MOHCD’s intention to direct funding toward affordable housing in SoMa. Furthermore, about three quarters of all housing units in the Surrounding Area are estimated to be protected from residential displacement, and numerous affordable housing developments are in the pipeline in the Surrounding Area as previously described in Chapter F.

Coupled with the residential anti-displacement strategies described below, the potential residential displacement impacts from the Proposed Project could be addressed by these strategies because the

residential anti-displacement strategies include substantially more than the production of one mid-sized affordable housing development with entirely affordable or subsidized units, which is the recommended mitigation in the UDP Policy Brief 1.

3. Residential Anti-Displacement Strategies of the Proposed Project

The Proposed Project would include required and voluntary residential anti-displacement strategies that are focused on the production of affordable housing and market rate housing as previously described in Chapter C and summarized below in Table G-2.

Table G-2 Description of Residential Anti-Displacement Strategies of Proposed Project

Strategy	Description	Proposed by the 469 Stevenson Project
Housing Production		
Affordable and market rate housing production	Production of affordable housing and market rate housing, including inclusionary housing, with rental housing application assistance by DAHLIA: San Francisco Housing Portal.	Required: Provision of 422 market rate and 73 affordable apartment units plus funding for additional affordable housing.
Inclusionary housing/zoning	Inclusion of affordable housing within mixed income/market rate developments.	Required: 73 on-site inclusionary housing units affordable to very low, low and moderate income households.
Affordable housing impact fees	Fees in-lieu of building units.	Required: \$8,000,000 (with MOHCD intention to direct funding toward affordable housing in SoMa). Voluntary: Potential use of funds for affordable housing at 967 Mission Street.
Jobs-housing balance or commercial impact fees	Non-residential linkage fees.	Not required due to proposed size of retail.
Land dedication for affordable housing	San Francisco Public Land for Housing, California Surplus Land Act.	Voluntary: Donation of property at 59 6th Street for community benefit use, such as affordable housing, open space and recreation, or a community facility.
Homelessness prevention and supportive services and housing	Core programs to prevent homelessness and provide supportive housing include: permanent supportive housing, transitional housing, coordinated entry, shelter, street outreach, health care and support services.	Voluntary: Efforts to either negotiate a lease of the ground floor of the Helen Hotel, located at 166 Turk Street, for use as an Urban Rest and Sleep Center, or a purchase option for the entire building. Should the negotiation be successful, assign the lease or purchase option to a local community group and provide initial funding.

Note: See Chapter C for further information on the Proposed Project and Attachment E for further information regarding the anti-displacement strategies and relevant sources of information.

Source: City and County of San Francisco, Project Sponsor.

Housing Production– The required and voluntary residential anti-displacement strategies of the Proposed Project would consist of the following housing production strategies as further described in Figure G-1 and Section C of this report:

- Required provision of 73 onsite affordable housing units affordable to very low, low and moderate income households in addition to 422 market rate units that will help address market rate demand.
- Required payment of \$8 million in housing fees that could potentially support between 27-40 units of additional affordable housing units in the Surrounding Area.
- Voluntary donation of property in the vicinity of the Proposed Project at 59 6th Street for community benefit use that could include affordable housing.
- Voluntary efforts to either negotiate a lease or purchase option for an urban rest and sleep center on the ground floor of the Helen Hotel at 166 Turk Street.

4. City-Led Residential Anti-Displacement Strategies

As described in prior sections of this report, the City of San Francisco is undertaking a Community Stabilization initiative and Affordable Housing Strategy to stabilize communities, address displacement impacts and produce more affordable housing. The draft Housing Element 2022 Update presents numerous policies and actions that are focused on addressing Housing Element Objective 3c, which seeks to: “Eliminate community displacement within areas vulnerable to displacement.” The draft Cultural, History, Housing, and Economic Sustainability Strategy (CHHESS) for the SOMA Pilipinas Filipino Cultural Heritage District (SOMA Pilipinas CHD) also recommends several strategies aimed at addressing potential residential and cultural displacement impacts.¹¹⁸

As described in the research literature, residential anti-displacement strategies are generally characterized as follows, and the City is implementing strategies in all three categories in the Surrounding Area:

- **Housing Production** (including 100% affordable housing and inclusionary housing)– Numerous developments in the surrounding area of the SoMa and Tenderloin neighborhoods are in the City’s development pipeline, which include about 1,500 affordable housing units in 100% affordable housing developments and about 1,200 inclusionary units (including the Proposed Project if built).
- **Housing Preservation**– The City has implemented a broad range of preservation strategies including preservation of federally subsidized housing, no-net-loss, one-for-one replacement strategies, SRO residential hotel rent and conversion controls, property rehabilitation and preservation programs (such as the PASS program), including buildings with high proportion of Filipino tenants, and facilitated land banking/community control.
- **Tenant Protection and Housing Stabilization**– In addition to the preservation strategies described above, the City has funded and facilitated programs tenant protection and housing stabilization strategies including tenant rental assistance to lower income households, rent stabilization and control, tenant counseling and right to legal counsel, the Code Enforcement Outreach Program (CEOP) and SRO Collaborative Program, tenant right to purchase, foreclosure assistance and other homeowner assistance programs, and Individual Development Accounts (IDA).

Working in collaboration with Planning staff, each of the City’s residential anti-displacement strategies was analyzed to determine whether:

- The strategy is part of a City-led strategy that is being implemented in the Surrounding Area.
- A similar strategy is recommended in the draft SOMA Pilipinas CHD CHHESS.
- The strategy is being proposed by the Proposed Project, and whether it is a required component of the Proposed Project or being voluntarily proposed by the Project Sponsor.

As indicated in Table G-3 below, all of the City-led residential anti-displacement strategies that were identified by the research review are being implemented in the SoMa and Tenderloin neighborhoods.

¹¹⁸ The June 2022 draft SOMA Pilipinas CHD CHHESS presents recommendations and strategies to preserve the cultural heritage of the Filipino community and was prepared based on a year-long community engagement process led by SOMA Pilipinas, which include focus groups, interviews and feedback from numerous residents. Cultural preservation is one of six areas of focus in the CHHESS strategies and recommendations, alongside tenant protections, arts and culture, economic and workforce development, place keeping and place making, and cultural competency. The Board of Supervisors passed a resolution adopting the CHHESS, which was signed by Mayor Breed on September 16, 2022. Resolution No. 369-22, Board File No. 220769.

Several similar housing preservation, tenant protection and housing stabilization strategies are also being recommended by the SOMA Pilipinas CHD CHHESS.

**Table G-3 Summary of Residential Anti-Displacement Strategies
Surrounding Area, SOMA Pilipinas Filipino Cultural Heritage District and Proposed Project**

Residential Anti-Displacement Strategies	City-Led Strategies Implemented in Surrounding Area (SoMa and Tenderloin)	Similar Strategy in SoMa Pilipinas Filipino Cultural Heritage District CHHESS	Proposed by the 469 Stevenson Project
Housing Production			
Affordable and market rate housing production	X	X	Required
Inclusionary housing/zoning	X	X	Required
Accessory dwelling units (ADUs)	X		
Affordable housing impact fees	X		Required
Jobs-housing balance or commercial impact fees	X		
Expedited permitting and developer incentives (including Housing Overlay Zones)	X		
Reduced parking requirements for affordable housing	X		
Land dedication for affordable housing	X		Voluntary
Homelessness prevention and supportive services and housing	X	X	Voluntary
Tax incentives and tax funded programs for affordable housing	X		
Voter Authorized Funding/Bonds	X		
Housing Preservation			
Preservation of federally subsidized housing	X	X	
Condominium conversion ordinances	X		
No-net-loss, one-for-one replacement strategies	X		
Single-room occupancy (SRO) hotels rent and conversion controls	X	X	
Property rehabilitation and preservation, including buildings with high proportion of Filipino tenants	X	X	
Land banking/community control	X	X	
Tenant Protection and Housing Stabilization			
Tenant rental assistance	X	X	
Rent stabilization/control	X	X	
Tenant counseling and right to legal counsel	X	X	
Code Enforcement Outreach Program (CEOP) and SRO Collaborative Program	X	X	
Just-Cause eviction policy	X	X	
Tenant right to purchase	X	X	
Foreclosure assistance	X	X	
Homeowner assistance programs and Individual Development Accounts (IDA)	X	X	

Note: See Chapter C for further information on the Proposed Project and Attachment E for further information regarding the anti-displacement strategies and relevant sources of information.

Key to indicators in table:

X= Indicates that this strategy is being undertaken or proposed.

Required= Indicates that this strategy is being proposed and is required for the Proposed Project.

Voluntary= Indicates that this strategy is being voluntarily proposed by the Project Sponsor.

Source: Urban Displacement Project, City and County of San Francisco, SOMA Pilipinas Filipino Cultural Heritage District CHHESS (June 2022 Draft)

The complete set of exhibits that describe each residential anti-displacement strategy are included in Attachment E. These exhibits include information regarding the City Program Lead(s), examples of how these strategies are being implemented in the Surrounding Area, and a summary description of the required and voluntary anti-displacement strategies of the Proposed Project. These exhibits also reference the sources that were used to compile these strategies, which are indicated by source number references in the last column of the exhibits that present the anti-displacement strategies.

H. Evaluation of Potential Cultural Displacement Impacts from Proposed Project

This section evaluates potential cultural displacement impacts associated with the SoMa Pilipinas–Filipino Cultural Heritage District (Soma Pilipinas Filipino CHD) that may occur from the Proposed Project. In summary, this evaluation finds the following:

- No physical (direct) displacement of historic resources or cultural assets associated with the Filipino community would occur from the Proposed Project as it is currently a parking lot without any buildings that house businesses or community organizations.
- Economic (indirect) displacement of cultural assets may have occurred historically in the SOMA Pilipinas Filipino CHD.
- A review of academic research indicates that research studies use different definitions and methodologies to measure cultural displacement, and comparatively few research studies have been done to measure cultural displacement impacts from new development on cultural assets, as compared with research regarding potential residential displacement. For these reasons, it is not possible to quantify or know with certainty if the proposed project will result in cultural displacement.
- As described earlier, cultural displacement occurs when there is a loss of historically and culturally significant institutions, organizations and businesses associated with a particular race, ethnicity, or other culturally significant group, which could occur either directly or indirectly. Such loss could also contribute to the loss of residents associated with that culture in the area, as the institution, organization, or business may serve as an anchor, place of employment, gathering place, place of commercial activity, etc. for that culture.
- Potential cultural displacement impacts from the Proposed Project need to be analyzed by an evaluation of non-residential and residential cultural assets that are associated with the Filipino community according to SOMA Pilipinas.
 - The evaluation analyzes the location of each cultural asset and its potential protection from displacement given its location on a public property or a nonprofit property that is owned or under a long term ground lease with a nonprofit organization because these locations would likely be less vulnerable to displacement given their public and/or nonprofit purpose and mission. Additionally, the evaluation identifies if any cultural asset is located on a property containing historic resources. The designation of a property as an historic resource can reduce the potential for cultural displacement as the buildings are more likely to be preserved and rehabilitated consistent with relevant Federal, State and/or local requirements, although these designations do not prevent changes in occupancy or use.
- The evaluation indicates that the Proposed Project would not likely increase the risk of cultural displacement on most non-residential and residential cultural assets because most are located on public or nonprofit property, which helps to protect them from displacement:
 - Almost all of the non-residential cultural assets that are nonprofit organizations appear to be located on nonprofit property.
 - All of the non-residential community landmarks are on public or nonprofit property.
 - None of the businesses identified as non-residential cultural assets are legacy businesses. Only three businesses appear to have been at the same location or located nearby in SoMa for more than nine years. This indicates that business turnover has likely occurred historically in the SOMA Pilipinas CHD and will likely continue to occur, with or without the Proposed Project.

Two Filipino businesses are located on nonprofit property, and three businesses are located on properties that are identified as historic resources and are associated with the Filipino community.

- Residential cultural assets have a high proportion of Filipino residents according to SOMA Pilipinas, and all of these buildings are protected as affordable housing or rent controlled according to the San Francisco Rent Ordinance (SF Administrative Code, Chapter 37).
- The evaluation indicates that the following two historic resources associated with the Filipino community are located within the vicinity of the Proposed Project.
 - The Bayanihan House at 1010 Mission Street (80-96 6th Street) is owned by a nonprofit and is the location of several of the non-residential cultural assets, including five nonprofit organizations and two businesses.
 - The Mint Mall at 953 Mission Street (951-957 Mission) has been owned by the same private family for many years and is the location of two non-residential cultural assets, including a nonprofit senior resource center and a restaurant.
- The research literature also indicates that new development such as the Proposed Project can potentially benefit existing residents, as well as culturally significant organizations and businesses, when accompanied by anti-displacement strategies.
- As further described below, the cultural anti-displacement strategies that are incorporated into the Proposed Project as well as those being implemented by the City would likely address cultural displacement impacts of the Proposed Project.

1. Potential Cultural Displacement Impacts on Filipino Community

The Filipino community has a long history within the City and SoMa neighborhood as described in the Filipino Heritage Addendum to the South of Market Historic Context Statement (March 2013). As this Addendum describes, the South of Market neighborhood is emblematic of both the struggles and achievements of Filipino immigrants in the San Francisco Bay Area. While sizeable Filipino communities exist in other areas such as Daly City, Union City, and Vallejo, the South of Market neighborhood continues to serve as a touchstone for Filipinos seeking to connect with their cultural heritage. The neighborhood has traditionally served as a first stop for immigrants—particularly during the post-1965 wave of Filipino immigration.

The SoMa neighborhood continues to be the location where most important Filipino cultural celebrations are held in San Francisco.¹¹⁹ The SOMA Pilipinas – Filipino Cultural Heritage District (SOMA Pilipinas CHD) was recognized as a district in 2016 prior to the creation of the City’s cultural district program in 2018. The SOMA Pilipinas CHD is generally bounded by Market, Second, Brannan, and Eleventh streets, which is largely coterminous with the SoMa neighborhood and includes a few buildings of cultural significance that are outside the SoMa neighborhood– the International Hotel, Iloilo Circle Building Gran Oriente Filipino Masonic Temple, and Rizal Apartments (now known as San Lorenzo Ruiz Center). The SOMA Pilipinas CHD is one of nine cultural districts that have been established to “preserve, strengthen and promote cultural communities, and its goals are to support legacy businesses, nonprofits, community arts, and traditions.”¹²⁰

The 2013 Filipino Heritage Addendum to the South of Market Historic Context Statement (Filipino Heritage Addendum) lists and describes Filipino social heritage resources in SoMa based on research and

¹¹⁹ https://default.sfplanning.org/Preservation/central_soma_hrs/SOMA_Filipino_Heritage_HCS_Final_Report-031313.pdf

¹²⁰ <https://sfbos.org/sites/default/files/o0126-18.pdf>

oral histories conducted by Page and Turnbull. The Filipino Heritage Addendum describes individual assets in the South of Market area that the Filipino community has identified as being a valuable and important part of the Filipino culture and history, while noting that some of these individual assets no longer exist or have relocated prior to its publication in March 2013.

Many of the Filipino social heritage resources listed in the Filipino Heritage Addendum have been identified by SOMA Pilipinas in the list of cultural assets on its website¹²¹ and/or are included on the SOMA Pilipinas Filipino CHD Map, which is shown below on Figure H-1.¹²²

SOMA Pilipinas also provided a list of non-residential and residential cultural assets to the Planning Department in 2022 as part of the preparation of the draft SOMA Pilipinas CHD CHHESS. Based on a review of buildings and parks on various lists of cultural assets, the cultural displacement analysis analyzes the cultural assets on the 2022 SOMA Pilipinas list and evaluates their protection from potential cultural displacement impacts from the Proposed Project.

The cultural displacement analysis focuses on two types of Filipino cultural assets provided by SOMA Pilipinas– non-residential and residential cultural assets. Residential cultural assets are residential buildings that have a high proportion of Filipino residents according to SOMA Pilipinas.

The cultural displacement analysis is based on the best available information that was provided by the Planning Department and the Mayor’s Office of Housing and Community Development, as well as information contained in the Filipino Heritage Addendum to the South of Market Historic Context Statement, Draft SOMA Pilipinas CHD CHHESS, SOMA Pilipinas website, and the websites of the cultural assets.

a. Location of Filipino Cultural Assets

All of the Filipino cultural assets were analyzed in terms of their location, including whether they are located in the SoMa neighborhood, which is largely coterminous with the SOMA Pilipinas CHD, and in the vicinity of the Proposed Project within the SoMa neighborhood:

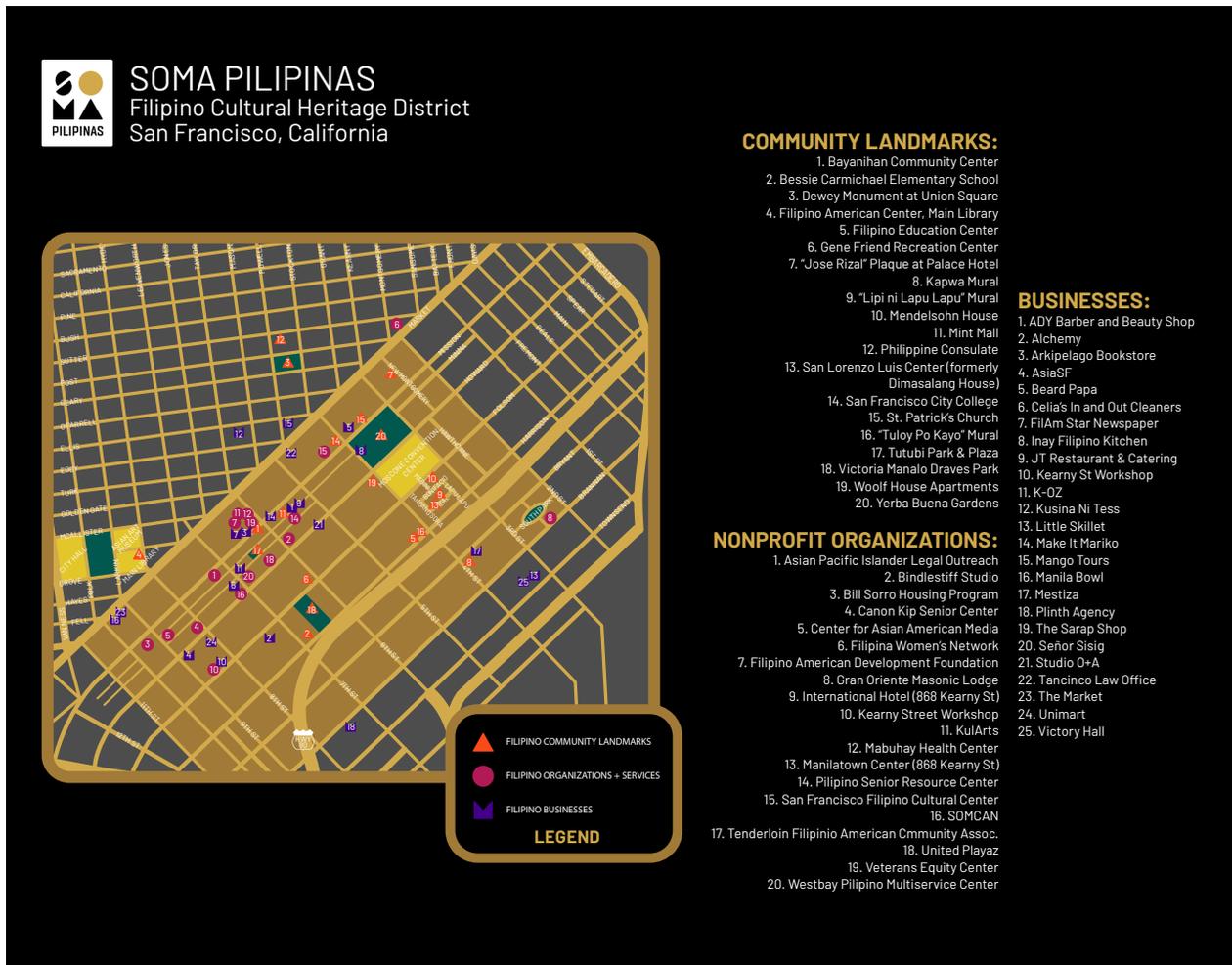
- SoMa (S)– As described earlier, the SOMA Pilipinas CHD is largely coterminous with the SoMa neighborhood and contains most of the Filipino cultural assets.
- SoMa in the vicinity of Proposed Project (S*)– The Proposed Project is located at 469 Stevenson Street in the SoMa neighborhood within the SOMA Pilipinas CHD between Market and Mission Streets and Fifth and Sixth Streets.
 - Voluntary cultural anti-displacement strategies would provide benefits in the vicinity of the Proposed Project.
- Tenderloin (T)– The Tenderloin neighborhood is not included in the SOMA Pilipinas CHD. Only the St. Boniface Church, and three Filipino businesses on the 2022 list of cultural assets are located in the Tenderloin neighborhood.¹²³
- South Park (SP)– South Park has cultural significance to the Filipino community given the historical presence of Filipino organizations, such as the Gran Oriente Filipino Masonic Temple. South Park is not located near the Proposed Project and would not likely be affected by the Proposed Project.

¹²¹ <https://www.somapilipinas.org/cultural-assets>

¹²² https://static1.squarespace.com/static/5b2c30b58f51305e3d641e81/t/606735a1bda56a5896a81fee/1617376673646/SOMAPilipinas_map2021.pdf

¹²³ <https://sfbos.org/sites/default/files/o0126-18.pdf>

Figure H-1 Map of Cultural Assets
SOMA Pilipinas Filipino Cultural Heritage District



Source: SOMA Pilipinas

https://static1.squarespace.com/static/5b2c30b58f51305e3d641e81/t/606735a1bda56a5896a81fee/1617376673646/SOMAPilipinas_map_2021.pdf

b. Analysis of Filipino Non-Residential Cultural Assets

As described above, SOMA Pilipinas provided a list of cultural assets to the Planning Department in 2022, which is considered the most up-to-date list of non-residential cultural assets from the Filipino community. The cultural assets are organized according to three categories– nonprofit organizations, community landmarks and businesses, which correspond with the designations on the SOMA Pilipinas CHD map in Figure H-1.¹²⁴

- Nonprofit Organizations (NPO)– A broad variety of nonprofit organizations are considered Filipino cultural assets, which include arts, churches and service organizations.
- Community Landmarks (CL)– The SOMA Pilipinas CHD also includes community landmarks that consist of schools, parks, community centers, and arts-focused public buildings.
- Businesses (B)– Filipino businesses include eating and drinking establishments, retail stores and personal services, such as a barber shop and dry cleaners.

These non-residential cultural assets are summarized and evaluated in Table H-1 in terms of their location, type of cultural asset, potential protection according to their location in a public or nonprofit property, and whether they are located on a site containing a historic resource.¹²⁵ As shown in Table H-1, thirteen non-residential cultural assets are located in the vicinity of the Proposed Project (with location indicator of S*), most of which are located in an historic resource.

The non-residential cultural assets were also evaluated to understand how long they have been located in SoMa based on a comparison of their 2022 address with the address that was referenced in the Filipino Heritage Addendum published in 2013. Almost all of the nonprofit organizations and community landmarks have been located at the same address in SoMa for the past decade or moved nearby (within a few blocks in SoMa).¹²⁶

Almost all of the Filipino businesses are retail establishments. Most of the Filipino businesses identified as cultural assets by SOMA Pilipinas in 2022 were not referenced in the Filipino Heritage Addendum or indicated on Figure H-1. Only Arkipelago Bookstore, JT Restaurant (under former name of Filipinas Restaurant) and Celia’s In and Out Cleaners were referenced in the Filipino Heritage Addendum.

Retail businesses experience increasing closure rates as they age according to retail establishment data compiled by the US Bureau of Labor Statistics (BLS). While annual business closure and survival rates differ depending on the year when retail businesses are established and the economic conditions that occur thereafter, typically only about 70% of retail businesses survive more than two years of business, 50% survive after the first 6 to 7 years in business, and 25% to 30% survive more than 20 years.¹²⁷ This data indicates that business turnover has likely occurred historically in the SOMA Pilipinas CHD and will likely continue to occur, with or without the Proposed Project.

¹²⁴ The 2022 list provided by SOMA Pilipinas is considered the most up-to-date list of cultural assets.

¹²⁵ While murals are an important part of the Filipino heritage, murals are not included in the cultural displacement analysis as they are at lower risk of displacement given their protections. Murals that highlight Filipino culture are located in Tutubi Park, Howard Langton Community Garden, Bessie Carmichael School, and several nonprofit properties in SoMA, including San Lorenzo Ruiz Apartments. Several City agencies oversee the review and preservation of murals, and murals have protections under the San Francisco Visual Artists Rights Act and the California Art Preservation Act. https://sfplanning.org/sites/default/files/documents/publications/GeneralInfo_Murals.pdf

¹²⁶ Several of the nonprofit organizations and most of the businesses on the 2022 SOMA Pilipinas list were not referenced in the Filipino Heritage Addendum. A few have moved nearby to their prior location. Kularts has moved to 1010 Mission Street on the ground floor of Bayanihan House, owned by a local nonprofit, TODCO. SOMCam has moved nearby to 1038 Mission Street, which is located on the ground floor of 1036 Mission Family Apartments owned by a local nonprofit, TNDC.

¹²⁷ https://www.bls.gov/bdm/us_age_naics_44_table7.txt

**Table H-1 Analysis of Potential Protection of Non-Residential Cultural Assets
SOMA Pilipinas Filipino Cultural Heritage District**

	Address	Same Address as 2013 Addendum?*	Cultural Asset Category	Location	SOMA Pilipinas Map Code	Potential Protection?	Historic Resource
Nonprofit Organizations							
Bindlestiff Studio	185 6th St	Same address	Arts	S*	NP-2	NP	
Kularts	1010 Mission St	Different address	Arts	S*	NP-11	NP	HR
Luggage Store Gallery	1007 Market St	Not referenced	Arts	S*		NP	
SF Filipino Cultural Center	814 Mission St	Different address	Arts	S	NP-15	Unknown	
Balay Kreative Studios	863 Mission St	Not referenced	Arts	S		P	
Filipino American Development Foundation	1010 Mission St	Same address	Services	S*	NP-7	NP	HR
Mabuhay Health Clinic	1010 Mission St	Not referenced	Services	S*	NP-12	NP	HR
Pilipino Senior Resource Center	953 Mission St	Same address	Services	S*	NP-14	Unknown	HR
Bayanihan Equity Center	1010 Mission St	Same address	Services	S*	NP-19	NP	HR
Bill Sorro Housing Program	1110 Howard St	Not referenced	Services	S	NP-3	Unknown	
Canon Kip Senior Center	705 Natoma St	Same address	Services	S	NP-4	NP	
SOMCAN	1038 Mission St	Moved nearby	Services	S	NP-16	NP	
United Playaz	1038 Howard St	Moved nearby	Services	S	NP-18	NP	
West Bay Pilipino Multi-Service Center	175 7th St	Same address	Services	S	NP-20	NP	
St. Joseph's Church Art Society	1401 Howard St	Same address	Arts/Church	S		NP	HR
St. Patrick Church	756 Mission St	Same address	Church	S		NP	HR
St. Boniface Church	133 Golden Gate Ave	Same address	Church	T		NP	HR
Gran Oriente Filipino Masonic Temple	95 Jack London Alley	Same address	Church	SP		NP	HR
Community Landmarks							
Bayanihan Community Center	1010 Mission St	Same address	Services	S*	CL-1	NP	HR
Bessie Carmichael School	375 7th St	Same address	School	S	CL-2	P	
Filipino Education Center	824 Harrison	Same address	School	S	CL-5	P	
Tutubi Park	539 Minna St	Same address	Park	S*	CL-17	P	
Gene Friend Recreation Center	270 6th St	Same address	Park	S	CL-6	P	
Kapwa Gardens	967 Mission St	New park	Park	S	CL-8	P	
Victoria Manalo Draves Park	16 Sherman St	Same address	Park	S	CL-18	P	
Yerba Buena Gardens	750 Howard St	Same address	Park	S	CL-20	P	
Yerba Buena Center for the Arts	701 Mission St	Same address	Arts	S	CL-20	P	
Fil-Am Reading Room, Main Library	100 Larkin Street	Same address	Arts	-	CL-4	P	
Businesses							
You by Hu Barber Gallery	76 6th St	Not referenced	Business	S*	CL-1	NP	HR
Arkipelago Bookstore	1010 Mission St	Same address	Business	S*	B-3	NP	HR
JT Restaurant (Filipinas Restaurant)	953 Mission Street	Same address	Business	S*	B-9	Unknown	HR
Plinth Agency	981 Mission St	Not referenced	Business	S*	B-18	Unknown	
Celia's In and Out Cleaners	180 7th St	Moved nearby	Business	S	B-6	Unknown	
Make It Mariko	863 Mission St	Not referenced	Business	S	B-14	Unknown	
Mestiza	595 Bryant St	Not referenced	Business	S	B-17	Unknown	
Studio O+A	452 Tehama St	Not referenced	Business	S	B-21	Unknown	
Kona's Street Market	32 3rd St	Not referenced	Business	S		Unknown	
Perform 4 Life	650 Mission St	Not referenced	Business	S		Unknown	
Executive Order	868 Mission St	Not referenced	Business	S		Unknown	
Uncle Tito	59 9th St	Not referenced	Business	S		Unknown	
Victory Hall	360 Ritch St	Not referenced	Business	S		Unknown	
Kusina Ni Tess	235 Ellis St	Not referenced	Business	T	B-12	Unknown	
Ox and Tiger	552 Jones St	Not referenced	Business	T		Unknown	
Tilted Brim	706 Larkin St	Not referenced	Business	T		Unknown	

Key to Table:

* Evaluates if address is the same as in the Filipino Heritage Addendum to the South of Market Historic Context Statement (March 2013).

Neighborhood location: S* = in the vicinity of the Proposed Project in SoMa, S=SoMa, T=Tenderloin, SP= South Park.

Potential Protection: P= Public, NP = Non-Profit, HR= Historic Resource (based on best available information)

SOMA Pilipinas Map Codes: NP= Nonprofit, CL= Community Landmark, B=Business

Source: San Francisco Planning Department, Filipino Heritage Addendum to the South of Market Historic Context Statement, Draft SOMA Pilipinas CHD CHHESS, and SOMA Pilipinas website.

All of the businesses listed as cultural assets were analyzed to determine whether they are part of San Francisco’s Legacy Business program, as preservation of legacy businesses is a key goal of the City’s Cultural District program and indicates business longevity.¹²⁸ Businesses that have operated in San Francisco for 30 years or longer (or meet other legacy criteria) and have contributed to the history and identity are certified as Legacy Businesses. Legacy businesses receive educational and promotional assistance from the Office of Small Business to support their continued viability and success and can apply for grants or receive legislative benefits.¹²⁹

Based on a review of the businesses that are listed and mapped on the City’s Legacy Business website,¹³⁰ none of the Filipino businesses listed in Table H-1 are included on the Legacy Business list, as confirmed by the Planning Department and Legacy Business Program.¹³¹ This could indicate that these businesses do not meet the legacy business criteria or the business owners have not yet applied for designation as a legacy business, which could provide a benefit to the businesses and is one of the citywide cultural anti-displacement strategies that is being used by other businesses in the Surrounding Area. (As noted earlier, only three businesses appear to have been in operation for nine years or more.) Each of these non-residential cultural assets is also analyzed according to whether the asset is likely to be protected given its location as follows:

- Public property (P), which is owned by a public agency.
 - Given its public ownership, the current use/occupancy is not likely to change.
- Nonprofit property (NP), which is owned by a nonprofit organization or subject to a long term lease for affordable housing.
 - Nonprofit organizations have a history of providing long term leases at below market rents, which helps to protect these uses.

Based on this analysis, most of the Filipino non-residential cultural assets are likely to be protected, including most of the non-residential cultural assets in the vicinity of the Proposed Project.

- All of the community landmarks and almost all of the nonprofit organizations are located on property that is owned or ground leased to a nonprofit for affordable housing or other nonprofit use.
 - One of the community landmarks and several nonprofit organizations are located in the Bayanihan House, which is a Filipino historic resource in the vicinity of the Proposed Project at the corner of Mission and 6th Street that includes storefronts with addresses at 1010 Mission Street and 76 through 96 Sixth Street.
 - The Bayanihan House is a residential SRO that is owned by a local nonprofit, TODCO, and houses both residents and the Bayanihan Equity Center (formerly known as the Veterans Equity Center), Filipino American Development Foundation, Kularts, and Mabuhay Health Clinic.
 - Most of the remaining nonprofit organizations are located in buildings that they own or in buildings that are nonprofit properties.
- Two of the businesses are also located in the Bayanihan House –Arkipelago Bookstore and You by Hu Barber Gallery– within the vicinity of the Proposed Project.

¹²⁸ As noted earlier, cultural districts were established by the Board of Supervisors to “preserve, strengthen and promote cultural communities, and its goals are to support legacy businesses, nonprofits, community arts, and traditions.”

¹²⁹ <https://legacybusiness.org/about>

¹³⁰ <https://legacybusiness.org/registry>

¹³¹ None of the businesses shown on Figure H-1, which shows the SOMA Pilipinas map of the CHD cultural assets, appear to be listed in the Legacy Business registry either.

- All of the other businesses listed as cultural assets, with the exception of the two located in the Bayanihan House, do not appear to be located on public or nonprofit property or designated as legacy businesses.
- The Filipino Senior Resource Center (nonprofit organization) and the JT Restaurant (business) are located in the Mint Mall building at 953-957 Mission Street in the vicinity of the Proposed Project and have been at this location for more than a decade. As discussed further below, the Mint Mall building is designated as a historic resource.

In summary, this analysis demonstrates that most of the Filipino non-residential cultural assets have some form of protection, and all of the community landmarks are on public property or nonprofit property. These findings indicate that the Proposed Project is not likely to substantially increase the risk of cultural displacement of non-residential cultural assets given the cultural anti-displacement strategies of the Proposed Project and the city’s cultural anti-displacement strategies that are described below. While many businesses have likely closed historically in the SOMA Pilipinas CHD and will likely continue to close over time given typical business patterns, this is not directly attributable to the Proposed Project.

Given the cultural anti-displacement strategies of the Proposed Project, the addition of new residents and related consumer buying power could provide positive benefits to local businesses by increasing the number of patrons to existing businesses and/or help alleviate commercial vacancies in the area, which would also allow a greater number of customers to arrive by foot or bicycle. While most cultural assets analyzed have some level of protection, it cannot be concluded with certainty that the Proposed Project would not result in any displacement of cultural assets.

c. Analysis of Filipino Residential Cultural Assets

Based on an analysis of the Filipino residential cultural assets identified by SOMA Pilipinas as having a high proportion of Filipino residents, all of these residential cultural assets are either located in affordable housing developments or in residential buildings subject to rent control that provide protections to existing tenants, as shown in Table H-2:

- Affordable housing developments– As described earlier, the SoMa and Tenderloin neighborhoods have many affordable housing developments, which are developed and owned by nonprofit organizations and are subject to long term regulatory restrictions as affordable housing.¹³²
- Rent Controlled Buildings– Both neighborhoods also have many older residential buildings that are subject to rent control (including many with SRO units).¹³³

Each of these residential cultural assets is analyzed according to whether the asset is likely to be protected as affordable housing on nonprofit property (NP) or subject to rent control (RC), which is true of all of the residential cultural assets as shown in Table H-2.

These findings indicate that the Proposed Project would not increase the risk of cultural displacement of residential cultural assets given their protection as affordable housing or rent controlled buildings, coupled with the residential and cultural anti-displacement strategies of the Proposed Project and the city’s anti-displacement strategies that are described below.

¹³² Data provided by the Planning Department and MOHCD was used to determine if the property is an affordable housing development owned by a nonprofit.

¹³³ Data provided by the Planning Department regarding rent controlled buildings and Assessor records was used to analyze the age of a residential building to evaluate whether it is subject to rent control pursuant to the San Francisco Rent Ordinance (SF Administrative Code, Chapter 37), which was enacted effective June 13, 1979.

**Table H-2 Analysis of Potential Protection of Residential Cultural Assets
SOMA Pilipinas Filipino Cultural Heritage District**

	Address	Same Address as 2013 Addendum?*	Cultural Asset Category	Location	SOMA Pilipinas Map Code	Potential Protection?	Historic Resource
Affordable Housing Developments							
Bayanihan House	1010 Mission St (80 -96 6th St)	Same address	Housing	S*	CL-1	NP	HR
Mendelsohn House	737 Folsom St	Same address	Housing	S	CL-10	NP	
Woolf House	801 Howard St	Same address	Housing	S	CL-19	NP	
Gabreila Apartments	587 Natoma St	Not referenced	Housing	S	0	NP	
Ritz Hotel Apartments	210-216 Eddy Street	Not referenced	Housing	T	0	NP	
Alexander Residence	230 Eddy St	Not referenced	Housing	T	0	NP	
270 Turk	270 Turk St	Not referenced	Housing	T	0	NP	
Gran Oriente Filipino Hotel	126 Taber Pl	Same address	Housing	SP	0	NP	Potential HR
Gran Oriente Filipino Masonic Temple	95 Jack London Alley	Same address	Housing	SP	NP-8	NP	Potential HR
Rent Controlled Buildings							
Mint Mall	953-957 Mission St	Same address	Housing	S*	CL-11	RC	HR
San Lorenzo Ruiz Center	50 Rizal St	Same address	Housing	S	0	RC	Potential HR
Trinity Apartments	1188 Mission St	Not referenced	Housing	S	0	RC	
155 Turk	155 Turk St	Not referenced	Housing	T	0	RC	
172 Turk	173 Turk St	Not referenced	Housing	T	0	RC	
285 Turk	286 Turk Street	Not referenced	Housing	T	0	RC	
345 Jones	345 Jones St	Not referenced	Housing	T	0	RC	
347 Eddy	348 Eddy St	Not referenced	Housing	T	0	RC	
415 Jones	416 Jones St	Not referenced	Housing	T	0	RC	
50 Golden Gate	51 Golden Gate Avenue	Not referenced	Housing	T	0	RC	
57 Taylor	57 Taylor St	Not referenced	Housing	T	0	RC	
225 Taylor	225 Taylor St	Not referenced	Housing	T	0	RC	

Key to Table:

* Evaluates if address is the same as in the Filipino Heritage Addendum to the South of Market Historic Context Statement (March 2013).

Neighborhood location: S*= in the vicinity of the Proposed Project in SoMa, S=SoMa, T=Tenderloin, SP= South Park.

Potential Protection: P= Public, NP = Non-Profit, RC= Rent Controlled, HR= Historic Resource (based on best available information)

SOMA Pilipinas Map Codes: NP= Nonprofit, CL= Community Landmark, B=Business

Source: San Francisco Planning Department, Mayor's Office of Housing and Community Development, Filipino Heritage Addendum to the South of Market Historic Context Statement, Draft SOMA Pilipinas CHD CHHESS, and SOMA Pilipinas website.

d. Evaluation of Historic Resources Associated with Filipino Community

Each of the cultural assets is also analyzed based on whether it is currently identified as an historic resource (designated as a landmark or historic resource by the City) or considered to be a potential historic resource or district by the Planning Department or according to the Historic Resources Evaluation (HRE) Part II that has been prepared by Page and Turnbull.¹³⁴

¹³⁴ Historic Resources Evaluation Part II, Page and Turnbull, October 2022.

The Planning Department has identified two individual historic resources that have been associated with the SoMa Filipino community for over 40 years within the vicinity of the Proposed Project:

- The former Delta hotel building at 1010 Mission Street (also encompassing 76-96 Sixth Street) is a five-story mixed-use building that is now called the Bayanihan House.
 - This building was built in 1912 and is located about one half block southwest of the Proposed Project at the corner of Sixth Street and Mission Street. While the building is a contributor to the Sixth Street Lodginghouse Historic District, its association with the Filipino community is more recent and includes its association with Dr. Borja who purchased the building and ultimately sold it to TODCO with deed restrictions focused on benefiting the Filipino community.¹³⁵
 - As previously described, the Bayanihan House is a residential cultural asset, which is affordable housing owned by TODCO, a local nonprofit. The Bayanihan House houses several Filipino organizations that are non-residential cultural assets: Arkipelago Bookstore, Bayanihan Center, Bayanihan Equity Center (formerly known as the Veterans Equity Center), Filipino American Development Foundation, Kularts, Mabuhay Health Clinic, and You by Hu Barber Gallery.
- The Mint Mall at 953 Mission Street (also encompassing 951-957 Mission Street) is a five-story mixed-use building that is located to the southeast of the project site.
 - The building was built in 1916 and is a contributor to the Mint-Mission Article 11 Conservation District. The building is a certified residential SRO building according to City records, which houses Filipino residents, and is the location of two non-residential cultural assets– Pilipino Senior Resource Center and JT Restaurant.¹³⁶

Additional individual historic resources associated with the Filipino community elsewhere in the SOMA Filipinas CHD may be identified by the Planning Department in the future including:

- Saint Joseph’s Church at 1401 Howard Street (Landmark 120), which identifies the association with the Filipino community in SoMa in its landmark resolution.¹³⁷
- 50 Rizal Street, currently referred to as the San Lorenzo Ruiz Center, which housed Filipino cultural institutions beginning in the 1970s.
- Neither of these cultural assets is in the vicinity of the Proposed Project.

While no historic district associated with the SOMA Filipinas Filipino CHD is located in the vicinity of the Proposed Project, the South Park area that is located approximately 0.8 miles east of the Proposed Project includes a California Register-eligible historic district. This eligible South Park Historic District

¹³⁵ The Bayanihan House is the site of the former Delta Hotel, a residential hotel that was owned by Dr. Mario Borja, a Filipino. In the 1970's, Dr. Borja purchased the Delta Hotel hoping that it may one day serve the Filipino population living in SOMA. By 1994, Dr. Borja took over the management of the hotel and provided affordable housing to low-income tenants, including the growing population of Filipino American WWII veterans. In 1999, Borja sold the hotel to an affordable housing developer, Tenant and Owners Development Corporation (TODCO) with specific conditions for the sale to TODCO to benefit the community. First, TODCO had to provide affordable housing to all displaced tenants, including the more than 100 elderly Filipino American WWII veterans. Second, the building would be renamed "Bayanihan House," a Filipino cultural value meaning mutual support and mutual caring. Third, TODCO would extend a 20-year lease to the Filipino American Development Foundation, which runs the Bayanihan Community Center, for \$1/year for over 7,000 square feet of ground floor and basement space. <https://www.bayanihance.org/about.html>

¹³⁶ According to the Filipino Heritage Addendum to the South of Market Historic Context Statement, the Mint Mall has been owned by the Nocon family since the 1970s. The Mint Mall has additional cultural significance as it formerly housed several different community organizations, such as Bayanihan Community Center, Bindlestiff Theater/Studios, West Bay Pilipino Multi-Service Center, South of Market Employment Center, and Arkipelago Bookstore.

¹³⁷ https://sfplanninggis.org/docs/landmarks_and_districts/LM120.pdf

represents the earliest, albeit small, community of Filipino immigrants in SoMa and includes the following cultural assets listed on Tables H-1 and H-2:

- Gran Oriente Filipino Hotel and Masonic Temple, which have been developed as affordable housing by Mission Housing.

The last column of Tables H-1 and H-2 shows the result of the historic resource analysis, which indicates whether the cultural asset is currently considered or could be designated an historic resource (HR).

The designation of historic resources, landmarks and historic districts help prevent cultural displacement as the buildings are more likely to be preserved and rehabilitated consistent with relevant Federal, State and/or local requirements to preserve their historic character, although these designations do not prevent changes in occupancy or use. Therefore, cultural assets that are located on historic sites or in buildings identified as an historic resource may be afforded some protection from displacement.

2. Cultural Anti-Displacement Strategies of Proposed Project

The Proposed Project would include both required and voluntary cultural anti-displacement strategies focused on arts and culture stabilization, business retention and stabilization, and workforce development and education in the Surrounding Area. As described in Chapter C, most of the voluntary cultural anti-displacement strategies are the subject of a Community Benefits Agreement (CBA) developed in collaboration with the Mid-Market Coalition.

These strategies are summarized in Table H-3, organized according to the following categories consistent with the research literature and the City's Community Stabilization initiative:¹³⁸

- **Community, Arts and Cultural Stabilization**– The Proposed Project would dedicate the required 1% of construction cost on public art, which would include \$250,000 to support public art projects at 469 Stevenson that recognize the Filipino community's history, culture, and contributions in addition to enhance and enliven urban spaces and places. About 4,000 square feet of retail space is voluntarily proposed to be provided at below market rents to community-serving retail and community spaces accompanied by donated skilled labor services to improve the space for occupancy. An-kind contribution (valued at \$50,000/year) of the Project's on-site maintenance and administration staff's labor would also be contributed to help maintain Mint Plaza.
- **Community, Business and Workforce Stabilization**– The below market rate space in the Proposed Project would provide space for community serving retail businesses. Workforce employment programs would include the required first source hiring program and the voluntary collaboration on employment programs for local residents with the Office of Economic and Workforce Development (OEWD) 6th Street Employment Program. A voluntary donation of about \$580,000 would be made to a Community Programming Fund that would benefit resident-led projects and organizations in the Surrounding Area among other programs to benefit the community.

¹³⁸ The voluntary land donation of property at 59 6th Street (Assessor's Block 3704, Lot 049) for a community benefit use could be used to support these efforts as well.

Table H-3 Description of Cultural Anti-Displacement Strategies of Proposed Project

Strategy	Description	Proposed by the 469 Stevenson Project?
Community, Arts and Cultural Stabilization		
Arts and culture protection	Ongoing support for arts and cultural organizations and historically underserved communities including grants for services, capital and capacity building.	Voluntary: Designate two ground floor spaces of about 4,000 square feet at below market rent for SoMa community-serving retail and community spaces. Building and Construction Trades Council will donate skilled labor for construction of tenant improvements for community serving non-profits.
Community investment, including support of arts and cultural organizations, such as Cultural	Funding for artists, arts organizations and historically underserved communities through grants, technical assistance and capacity building, economic development, education and cultural centers.	Voluntary: Same as above (designation of two community-serving and community spaces).
Community organization preservation - Nonprofit Sustainability Initiative (NSI), Community Cornerstones	Provision of financial assistance, professional services, assessment tools and other resources to address key challenges, including grants for property acquisition and lease stabilization.	Voluntary: Same as above (designation of two community-serving and community spaces).
Community organization support and retention	Support of community organizations that preserve culture and improve quality of life including health, public safety and resident wellness.	Voluntary: \$578,700 to benefit resident-led projects and organizations in SoMa and Tenderloin and help fund programs to promote community, public safety, sanitation, and resident wellness.
Health and social services for vulnerable populations, including programs for Filipino children and youth	Health and social services to the City's most vulnerable populations and those who need language translation services.	Voluntary: Fund an independent impact assessment/ study to evaluate extent of construction impact, including impact to social equity, livelihoods, health, and the general SoMa population.
Public art, civic art and public realm improvements	Provision of public and civic art as well as improvement of the public realm, including street safety.	Required: As part of required 1%-for-art program, contribute \$250,000 to support on-site public art projects that recognize the Filipino community's history, culture, and contributions.
Citywide Public Space Initiative and equitable recreation and park investments	Recreation and Parks' Equity Metrics endeavors to invest in open space and recreational investments in disadvantaged neighborhoods.	Voluntary: Provide in-kind contribution (valued at \$50,000/year) by the Project's on-site maintenance and administration staff to help maintain Mint Plaza.
Business and Workforce Stabilization		
Business retention and stabilization	Resources to start, run, grow, and support local businesses in San Francisco, including technical assistance, low interest loans, façade improvements (SF Shines), CBDs, and other programs.	Voluntary: Same as above (designation of two community-serving and community spaces).
Sustain local businesses and commercial corridors (Invest in Neighborhoods)	Partnerships between City agencies, nonprofits and CBDs to enhance and strengthen neighborhood commercial corridors through small business support, improvements to physical	Voluntary: Same as above (designation of two community-serving and community spaces).
Workforce development and education	Workforce development, job placement and paid work experience opportunities, including workforce hiring programs and programs for young adults.	Voluntary: Develop employment programs for local residents of SoMa and Tenderloin in conjunction with OEWD 6th Street Employment Program.
First Source Hiring	San Francisco First Source Hiring Program per Chapter 83 of San Francisco Administrative Code.	Required: Provision of employment opportunities for economically disadvantaged individuals during construction and operations.
Local employment programs	San Francisco Local Hiring Policy per Chapter 6 of San Francisco Administrative Code.	Voluntary: Same as above (develop employment programs for local residents).
Minimum wage	Minimum Wage Ordinance per Chapter 12R of San Francisco Administrative Code.	Required: As required by City Administrative Code
Wage theft protections and enforcement of other labor laws	Enforcement of local labor laws that apply citywide as well as to City contractors, lessees, and others doing business with the City.	Required: As required by City Administrative Code

Note: See Chapter C for further information on the Proposed Project and Attachment E for further information regarding the anti-displacement strategies and relevant sources of information.

Source: Urban Displacement Project, City and County of San Francisco, SOMA Pilipinas Filipino Cultural Heritage District CHHESS (June 2022 Draft)

3. City-Led Cultural Anti-Displacement Strategies

The cultural anti-displacement strategies were compiled based on the City’s Community Stabilization initiative and Racial and Equity plans; anti-displacement strategies currently being implemented by the City in the Surrounding Area are identified. These strategies are also informed by the draft SOMA Pilipinas CHD CHHESS, which presents recommendations and strategies to preserve the cultural heritage of the Filipino community in the SOMA Pilipinas CHD as described earlier. The cultural anti-displacement strategies are generally characterized as follows, and the City is implementing strategies in all of the categories in the Surrounding Area:

- **Initiatives, Plans and Agreements to Address Cultural Displacement**– The City has implemented a variety of initiatives, plans and community benefit agreements to preserve and stabilize community, arts and cultural organizations and preserve associated cultural assets.
- **Community, Arts and Cultural Stabilization**– The City has implemented a variety of strategies to achieve community, arts and cultural stabilization including the Cultural District initiative, historic resource and landmark designations, Community Investment Program, Nonprofit Sustainability Initiative, Community Cornerstones, which includes grants for property acquisition and lease stabilization,¹³⁹ health and social services for vulnerable populations, including programs for Filipino children and youth, provision of public and civic art as well as improvement of the public realm, and the citywide Public Space Initiative.
- **Community, Business and Workforce Stabilization**– The City has implemented a variety of policies, programs, actions and strategies including the Cultural District initiative, Legacy Business Program,¹⁴⁰ other programs and initiatives by OEWD and its Office of Small Business programs to sustain local businesses and commercial corridors (such as Invest in Neighborhoods) and SoMa West Community Benefit District (CBD), which is the largest of the City’s CBDs and surrounds the Proposed Project. Many workforce programs are also being implemented in the Surrounding Area including the City’s first source hiring program and the Sixth Street employment program.

As indicated in Table H-4 and further described in Attachment E, a large number of City-led cultural anti-displacement strategies are being implemented in the Surrounding Area, many of which are part of the City’s Community Stabilization initiative. Working in collaboration with Planning staff, each of these anti-displacement strategies was analyzed to determine whether:

- The strategy is part of a City-led strategy that is being implemented in the SoMa and Tenderloin neighborhoods (surrounding area of the Proposed Project).
- A similar strategy is recommended in the SOMA Pilipinas CHD CHHESS.
- The strategy is being proposed by the Proposed Project, and whether it is a required component of the Proposed Project or being voluntarily proposed by the Project Sponsor.

¹³⁹ CAST has developed and preserved the Luggage Store Gallery in the vicinity of the Proposed Project and the nearby Dempster Building that is behind the Mint Mall building at 447 Minna Street, as further described below.

¹⁴⁰ As indicated earlier, none of the Filipino businesses identified as cultural assets appear to be listed on the City’s Legacy Business website, which would align with the City’s Cultural District goals to support legacy businesses and serve as a cultural anti-displacement strategy for long standing Filipino businesses.

**Table H-4 Summary of Cultural Anti-Displacement Strategies
Surrounding Area, SOMA Pilipinas Filipino Cultural Heritage District and Proposed Project**

Cultural Anti-Displacement Strategies	City-Led Strategies Implemented in Surrounding Area (SoMa and Tenderloin)	Similar Strategy in SoMa Pilipinas Filipino Cultural Heritage District CHHESS	Proposed by the 469 Stevenson Project?
Citywide Initiatives, Plans and Community Benefit Agreements			
Community Stabilization Initiative	X		
Racial Equity Plans	X	X	
Community Benefits Agreement (CBA)	X		Voluntary
Community, Arts and Cultural Stabilization			
Arts and culture protection	X	X	Voluntary
Cultural District Initiative, including support of local Cultural Districts	X	X	
Historic Resource and Landmark Designations	X	X	
Community investment, including support of arts and cultural organizations, such as Cultural Centers	X	X	Voluntary
Community organization preservation - Nonprofit Sustainability Initiative (NSI), Community Cornerstones	X	X	Voluntary
Community organization support and retention	X	X	Voluntary
Health and social services for vulnerable populations, including programs for Filipino children and youth	X	X	Voluntary
Public art, civic art and public realm improvements	X	X	Required
Citywide Public Space Initiative and equitable recreation and park investments	X	X	Voluntary
Business and Workforce Stabilization			
Business retention and stabilization	X	X	Voluntary
Sustain local businesses and commercial corridors (Invest in Neighborhoods)	X	X	Voluntary
Legacy Business Program	X		
Commercial vacancy tax	X		
Commercial district planning, management, safety, and vibrancy	X	X	Voluntary
Workforce development and education	X	X	Voluntary
First Source Hiring	X	X	Required
Local employment programs	X	X	Voluntary
Minimum wage	X	X	Required
Wage theft protections and enforcement of other labor laws	X		Required
Educational programs, including programs to support families and cultivate arts and culture	X	X	
Muni Service Equity Strategy	X		

Note: See Chapter C for further information on the Proposed Project and Attachment E for further information regarding the anti-displacement strategies and relevant sources of information.

Key to indicators in table:

X= Indicates that this strategy is being undertaken or proposed.

Required= Indicates that this strategy is being proposed and is required for the Proposed Project.

Voluntary= Indicates that this strategy is being voluntarily proposed by the Project Sponsor.

Source: Urban Displacement Project, City and County of San Francisco, SOMA Pilipinas Filipino Cultural Heritage District CHHESS (June 2022 Draft)

The complete set of exhibits that describe each cultural anti-displacement strategy are included in Attachment E. As noted earlier, these exhibits include information regarding the City Program Lead(s), examples of how these strategies are being implemented in the Surrounding Area, and a summary description of the required and voluntary anti-displacement strategies of the Proposed Project. These exhibits also reference the sources that were used to compile these strategies, which are indicated by source number references in the last column of the exhibits that present the anti-displacement strategies.

4. Future Protected Locations for Cultural Assets

Future development projects in SoMa and Tenderloin may provide additional resources for the protection of cultural assets and serve as cultural anti-displacement strategies. For example, the developer of 490 Brannan Street in SoMa is partnering with KULARTS, Filipino American Development Foundation (FADF) and Asian Pacific Islander Cultural Center (APICC) to create a Filipino performing arts theater, especially dedicated to dance. As part of this new development, these organizations would lease about 6,350 square feet of space at below market rates that will ultimately house two Filipino arts organizations listed on the Cultural Heritage District map prepared by SOMA Pilipinas, which are currently located in the Bayanihan House.

The 5M Project that is currently underway donated the historic Dempster Building as part of its proposed development, which is located on 447 Minna Street about one block south of the Proposed Project and immediately to the south of the Mint Mall. In 2019, CAST became the owners of this 10,200 square foot building and assembled funding in 2021 to transform the Dempster Building into a community arts and cultural hub. The Dempster offers affordable workspace (performance, exhibition, meeting and office spaces) to arts and culture groups ranging from youth arts and music education to local Filipino arts and community-based organizations. The Dempster is also located adjacent to the Parks at 5M, where outdoor performances and gatherings can also occur for the Filipino Community.¹⁴¹

¹⁴¹ <https://cast-sf.org/portfolio-type/447-minna/>

I. Conclusion

The portion of the Surrounding Area where the Proposed Project is located is experiencing early/ongoing gentrification according to UDP. Based on the research publications reviewed for this report and the analysis presented in Section G, the Proposed Project might contribute to gentrification and economic (indirect) displacement because the Proposed Project would add approximately 400 new above moderate-income households to the Surrounding Area and could potentially indirectly displace between 10 and 41 households. However, research indicates that new market rate construction neither worsens nor eases the rates of people moving out of gentrifying areas.

As described in Section H of the report, while most cultural assets in the SOMA Pilipinas Filipino CHD have some level of protection (e.g., are located on publicly owned property or on property that is owned or ground leased to a nonprofit or have a historic resource designation), some cultural assets do not. Thus, some cultural assets would be more vulnerable to cultural displacement pressures. However, it is not possible to quantify or know if the Proposed Project would displace cultural assets.

The Proposed Project includes residential and cultural anti-displacement strategies that would likely lessen potential gentrification, exclusion, and indirect displacement effects from the Proposed Project in the Surrounding Area, and the City is implementing numerous complementary anti-displacement strategies in the Surrounding Area that are recommended by the publications reviewed for this report. Specifically, the anti-displacement strategies of the Proposed Project include the project's provision of 422 market rate units and the required provision of 73 on-site affordable housing units, approximately \$8 million in affordable housing funds, incorporation of public art, first source hiring programs, and designation of two ground floor spaces at approximately 4,000 square feet, which would voluntarily be provided at below market rate rents for community-serving retail and community spaces.

The City is also implementing numerous housing production, housing preservation, tenant protection and housing stabilization strategies that would address residential displacement along with cultural, arts, business, workforce development, and other community stabilization strategies that would address cultural displacement. However, even with the provision of anti-displacement strategies described above, this report cannot conclude with certainty that no indirect displacement would occur as a result of the Proposed Project.

1. Limitations of Report

This report has been prepared for the sole purpose of providing a supplemental analysis to support the preparation of a recirculated draft Environmental Impact Report for the Proposed Project at the request and direction of the San Francisco Planning Department. As described throughout this report, it was prepared based on an analysis of publications and publicly available research and data from a wide variety of sources, which were assembled from May 2022 through September 15, 2022. Seifel has made reasonable efforts to ascertain that the sources are timely, accurate and comprehensive of the topic of this report. However, Seifel cannot represent the accuracy of such sources, particularly to the extent the sources used do not capture more qualitative data, such as oral histories, that may provide other perspectives on how the Surrounding Area has changed over time. That information is not readily available from public sources or the Planning Department and therefore not incorporated into this report. Therefore, Seifel makes no warranty or guarantee as to the accuracy or completeness of such sources or the analysis presented in this report, which relies on these sources.

Attachment A– Glossary of Terms

This glossary of terms primarily relies on the following four sources for use in this analysis, as determined by the San Francisco Planning Department.

- **Urban Displacement Project (UDP)** – The Urban Displacement Project is a research initiative based out of UC Berkeley in collaboration with UCLA and Portland State University. UDP researchers have developed interactive maps that analyze the timeline and location of neighborhood change, including gentrification and displacement, in the Bay Area and other metropolitan areas.¹
- **Community Stabilization Initiative** – The Community Stabilization initiative is a multi-agency effort to assess the City of San Francisco’s existing portfolio of tools, unify fragmented efforts into one comprehensive inventory, and identify priorities for the future. The initiative seeks to mitigate the impacts of ongoing displacement and help vulnerable populations thrive and contribute to the City’s economy and culture.²
- **San Francisco Housing Element 2022 Update**– The Housing Element 2022 Update is San Francisco’s housing plan for the next 8 years (2023-2031), and the first one that will center on racial and social equity. This update will determine what the city’s housing needs are and how the city will work to address them, defining priorities for decision making and resource allocation for housing programs, development, and services.³
- **United States Census Bureau**– The United States Census Bureau, officially the Bureau of the Census, is a principal agency of the U.S. Federal Statistical System, responsible for producing data about the American people and economy.⁴

Terms Used to Define or Describe Gentrification and Displacement⁵

Gentrification: Gentrification refers to a broad pattern of neighborhood change typically characterized by increases in the number of higher income households and increases in home values and/or rents over an extended period of time, for example, ten years or more. Gentrification results from both flows of capital and people. The extent to which gentrification is linked to racial transition and other socioeconomic indicators differs across neighborhood contexts.⁶

¹ <https://www.urbandisplacement.org/>

² <https://sfplanning.org/community-stabilization-strategy>

³ <https://www.sfhousingelement.org/>

The analysis in this report is based on Draft 3 of the Housing Element 2022 Update, released March 2022. Of note, Draft 4 of the 2022 Update was released in October 2022, after preparation of the analysis in this report but prior to its publication.

⁴ <https://www.census.gov/>

⁵ These terms were developed based on a review of research literature on displacement and gentrification, as well as draft documents from the Housing Element 2022 Update, and have evolved based on conversations and direction by Planning staff.

⁶ According to the supplemental research literature review performed in this report, researchers have defined gentrification and displacement in different ways over the years depending on the focus and content of their research and analysis. According to UDP’s literature review of gentrification and displacement and the role of public investment published in 2015, the first documented use of the term “gentrification” was used by Ruth Lazarus Glass in 1964 to describe the influx of a “gentry” in lower income neighborhoods in London during the 1950s and 60s. As summarized by UDP, gentrification is now more commonly used to indicate a broad pattern of neighborhood change, which results from both flows of capital and people. The extent to which gentrification is linked to racial transition differs across neighborhood contexts.

<https://www.frbsf.org/community-development/publications/working-papers/2015/august/gentrification-displacement-role-of-public-investment/>

Displacement: Displacement refers to the involuntary movement or relocation of residents or businesses and organizations of cultural importance from their current locations. As indicated by UDP, displacement takes many different forms—direct and indirect, physical or economic, and exclusionary—and may result from either investment or disinvestment.⁷ As various forms of displacement may occur, the following terms are used in this report to define the types of displacement pressures that may affect residents or historically and culturally significant institutions, organizations or businesses.

Physical (direct) displacement: Displacement that occurs as the result of eviction, acquisition, rehabilitation, or demolition of a property, or the expiration of covenants on rent- or income-restricted housing.

Economic (indirect) displacement: Displacement that occurs when residents and businesses can no longer afford escalating rents or property taxes (and must move out).

Exclusion or exclusionary displacement: Exclusion or displacement that occurs when a lower income household cannot afford to move in to an area given the cost of housing relative to their household income, which typically is the result of rising rents and/or home prices that contribute to the area becoming exclusive.

Residential Displacement: Displacement that occurs when residents can no longer afford to stay in their homes or are forced to move because of conditions beyond their control.

Cultural displacement: Displacement that occurs when there is a loss of historically and culturally significant institutions, organizations and businesses associated with a particular race, ethnicity, or other culturally significant group, which could occur either directly or indirectly. Such loss could also contribute to the loss of residents associated with that culture in the area, as the institution, organization, or business may serve as an anchor, place of employment, gathering place, place of commercial activity, etc. for that culture.

Residential anti-displacement strategies: The collection of policies, programs, strategies, and laws that are focused on counteracting residential displacement pressures by addressing the impacts on residents.

Cultural anti-displacement strategies: The collection of policies, programs, strategies, and laws that are focused on counteracting cultural displacement pressures by addressing the impacts on businesses and organizations that are critical to a community's culture.

⁷ As indicated by UDP in its 2015 literature review, research studies have failed to build a cumulative understanding of displacement because they have utilized different definitions, compared different populations, and there is not agreement on what constitutes a significant effect. UDP and other researchers often reference the following definition of displacement as historically significant, which was presented by Grier and Grier in 1978 and focuses on displacement impacts on households. “Displacement occurs when any household is forced to move from its residence by conditions which affect the dwelling or immediate surroundings, and which:

- 1) are beyond the household's reasonable ability to control or prevent;
- 2) occur despite the household's having met all previously-imposed conditions of occupancy; and
- 3) make continued occupancy by that household impossible, hazardous or unaffordable.”

<https://www.frbsf.org/community-development/publications/working-papers/2015/august/gentrification-displacement-role-of-public-investment/>

The following definitions of displacement were developed based on UDP's research typology that defines and measures the risks of displacement, gentrification and exclusion in census tracts across the Bay Area, as well as other research reviewed for this report. As indicated by UDP in its 2017 research study that developed a new methodology for analyzing potential displacement, “displacement takes many different forms—direct and indirect, physical or economic, and exclusionary—and may result from either investment or disinvestment.”

https://communityinnovation.berkeley.edu/sites/default/files/developing_a_new_methodology_for_analyzing_potential_displacement.pdf?width=1200&height=800&iframe=true

Other Terms Used to Define or Describe Neighborhood Change⁸

Neighborhood churn: People moving into and out of neighborhoods on an annual basis.

Neighborhood succession: Overall change in neighborhood demographic composition over an extended period of time, for example, ten years or more.

Filtering process: The process by which older market-rate housing becomes more affordable as new units are added to the market.

Integration: Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.

Segregation: Segregation generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area.

Terms Used to Define Historic Resources and Cultural Heritage⁹

Historic resource: A resource determined to be a historical resource according to the California Environmental Quality Act (CEQA) guidelines section 15064.5. Generally, a building, structure, site, object, or district that is 45 years or older. A historical resource is defined in CEQA guidelines section 15064.5 as a resource that falls into at least one of the following categories: a resource listed in or determined eligible for listing in the California Register of Historical Resources; a resource included in a local register of historical resources or identified as significant in a historical resource survey; or any object, building, structure, etc., that a lead agency determines to be historically significant.

Cultural heritage: As defined by ICOMOS, cultural heritage is an expression of the ways of living developed by a community and passed on from generation to generation, including customs, practices, places, objects, artistic expressions and values. Cultural heritage is often expressed as either intangible or tangible cultural heritage.¹⁰

Cultural assets: While the Planning Department has not defined what cultural assets encompass, it generally uses this term when referring to places that a cultural district associates with their cultural heritage.¹¹

⁸ These terms are based on working draft documents from the San Francisco Housing Element Update.

⁹ These terms are used by the Planning Department to define cultural heritage, historic resources and cultural assets:
<https://sfplanning.org/cultural-heritage>
<https://sfplanning.org/preservation>

¹⁰ http://www.cultureindevelopment.nl/Cultural_Heritage/What_is_Cultural_Heritage
The Planning Department has used the following definition of cultural heritage, which builds on the ICOMOS definition: the expression of a way of living. It is developed by a community through objects, beliefs, traditions, practices, artistic interpretation, and significant places. Cultural heritage helps develop a shared bond and sense of belonging, inspires community pride and awareness, and emboldens a sense of identity and responsibility to society at large.

¹¹ The Planning Department began using the term as early as 2013 with the development of the Japantown Cultural Heritage and Economic Sustainability Strategy. In 2014, the HPC formed the Cultural Heritage Assets Committee to further explore the preservation of social and intangible cultural heritage. More recently, the term has been used in the Housing Element DEIR and in the San Francisco Administrative Code's cultural district definition.

Terms Used to Define Types of People, Groups or Areas¹²

Person or People of Color– Person of color is typically used to refer to a person or people that do not identify as Caucasian or White, also known as people of color (POC) or Black Indigenous and other people of color (BIPOC), which includes those who identify as Black, Latinx/Hispanic, Asian, Native American/American Indian, and/or Pacific Islander.

Household of Color– Households with a primary householder that identifies as POC or BIPOC.

Vulnerable Population(s)– Vulnerable people or groups who are at higher risk of displacement, which include people of color, people living with disabilities, low income households, people experiencing homelessness, seniors, youth, immigrants, LGBTQ+ people, refugees, and linguistically isolated households, small businesses, veterans and nonprofit organizations.

Community organization– A non-profit community organization (NPO) that is a legal entity organized and operated for a collective, public or community benefit, which may be exempt from paying certain taxes and may have a specific cultural focus.

Business– A business that generates revenues and profits to its owner, which may include BIPOC-owned businesses.

Filipino– A person, community organization or business that identifies as being of Filipino heritage. People who self-identify as Filipino are considered part of the Asian race in data from the US Census and American Community Survey.

Block Groups (BGs)– Statistical divisions of census tracts, are generally defined to contain between 600 and 3,000 people and are used to present data and control block numbering. Each census tract contains at least one BG, and BGs are uniquely numbered within the census tract.

Census Tracts– Small, relatively permanent statistical subdivisions of a county or statistically equivalent entity that can be updated by local participants prior to each decennial census as part of the Census Bureau’s Participant Statistical Areas Program (PSAP). Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people.

Terms Used to Define Types of Residential Units or Developments¹³

AMI (Area Median Income) – A metric used to benchmark different income levels based on percentage of area median income for a typical household size. In 2022, the Unadjusted San Francisco AMI is \$110,850 for a two person household at 100% AMI according to the Mayor’s Office of Housing and Community Development.¹⁴

¹² These terms are based on working draft documents for the San Francisco Housing Element Update and US Census definitions.

¹³ These terms are based on working draft documents for the San Francisco Housing Element Update.

¹⁴ <https://sfmohcd.org/sites/default/files/Documents/MOH/Asset Management/2022 AMI-IncomeLimits.pdf>

Below market rate units (BMR)– Deed restricted housing unit set aside for households in targeted income groups relative to area median income (AMI), which are typically rented or sold based on specified affordable housing cost standards that take into account household size and AMI levels:

- **Extremely low income**– Household income at or below 30% AMI
- **Very-low income**: Household income at or below 50% AMI
- **Low-income**: Household income between 50%-80% AMI
- **Lower income**: Household income at or below 80% AMI
- **Moderate-income**: Household income between 80-120% AMI
- **Above moderate-income**: Household income above 120% AMI, which is typically not subject to deed restrictions although some homeownership affordable housing programs do provide BMR units to households between 120% to 150% AMI.

Market rate unit – Unit that is not deed restricted for occupancy by households in targeted income groups or subject to specific affordable housing cost standards.

Rent controlled unit— Unit built prior to June 13, 1979 that is subject to San Francisco’s Residential Rent Stabilization and Arbitration Ordinance, which restrict the annual increase in rent and provides other tenant protections.

Residential Single Room Occupancy (SRO) unit – Unit that typically consists of a room in a residential hotel, which is a small room with shared toilet and shower on each floor that is differentiated from tourist hotels because the room houses a resident or transient workforce for 30 days or longer, not tourists, and is certified for residential occupancy and governed by rent control depending on the age of the building.

Naturally occurring affordable housing (NOAH)– Market rate units may be affordable to households at various AMI levels.

100% affordable housing development – A developments where all housing units (except those associated with on-site property managers) are BMR units.

100% market rate development – Developments where all housing units are market rate units.

Mixed income development– Developments that include market rate and below market rate housing units on-site. (BMR units may be provided on-site subject to inclusionary zoning requirements and are sometimes referred to as inclusionary units.)

Inclusionary zoning and inclusionary units– San Francisco's Inclusionary Housing Program requires new market rate residential projects of 10 or more units to pay an Affordable Housing Fee or meet an inclusionary unit requirement by providing a percentage of the units in the project as BMR units.

In-lieu fees – A developer has the choice of paying a fee in-lieu of building on-site or off-site affordable housing as required by inclusionary zoning. In-lieu fees are not the same as impact or linkage fees.

Monthly effective rent– The average monthly rent over a lease term that reflects what tenants are paying for rent during their lease term taking into account any reported landlord concessions, such as one month free rent.

Attachment B– Supplemental Research Literature Summary

This Attachment B begins with a summary of selected research from the Urban Displacement Project, including research that was cited in key City’s reports that are described in the report. Attachment B then presents the most relevant research on residential and cultural displacement and anti-displacement strategies that was used to prepare the supplemental analysis of 469 Stevenson Street. This literature review supplements the analysis and reports referenced in the 2020 Socioeconomic Report.

1. Rising Housing Costs and Re-Segregation in San Francisco (UDP/CHPC)

The Community Stabilization Report references the findings from a research study that analyzed neighborhood change in San Francisco that was prepared by the Urban Displacement Project and California Housing Partnership (CHPC) in collaboration with the City of San Francisco: “Rising Housing Costs and Re-Segregation in San Francisco.”¹ The study builds upon research that UDP and CHPC conducted for counties across the Bay Area region and indicates the following:

“This report finds that increases in housing prices in San Francisco were correlated with shifts in where low-income people of color lived between 2000 and 2015. It also provides evidence that these shifts contributed to new concentrations of poverty and racial segregation in San Francisco and perpetuating racial disparities in access to high-resource neighborhoods. By focusing explicitly on the racial and economic dimensions of neighborhood change in relationship to increases in housing prices, this report builds upon existing research on displacement, segregation, and the persistent legacies of urban disinvestment and exclusion.

This report concludes that San Francisco and the region need policies and investments that support housing affordability and stability for low-income people of color, while also increasing their access to high-resource neighborhoods. To be successful, these policies and investments must account for both the legacies of racial segregation and recent patterns of re-segregation.”

The report analyzes the change in Black, LatinX (Hispanic or Latino), and Asian low income households by census tract. The report indicates that there were positive gains in Black, LatinX and Asian low income households in the census tracts immediately surrounding the Proposed Project from 2000 to 2015. Tracts further away from the Proposed Project in SoMa and Tenderloin experienced both increases and decreases in Black, LatinX and or Asian low income households. The report indicates that some of these increases may have been related to the construction or rehabilitation of affordable housing units.

The report also states that tracts immediately surrounding the Proposed Project continued to be segregated and high poverty in both 2000 and 2015, while tracts further away from the Proposed Project in SoMa and Tenderloin were segregated and high poverty in either 2000 or 2015.

The conclusion of the report indicates there is an urgent need to increase access to affordable housing and stabilize communities and recommends that City policies and investments focus on the following:

- “Stabilize areas where rents are rising fastest and low-income people of color may be at risk of displacement, especially as these neighborhoods experience an influx of investments.

¹ Urban Displacement Project and California Housing Partnership. Rising Housing Costs and Re-Segregation in San Francisco. September 2018.
<https://chpc.net/resources/rising-housing-costs-and-re-segregation-in-san-francisco/>
[A companion report was also prepared for the Bay Area region, which had similar findings. https://www.urbandisplacement.org/wp-content/uploads/2021/08/bay_area_re-segregation_rising_housing_costs_report_2019.pdf](https://www.urbandisplacement.org/wp-content/uploads/2021/08/bay_area_re-segregation_rising_housing_costs_report_2019.pdf)

- Ensure economic opportunities and institutional supports for those living in high-poverty, segregated neighborhoods.
- Create new opportunities for low-income people of color to live in higher resource areas where they have historically been excluded.”

2. New Development for Whom? How New Housing Production Affects Displacement and Replacement in the San Francisco Bay Area (UDP)

Researchers from UDP have recently studied how new market-rate housing production affects displacement in the Bay Area. As reported in UDP’s March 2022 Policy Brief 1, the study measures individual and household mobility as a proxy for displacement, or forced moves, looking at the marginal increase in outward and inward migration when new construction occurs.² To measure displacement, the study tracks the movements of individuals and households by income and financial stability levels in and out of census block groups, using proprietary data on household characteristics and movement.³

Policy Brief 1 summarizes the following key take-aways from this research by UDP, which has particular relevance to the displacement analysis for 469 Stevenson Street:

- “Most renters (80%) don’t live where there’s new housing being built.⁴
- When new market-rate housing is built, there is a slight increase in both people moving out of the neighborhood and people moving in (churn) across most socio-economic groups.
- New market-rate housing production slightly increases displacement for lower income people, and slightly decreases moving out for high-income people.
- The increase in rates of displacement (involuntary moves) for very low- to moderate-socio-economic groups are not as high as commonly feared, at 0.5% to 2% above normal rates.
- The highest socio-economic groups move in at higher rates than other groups, and move out at lower rates. In other words, the highest-socio-economic groups experience disproportionate benefits of new market-rate housing production.
- Residents of extremely low and middle socio-economic status experience little change in moving out of their neighborhood.
- In gentrifying areas, new market-rate construction neither worsens nor eases rates of moving out. It increases rates of people moving in across all socio-economic groups, particularly high socio-economic residents.

² Policy Brief 1– New Development for Whom? How New Housing Production Affects Displacement and Replacement in the San Francisco Bay Area, March 2022

https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_1_New-Production_Brief_03.01.22.pdf

³ As explained on pages 3 and 4 of the study, the researchers have built a unique block-level dataset on new market rate housing units constructed, as well as data on new subsidized housing units constructed and units currently protected by either just cause eviction ordinances or rent stabilization (used to control for policy). To measure mobility, the researchers use data from Infogroup and the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) data, excluding data for individuals or households where the head is less than 25 years old. Running models separately for each dataset, the researchers examine mobility each year into and out of block groups, a census geographic unit typically containing between 600 and 3,000 residents; the number of blocks in a block group ranges from about six in a dense city to as many as 30 in an outlying suburb. (Appendix A of the study describes the data in more detail.)

⁴ Most renters (80 percent) do not live in the same block group (about six blocks in dense areas) where new housing is being built.

- To help existing residents stay in their neighborhoods after new market-rate construction, we recommend either subsidized housing construction (with community preference) or housing preservation with continued protections.
- More research is needed to understand effects in different contexts and over the long term.”

According to the study, about 10% of the U.S. population moves each year, and the study provides a relevant example in its conclusion of the potential impacts from a new construction project like 469 Stevenson Street:

“[W]hile in a normal year, 10% of households might move out, a construction year will mean that 12% move out per year for the next four years. If a block group houses 500 households, then 50 move out in a typical year, but 60 might move out each year post construction, for a total of 40 displaced households over four years. Thus, displacement impacts [from new development] could be mitigated with one mid-size apartment building with entirely affordable or subsidized units.”

The following two sections of the policy brief are particularly relevant to 469 Stevenson Street.

How Inappropriate Data and Models Have Muddied the Relationship Between Development and Displacement

“By increasing the supply of housing at the regional level, new housing production helps moderate housing costs, to make housing more affordable to more households, and relieve displacement pressures. But researchers still debate how this plays out at the level of a local neighborhood, or a particular block. When new developments are built, might rents actually increase because of their catalytic effect on surrounding blocks? And even if local policies are helping residents stay in place, who is able to move into the neighborhood as it changes?

Studies to date have fallen short largely because of an inability to distinguish the experience of low-income residents within their housing market or neighborhood, due to the lack of appropriate data. Although evidence is mixed on whether nearby housing prices rise or fall with new residential development, studies have generally concluded that rents will decrease. However, they may not decrease for everyone: for older buildings catering to low-income renters, new construction may raise rents, with even higher spikes for buildings closest to the new construction.

Thus, housing markets are diverse, and neighborhoods are as well. This complicates studies of filtering, the process by which we produce most affordable housing: as the cost and quality of older market-rate housing fall over time, higher-income people move to new market-rate housing, and lower-income households move into the older units. The process of moving into market-rate housing initiates multiple rounds of migration, i.e., vacancy chains, which ultimately free up housing supply in low-income areas in just a few years, creating a critical infusion of lower cost housing. But studies to date have only been able to establish that residents of low-income neighborhoods (measured by census tracts) are moving into these filtered units, not that it is actually low-income renters that are moving in. This “ecological fallacy” problem leaves open the possibility that high-income (rather than low-income) households are moving from low-income gentrifying areas to higher-income neighborhoods.

The ecological fallacy problem also occurs in studies that try to measure displacement by comparing the number of low-income residents in a neighborhood across two time periods, but cannot determine whether households actually moved out, moved within the neighborhood, or simply changed income level. The displacement identified in such studies turns out to have little relationship to involuntary household mobility.

Most studies overlook critical factors in the local context as well. Many focus on individual cities, even though housing markets operate regionally, and may function differently in city and suburban contexts.

Some only analyze rent levels, rather than examining household mobility per se. Few control for local housing policies, such as the presence of subsidized housing or rent stabilization. Few also examine the historical context of the local market, which is important since long-term shortages in supply (as is the case in California) may heighten displacement impacts. This study fills these gaps by using fine-grained data on development and residents aggregated to the block group level for the nine-county San Francisco region, while taking local housing policy into account.”

Conclusion and Policy Implications

The report concludes with a summary of findings that indicate the following:

“Using fine-grained data on new market-rate housing production and household mobility, this study finds that when new market-rate housing is built, there is a slight increase in both people moving out of the neighborhood and people moving in (churn) across most socio-economic groups. All but the lowest-SES (socio-economic status) residents experience increased outmigration rates, and the highest-SES groups move out at lower rates and move in at higher rates than others. In other words, market-rate housing production shifts outmigration and immigration patterns only very slightly, and primarily benefits high-SES groups.

Thus building new housing creates modest churn: some households leave and others move in, and the net impact on mobility is minimal, at least over the four-year period studied. The fact that new housing encourages newcomers at all income levels to move in suggests that market rate construction is easing housing market pressures. At the same time, some households may be moving out involuntarily. Even if they are replaced by others at similar income levels, there is cause for mitigation of displacement impacts, in order to avoid the disruption of lives and communities.

Our findings improve on those of other studies because we are able to examine the SES of households that move, rather than assuming that households have the same characteristics as their overall neighborhood (i.e., the ecological fallacy). Our own previous work examined only the aggregate change in low-income residents. By accounting separately for both in- and out-migration by SES, this new study is better able to pinpoint neighborhood change.

This study suggests a level of displacement associated with new construction that is at least partially mitigable. For example, while in a normal year, 10% of households might move out, a construction year will mean that 12% move out per year for the next four years. If a block group houses 500 households, then 50 move out in a typical year, but 60 might move out each year post construction, for a total of 40 displaced households over four years. Thus, displacement impacts could be mitigated with one mid-size apartment building with entirely affordable or subsidized units.

To help existing residents stay in their neighborhoods after new market-rate construction, we recommend either subsidized housing construction (with community preference) or housing preservation with continued protections. The most effective strategy may be acquiring multi-unit rental properties that are at risk of becoming unaffordable, via a program like San Francisco’s Small Sites Acquisition and Rehab Program. Other potential approaches include tenant opportunity to purchase programs, property tax incentives for building owners, condominium conversion restrictions, and community land trusts.

Tenant protections will also help to mitigate displacement, but may increase exclusion for some low-SES groups without being coupled with these other strategies. Other policy briefs in this series explore the potential of tenant protections in more detail. Ultimately, policymakers must pursue not only new market-rate production, preservation, and tenant protections, but also bolder initiatives that substantially expand social housing.

The San Francisco Bay Area is an extreme case study, with job growth outpacing new housing production and resulting in supply shortages and price spikes that date back at least 30 years. In this context, the traditional mechanism for providing housing affordability for all but the lowest income households—filtering—is broken. In the face of this structural problem, the relatively few market rate units that are being built are only providing minimal relief, and their impacts may be distorted. Notably, in regions where there is no shortage of affordable housing to start with, market-rate construction may have different impacts, or may not be the appropriate approach to mitigate displacement.”⁵

3. Who Benefits from Tenant Protections? The Effects of Rent Stabilization and Just Cause for Evictions on Residential Mobility in the Bay Area (UDP)

Researchers from UDP also recently studied how tenant protections, such as rent stabilization and just cause for evictions, can help low income households avoid displacement. The findings from UDP’s companion March 2022 Policy Brief 2 reveal that tenant protections alone cannot improve access to housing to address the housing affordability crisis and mitigate displacement and exclusion. The study presents the following key take-aways from this research:⁶

- “Cities use tenant protection policies to help low-income households avoid displacement spurred by gentrification and the growing affordable housing crisis. However, due to the lack of fine-grained data, there is limited empirical evidence on the effectiveness of these policies on mitigating displacement— both direct and exclusionary. Our report overcomes previous data challenges for the first time by building unique and cross-validated datasets on mobility and linking them to a bespoke block-level housing construction database.
- With this novel data, we find that rent stabilization helps some – the lowest socio-economic status residents – to remain in a neighborhood. However, it discourages moving in for all socio-economic groups except moderate-middle. Thus, rent stabilization does not improve the ability of residents to access neighborhoods with greater coverage and may be exclusionary.
- While we do not find conclusive evidence that just cause protections prevent displacement, we do find that they help to keep residents of the lowest socio-economic status in place in gentrifying neighborhoods, where displacement pressures may be especially strong.
- Although tenant protection policies may help to keep existing low-socio-economic status tenants housed, they do not expand housing opportunities and may have exclusionary impacts.
- Our findings reveal that equitable solutions to the housing crisis will require more than tenant protection policies. To address the housing affordability crisis and mitigate displacement and exclusion, policy makers should consider pursuing not only the preservation of unsubsidized affordable housing, but also bolder initiatives that substantially expand social housing.
- Social housing is the provision of rental or homeownership units affordable at a moderate income or below, and is run by a public or nonprofit entity. To work, it would need to be widely implemented, requiring government investment at levels that match the urgency of the housing crisis.”

Policy Brief 2 also recommends anti-displacement strategies that are being used in San Francisco to preserve unsubsidized affordable housing, such as acquiring multi-unit rental properties that are at risk of becoming unaffordable like the City’s Small Sites Acquisition and Rehab Program, tenant or community

⁵ The Bay Area region continues to experience a lack of affordable housing as indicated in multiple publications and reported by the Association of Bay Area Governments.

<https://abag.ca.gov/our-work/housing>

⁶ Policy Brief 2– Who Benefits from Tenant Protections? The Effects of Rent Stabilization and Just Cause for Evictions on Residential Mobility in the Bay Area, March 2022

https://www.urbandisplacement.org/wp-content/uploads/2022/03/IGS_2_Tenant-Protections_Brief_03.01.22.pdf

opportunity to purchase policies, transfer tax breaks for building owners when selling to a nonprofit or community land trust, condominium conversion restrictions, and community land trusts.

4. White Paper on Anti-Displacement Strategy Effectiveness (UDP)

As indicated in UDP’s White Paper on Anti-Displacement Strategy Effectiveness, researchers have studied the impacts of public investment on displacement, which they have found generally yield mixed findings, with local policies and neighborhood context playing an outsized role in determining whether households can stay in place. The report reviews literature compiled by UDP in prior studies as well as additional research to evaluate the effectiveness of numerous anti-displacement strategies:⁷

“Despite the push to implement anti-displacement policies, there is a dearth of evidence on the effectiveness of such approaches, i.e., their ability to reduce displacement either directly or indirectly.

This white paper lays the groundwork to fill this evidence gap. Drawing on a review of more than 150 articles in the academic and gray literature, as well as interviews with 14 practitioners and academics, we summarize the literature on anti-displacement strategies and their effectiveness, specify a research agenda specifically for the State of California, and lay out some sample research designs. In total, we reviewed the literature on 17 distinct policies, summarized in Table 1. For each, based on the previous studies, we determined the potential to prevent displacement (asking by how much? how directly?), the type of market necessary to make it effective, the implementation scale, and the likely timeframe in which it works.

In sum, neighborhood stabilization and tenant protection policies have the most direct and immediate effect on mitigating displacement. Given that most households with affordable housing live in unsubsidized units, housing preservation programs for naturally occurring affordable housing have the most potential for significant impact. Housing production strategies can help indirectly in decreasing displacement by retaining or adding to the affordable housing stock. However, housing production policies typically require strong markets, and longer time spans.”

Table 1 from this White Paper is presented below, which summarizes and evaluates anti-displacement policies in terms of their effectiveness, market type, implementation scale, and timeframe.⁸ This research paper informed the evaluation of anti-displacement measures in the memorandum.

⁷ Karen Chapple (UC Berkeley) and Anastasia Loukaitou-Sideris (UCLA). White Paper on Anti-Displacement Strategy Effectiveness, 2021.

<https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy-Effectiveness.pdf>

⁸ This White Paper builds upon the anti-displacement policies presented in a prior study performed by UDP researchers— Developing a New Methodology for Analyzing Potential Displacement (March 24, 2017), which was also used as a reference to develop the anti-displacement strategy framework presented in this memorandum.

https://communityinnovation.berkeley.edu/sites/default/files/developing_a_new_methodology_for_analyzing_potential_displacement.pdf?width=1200&height=800&iframe=true

TABLE 1: LITERATURE REVIEW SUMMARY TABLE

Category	Policy Name	Literature Coverage Level	Potential to Prevent Displacement*	Market Type**	Implementation Scale	Timeframe to Prevent Displacement
Production	Housing Production	HIGH	HIGH+	Strong	Local, State	Long-term
Production	Inclusionary Zoning + Developer Incentives	MEDIUM	MEDIUM	Strong	Local, State	Long-term
Production	Accessory Dwelling Units	LOW	MEDIUM	Neutral	Local, State	Long-term
Production	Impact + Linkage Fees	MEDIUM	LOW	Strong	Local	Long-term
Production	Housing Overlay Zones	LOW	MEDIUM	Strong	Neighborhood, Local	Long-term
Production	Land Value Recapture	LOW	LOW	Strong	Local, State	Long-term
Preservation	Unsubsidized Affordable Housing	LOW	HIGH	Neutral	Local, State	Short-term
Preservation	Federally-Funded Housing Developments	MEDIUM	MEDIUM	N/A	Local, Federal	Short-term
Preservation	Housing Rehabilitation	MEDIUM	LOW	N/A	Local, State, Federal	Short-term
Preservation	Condominium Conversion Restrictions + Tenant Opportunity to Purchase	MEDIUM	MEDIUM	Strong	Local	Short-term
Preservation	Community Control of Land	LOW	HIGH	Neutral	Neighborhood, Local	Short-term
Neighborhood Stabilization	Rent Control	HIGH	MEDIUM	Strong	Local, State	Short-term
Neighborhood Stabilization	Community Benefits Agreements	MEDIUM	LOW	Strong	Neighborhood, Local, State	Long-term
Neighborhood Stabilization	Rental Assistance Programs	MEDIUM	HIGH	Neutral	Local	Short-term
Neighborhood Stabilization	Foreclosure Assistance	MEDIUM	HIGH	Neutral	Local, State, Federal	Short-term
Neighborhood Stabilization	Tenant Right to Counsel	MEDIUM	HIGH	Strong	Local	Short-term
Neighborhood Stabilization	"Just Cause" Evictions	MEDIUM	HIGH	Strong	Local	Short-term

* Potential: If we adopt this policy, how likely is it that displacement will be reduced directly or indirectly?

** For some policies, a strong market is necessary for feasibility, while for others, it makes them more effective.

+ Although both market-rate and subsidized housing production may successfully reduce indirect displacement, the effectiveness of a particular development depends on its context and scale.

5. Does Building New Housing Cause Displacement? The Supply and Demand Effects of Construction in San Francisco (Pennington)

Economist Kate Pennington conducted economic research to explore the spillover effects of new housing construction in San Francisco from 2003-2017. Her research report, “Does Building New Housing Cause Displacement? The Supply and Demand Effects of Construction in San Francisco” indicates:⁹

“San Francisco is gentrifying rapidly as an influx of higher income newcomers drives up housing prices and displace lower income incumbent residents. In theory, increasing the supply of housing should mitigate increases in rents. However, new construction could also increase demand for nearby housing by improving neighborhood quality....These findings suggest that increasing the supply of market rate housing has beneficial spillover effects for incumbent residents, reducing rents and displacement pressures while improving neighborhood quality.”

Pennington writes that “displacement happens to individual people; gentrification happens to places.” Gentrification may happen without displacement, and displacement may happen without gentrification.

The research paper’s conclusions indicate that the accelerated construction of both new market rate and affordable housing is critical to slowing displacement and gentrification:

“[T]he supply effect is larger than the demand effect at every distance from the new construction. However, a hyperlocal demand effect exists within a narrow radius of 100m, i.e., within eyeshot of the new construction. Within this narrow band, building renovations and business turnover increase. The upgrade in neighborhood quality attracts higher-income newcomers, so that when incumbents move out, they are more likely to be replaced by wealthier newcomers. In San Francisco, new market rate housing increases gentrification and reduces displacement.

These findings highlight that market rate and affordable housing construction are complementary. Building more market rate housing benefits all San Francisco renters through spillover effects on rents. However, these spillover effects do not reduce gentrification and they may not continue to reduce displacement in the long term. If the city continues to gentrify over time, these reduced rents will become less effective at retaining lower-income people because there will be fewer low-income people to retain. Affordable housing can effectively reduce both displacement and gentrification by targeting people at higher risk of displacement and preserving housing for low-income people.

In conclusion, policymakers who want to slow displacement and gentrification should accelerate both market rate and affordable housing construction. The high rent elasticity of displacement also suggests that policies like rental assistance and a universal basic income (UBI) could be efficient, cost-effective ways to meaningfully reduce displacement and preserve income diversity.”

This report supports the UDP finding that new market rate and affordable housing construction is important to slowing displacement impacts.

⁹ Pennington, Kate. “Does Building New Housing Cause Displacement? The Supply and Demand Effects of Construction in San Francisco.” November 11, 2020.
<https://www.gwern.net/docs/economics/2020-pennington.pdf>

Research on Cultural Displacement

As described in the memorandum, more than 50 research studies were reviewed as part of this analysis. Almost all of the research studies reviewed have studied residential displacement impacts, while only a limited number of studies have measured the impacts of cultural displacement. Furthermore, researchers use different definitions for cultural displacement and different ways to measure it. For example, some researchers focus on residential displacement impacts that affect specific race and ethnic groups, often evaluating impacts on Black/African American and/or Hispanic/Latino households, as they typically have the lowest incomes and may live in areas that have higher concentrations of their racial and ethnic groups. Others focus on how gentrification has affected commercial businesses. While a few studies have evaluated cultural and commercial shifts in neighborhoods that may affect cultural displacement, this research is typically focused on a specific neighborhood or set of neighborhoods, none of which were in San Francisco. Most of the relevant research that has been prepared focuses on the potential impacts of gentrification on neighborhoods or commercial displacement.

The following research reports are presented as they contain data on San Francisco or contain findings that are relevant to potential impacts from gentrification on communities of color.

6. Mapping POC-owned Business Vulnerability in the Wake of COVID-19 (UDP)

Researchers from the Urban Displacement Project have recently studied the impacts of the COVID pandemic on minority, black, indigenous people of color (BIPOC or POC) owned businesses in the Bay Area.¹⁰ As indicated in this research, the COVID-19 pandemic has affected POC businesses disproportionately because they are likely to be concentrated in industries immediately affected by the pandemic (such as arts and entertainment, personal services, construction, repair, transportation, and restaurant industries). These businesses are also facing systemic inequalities that make it difficult to stay afloat. The first month of the shelter-in-place wiped out some 3.3 million businesses nationwide including 1.3 million BIPOC businesses.

Due to poor data availability, very little is known about the impacts of the pandemic on minority owned businesses in the San Francisco Bay Area, and this study maps changes that have occurred in these businesses using a mapping analysis with the following key findings:

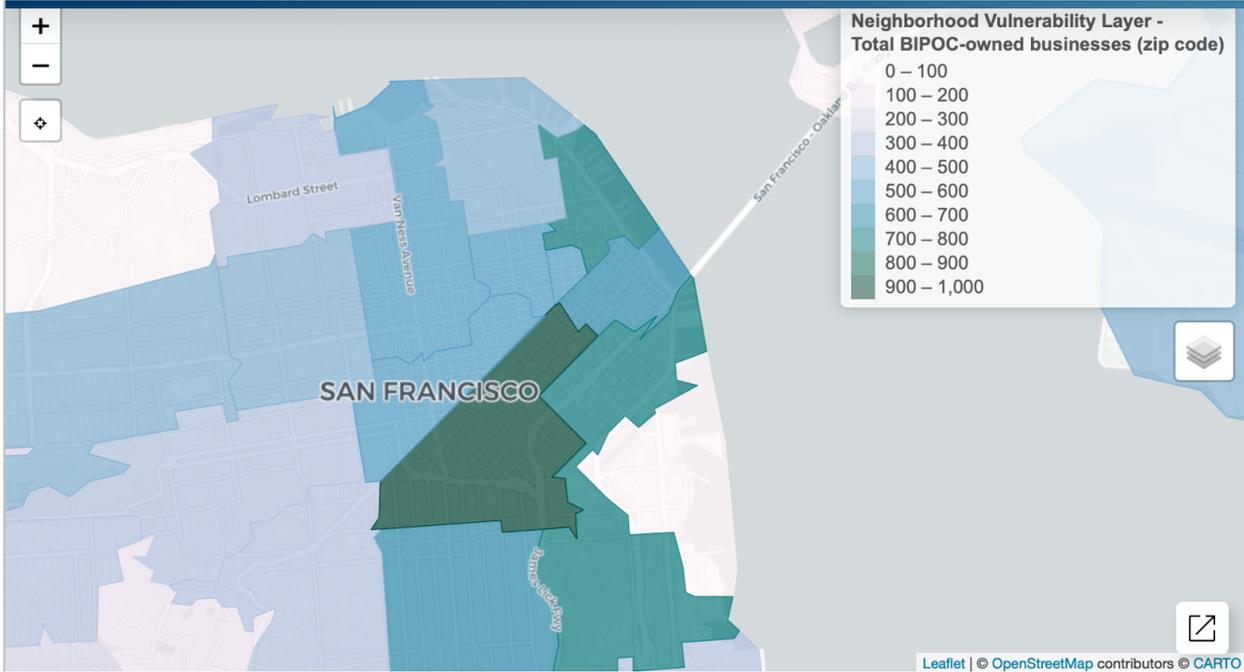
- Twenty-nine percent of all businesses in the nine-county Bay Area region are estimated to be POC-owned.
- Nearly half of POC-owned small businesses identified across the six study areas are Asian-owned. Of the 6,238 identified POC small businesses within the database, 47% are Asian-owned, followed by 24% Black-owned and 19% Latinx-owned.
- The majority of POC-owned small businesses are concentrated in San Francisco (37%) followed by Oakland (29%) and San Jose (26%).
- POC-owned businesses across the six cities are concentrated within predominantly POC neighborhoods and within ethnic business districts. Black-owned businesses are concentrated in Downtown Oakland and Bayview Hunters Point, Asian-owned businesses are concentrated in Chinatown and Japantown in San Francisco and Chinatown in Oakland, and Latinx-owned businesses are concentrated in the Mission District in San Francisco and along International Boulevard and Downtown Oakland.

¹⁰ Schmahmann, Laura et al, Mapping POC-owned Business Vulnerability in the Wake of COVID-19, December 2021. <https://www.urbandisplacement.org/wp-content/uploads/2022/01/UDP-Business-Vulnerability-Report-Final.pdf>

- Approximately one-third of POC-owned businesses identified across the six cities also own their commercial properties. Of the 3,143 businesses which were matched with a property ownership record in the ZTRAX data- base, 34% have been identified as owner-occupied, and therefore, 66% of businesses rent their current premises. Property ownership rates are relatively consistent across the minority groups ranging from 34% for Black-owned businesses and 38% for Latinx-owned businesses.
- Food and beverage services has the lowest owner-occupancy rate at 30%, which means that 70% of food and beverage services businesses rent their current premises. Therefore, food and beverage services are likely to be at greater risk of displacement if rents were to increase, for example.

The following map from the UDP website summarizes the number of BIPOC-owned businesses that are located in zip codes within San Francisco. As it indicates the Proposed Project is located in an area of South of Market with a significant number of BIPOC-owned businesses.

Figure 5
BIPOC-owned Businesses in San Francisco by Zip Code Near Proposed Project



Source: <https://www.urbandisplacement.org/maps/minority-owned-business-vulnerability/>

This study also highlights programs being undertaken in Bay Area cities to help small businesses and recommends strategies to help business owners, many of which are similar to the anti-displacement strategies referenced in other UDP research.

7. Commercial Gentrification and Displacement (UDP)

Researchers from the Urban Displacement Project published a book that evaluates the effects of smarter growth on communities, and Chapter 7 looks at the effects of commercial gentrification and displacement and indicates the following:¹¹

“In commercial districts, gentrification and displacement are at their most visible. Few miss the intrusion of new businesses that force out favorite local stores because of higher rents, or the influx of hip cafés, trendy retail boutiques, and art galleries—places that change the meaning of a neighborhood for better or worse. For many merchants, commercial gentrification has implications for economic survival, as increased rents lead to displacement and business closures. At the same time, these changes may bring much-needed goods and services to residents of “retail deserts” (Schuetz, Kolko, and Meltzer 2012).

While researchers have given significant attention to the dramatic changes that residential gentrification and displacement bring, the phenomenon of commercial change remains relatively unexplored. This may be in part because business turnover—or churn—is a common sight, so the changes lack the novelty of residential displacement....

It is difficult to unpack the mechanism by which commercial gentrification relates to residential gentrification or which (if either) comes first. Indeed, changes in commercial districts have been noted as both a causal factor of and an outcome of residential demographic change (Chapple and Jacobus 2009). Rather than sort out this “chicken and egg” question, Zukin, Kasinitz, and Chen (2015) suggest that commercial and residential gentrification work together and are complicated to disentangle.”

The research and analysis in Chapter 7 indicate the challenges with correlating the relationship between residential and commercial gentrification as well as displacement indicating the following:

“At a basic level, commercial gentrification denotes a replacement of existing lower-rent establishments in a neighborhood, which tend to serve long-standing, usually lower-income, groups, by more upscale, higher-rent establishments, which are typically patronized by a higher-income clientele. Since commercial gentrification occurs disproportionately in low-income communities of color, it grows out of deep-seated structural inequities—to some, a violent cultural appropriation.

It is, however, challenging to detect the extent to which business loss stems from displacement because of rent increases, as businesses open and close regularly for a variety of reasons. Commercial gentrification may also be experienced differently in different neighborhoods. As the differences in factors influencing gentrification in Los Angeles and the Bay Area show, commercial gentrification is context-specific and may be influenced by local sociodemographic characteristics, features of existing business establishments, and a neighborhood’s urban form. In certain cases, the characteristics of adjacent neighborhoods—especially if these neighborhoods have already experienced commercial or residential gentrification—also matter. Yet we also found deep similarities in gentrification processes across regions and methodologies, manifested by attraction to high-density rental markets and communities with a strong cultural identity, as evidenced by concentration of African American and foreign-born residents.

¹¹ Chapple, Karen and Anastasia Loukaitou-Sideris. *Transit-Oriented Displacement or Community Dividends? Understanding the Effects of Smarter Growth on Communities*. Chapter 7 Commercial Gentrification and Displacement. MIT Press, 2019. <https://mitpress.mit.edu/books/transit-oriented-displacement-or-community-dividends>

The relationship and sequencing between residential and commercial gentrification also needs further exploration. As explained previously, the results of our quantitative study were mixed, and it is not clear when and where one type of gentrification follows the other, which comes first, or whether they appear simultaneously. Nevertheless, the relationship between residential and commercial gentrification is widely emphasized by local stakeholders, who see that an influx of new and wealthier residents may be followed by upscale retail or vice versa: that the opening of hip cafés and eateries may lead landlords to raise rents in search of wealthier tenants. Such cases are often anecdotal, but their incidence has proliferated in both the San Francisco Bay Area and Los Angeles, as evidenced by the number of newspaper articles, blogs, and social media stories about gentrification. We suspect there may not be a universal pattern, with such relationships changing from one neighborhood to another, depending on urban form, and in different regional contexts, depending on market strength....

The merchants interviewed generally indicated that rising rent costs were the most significant aspect of neighborhood change putting pressure on their business's bottom line. Indeed, the primary reason for commercial displacement is the increase in commercial rents in a gentrified neighborhood. A second reason is that some businesses find themselves losing clientele, either because their merchandise is not appealing to the tastes of a new neighborhood demographic and/or because long-standing customers have been displaced.”

8. Shifting Neighborhoods, Gentrification and Cultural Displacement in American Cities (NCRC)

Many of the 600+ member organizations of the National Community Reinvestment Coalition (NCRC) have raised concerns about gentrification, displacement and transformations in their communities. Researchers with NCRC conducted research to better understand where gentrification and displacement was occurring, and how to measure and monitor it. The researchers specifically addressed the question: Does gentrification also mean displacement? Using U.S. census and economic data, NCRC found that many major American cities showed signs of gentrification, and gentrification was most intense in the nation's biggest coastal cities.¹²

Cultural displacement was examined by calculating the reduction of Black (African American) and Hispanic or Latino residents in census tracts. While White residents increased in most tracts, there were instances in which the Asian and Hispanic residential population increased in tracts experiencing gentrification and Black residential population declined. The following are relevant findings to 469 Stevenson Street.

“Gentrification is a powerful force for economic change in our cities, but it is often accompanied by extreme and unnecessary cultural displacement. While gentrification increases the value of properties in areas that suffered from prolonged disinvestment, it also results in rising rents, home and property values. As these rising costs reduce the supply of affordable housing, existing residents, who are often black or Hispanic, are displaced. This prevents them from benefiting from the economic growth and greater availability of services that come with increased investment. Gentrification presents a challenge to communities that are trying to achieve economic revitalization without the disruption that comes with displacement.”

¹² NCRC, Richardson, Jason, et al. Shifting Neighborhoods, Gentrification and Cultural Displacement in American Cities. March 19, 2019.

<https://ncrc.org/gentrification/>

“Most low- to moderate-income neighborhoods did not gentrify or revitalize during the period of our study. They remained impoverished, untouched by investments and building booms that occurred in major cities, and vulnerable to future gentrification and displacement.”

“While community perceptions of gentrification range from hope for better living conditions to anxiety and even hostility, research on gentrification is divided on whether displacement is an inevitable outcome. Some researchers assert that gentrification attendant with displacement is a complex issue and while mobility rates of low-income residents are equivalent in gentrifying and non-gentrifying areas, low-income families are unable to afford to move in and replace exited families as housing costs escalate (Ding, Hwang, and Divringi, 2015). Other researchers found that displacement was rare (Ellen and O’Regan, 2011; Freeman 2005), while others comment on its prevalence (Newman and Wyly, 2006).”

“This divergence of opinion could be because both the scale and type of gentrification vary from place to place. The urban form, or patterns of land-use in U.S. cities, differ considerably in size and structure, and the process of gentrification can involve neighborhoods in a rapid process of change or unfold over decades in larger districts. Additionally, while the residential and commercial aspects of a community are interwoven, gentrification of residential and commercial areas involve slightly different dynamics (Meltzer 2016). Displacement also may take different forms: either racial/ethnic or by class and culture. Finally, Marcuse (1986) argues that in many cases displacement due to systematic urban disinvestment, which resulted in the abandonment of many downtown neighborhoods, often precedes gentrification. For all of these reasons, it is helpful to be clear about the type of gentrification considered, how it is being studied and over what period.”

“Gentrification is a complex form of neighborhood change... While the most basic understanding of gentrification involves the movement of people and investment to affect neighborhood change, it also involves broader political and economic forces. Policy decisions by governments impact both transportation and the availability of services and amenities in a community. The interplay between government and the public in decisions regarding zoning and the allocation of public resources, coupled with decisions by private developers on the investment of capital, deeply influence neighborhood desirability (Zuk et al. 2015). The forces driving neighborhood changes, like gentrification, also involve an interplay between the movement of people, public policy decisions and the availability of capital. Consequently, gentrification is a subject that requires analysis of social, political and economic circumstances.”

9. Displacement of Lower-Income Families in Urban Areas Report (HUD OPR)

The HUD Office of Policy Development and Research (OPR) conducted research regarding gentrification and displacement that provides insights regarding both and indicates:¹³

“Gentrification is a form of neighborhood change that occurs when higher-income groups move into low-income areas, potentially altering the cultural and financial landscape of the original neighborhood.... Greater demand for centrally located housing, particularly amidst an existing affordability crisis, may be fueling community change in many American metropolitan areas. With increased demand and housing costs comes increased housing-cost burdens, the potential for

¹³ U.S. Department of HUD, Office of Policy Development and Research. Displacement of Lower-Income Families in Urban Areas Report. May 2018.

<https://www.huduser.gov/portal/sites/default/files/pdf/displacementreport.pdf>

displacement of long-term low-income residents, long-run resegregation of neighborhoods, and heightened barriers to entry for new low-income residents looking to move to places of opportunity.”

“Cultural displacement of a neighborhood—defined at least partly by the mix of shops and restaurants—is another often-cited critique. Recent research by Meltzer (2016) on small business exit rates in changing New York neighborhoods provided only mixed support for this concern. Small businesses do not appear to be at heightened risk of displacement from gentrifying neighborhoods, and retention rates among small businesses are generally higher than exit rates in both gentrifying and nongentrifying neighborhoods. However, gentrifying neighborhoods have a somewhat higher share of businesses that leave without any replacement. When businesses are replaced, they are generally in a different sector than the original, with the highest gains in businesses providing services, such as art and entertainment venues and employee placement services, and losses in goods-producing industries, such as manufacturing. Replacements are also more often chain stores, changing the feel of a neighborhood entirely (Meltzer, 2016).”

According to the publication, three key benefits can occur from gentrification: deconcentration of poverty, neighborhood improvements, and greater access to services, and the cited research describes the following positive outcomes:

“In recent research on the outcomes for public housing residents in gentrifying tracts of New York City, Dastrup and Ellen (2016) found improvements in a variety of neighborhood indicators. They found that public housing developments in gentrifying tracts have lower neighborhood violent crime rates and are zoned for public elementary schools with higher standardized test scores than their counterparts in lower-income communities. Residents of these neighborhoods are also more often employed, have slightly higher incomes, and have greater educational attainment levels. Similarly, Ellen and O’Regan’s (2011) work found increased satisfaction among original renters who stayed in gentrifying neighborhoods, likely due to the improved neighborhood conditions.

The report concludes with the following policy responses:

“The policy responses this report suggests attempt to amplify the benefits of gentrification, and the increased investments it brings, while minimizing the costs, such as potential displacement of low-income families and long-term resegregation of cities. Although greater housing production is necessary in communities struggling to keep up with the increased demand for affordable housing, for the outcome of community change to be shared opportunity, efforts at meaningful integration across socioeconomic and racial lines are just as important.”

The report also presents the following strategies to address cultural displacement impacts based on case studies across the nation, which includes anti-displacement strategies that are similar to those described in other supplemental research literature:

- Engage existing community residents and organizations
- Provide support for community-led organizations
- Retain existing neighborhood businesses by assisting small business owners
- Help families achieve economic self-sufficiency, by connecting priority populations to targeted employment, preparing them for long-term success and by providing affordable childcare
- Improve access to quality education through early learning centers, adult education and services for the youth and arts, and stimulating economic development
- Support healthy environments through services by providing medical care, food and nutrition, and services for seniors

10. Creating Equitable, Healthy, and Sustainable Communities Strategies for Advancing Smart Growth, Environmental Justice, and Equitable Development (EPA)

The Environmental Protection Agency (EPA) prepared a report that presents a series of strategies to create equitable, healthy and sustainable communities that presents case studies of successful projects throughout the United States that advance smart growth, environmental justice and equitable development.¹⁴ The recommended strategies are grouped under seven common elements that connect environmental justice, smart growth, and equitable development:

- Facilitate Meaningful Community Engagement in Planning and Land Use Decisions
- Promote Public Health and a Clean and Safe Environment
- Strengthen Existing Communities
- Provide Housing Choices
- Provide Transportation Options
- Improve Access to Opportunities and Daily Necessities
- Preserve and Build on the Features That Make a Community Distinctive

Chapter 3 begins with a special section on tools, policies, and programs that can help to minimize displacement, an important issue that cuts across the seven common elements. Without advance planning and strong community engagement, revitalization efforts in low-income and overburdened neighborhoods have the potential to displace long-time residents due to rising rents and other costs of living. However, a wide range of tools and strategies can be used to involve community members in planning and visioning, provide affordable homes and transportation choices, support local businesses, and minimize displacement in other ways. Many of the recommended strategies are similar to the anti-displacement strategies outlined in the City's Community Stabilization Initiative.

11. Asian American and Pacific Islander (AAPI) Anti-Displacement Strategies (National Coalition for Asian Pacific American Community Development & Council for Native Hawaiian Advancement)

The National Coalition for Asian Pacific American Community Development & Council for Native Hawaiian Advancement compiled 24 anti-displacement strategies with case study examples of their effectiveness to address impacts on the Asian American and Pacific Islander (AAPI) communities.¹⁵

The report features case studies from around the United States, several of which are strategies successfully deployed in San Francisco, such as in-language tenant counseling to prevent tenant evictions provided by the Veteran's Equity Center (VEC) Bill Sorro Housing Program in SoMa that serves 1000 tenants, predominantly Filipino elders and families, with know-your-rights counseling and a weekly drop-in clinic. Two other programs in San Francisco's Chinatown are also featured that address master plan regulations and deploy a peer organizer model, where SRO residents work part-time to provide outreach,

¹⁴ U.S. Environmental Protection Agency (EPA). Creating Equitable, Healthy, and Sustainable Communities Strategies for Advancing Smart Growth, Environmental Justice, and Equitable Development. 2013. <https://www.epa.gov/sites/default/files/2014-01/documents/equitable-development-report-508-011713b.pdf>

¹⁵ https://www.nationalcapacd.org/wp-content/uploads/2017/08/anti_displacement_strategies_report.pdf

resources and information and operate as a member-led organization to organize for better living conditions and to fight unjust evictions.

The report also recommends a series of national anti-displacement strategies, which include strategies to be implemented at the local level, several of which are underway in San Francisco:

- Create a Cultural District designation that implements a series of protections for neighborhoods which serve as economic survival hubs for low-income and otherwise marginalized communities
- Invest in housing preservation through tenant services and education and acquisition for permanent affordability to stabilize housing stock
- Create funding incentives for cities to establish inclusionary zoning and rent control to ensure diverse cities and fair access to housing, particularly for family units with multiple bedrooms
- Encourage cities to prioritize at least 50% use of public land for affordable housing in hot markets.

The following excerpted Table of Contents from the report lists the featured strategies and case studies.

Anti-Displacement Strategies	8-31
1) Innovative Foreclosure Prevention HCA Hawai'i	8
2) Preserving Farmlands & Culture WHHA Waimea, Hawai'i Island	9
3) Community Development Loans CNHA Hawai'i	10
4) Accessory Dwelling Units FACE Honolulu, Hawai'i	11
5) Property Preservation SCIDpda International District, Seattle, WA	12
6) Homelessness Diversion InterIm International District, Seattle, WA	13
7) Equitable Transit-Oriented Planning HomeSight Rainier Valley, Seattle, WA	14
8) City-Wide Anti-Displacement Plan APANO Jade District, Portland, OR	15
9) Master Plan Regulations CCDC Chinatown, San Francisco, CA	16
10) Worker Organizing in SROs CPA SF Chinatown, San Francisco, CA	17
11) In-Language Tenant Counseling VEC SoMa, San Francisco, CA	18
12) Community Benefits Agreements APEN Chinatown, Oakland, CA	19
13) Healthy Neighborhoods EBALDC Oakland, CA	20
14) Cultural Eco-District LTSC Little Tokyo, Los Angeles, CA	21
15) Human Overlay Assessment Thai CDC Thai Town, Los Angeles, CA	22
16) Grassroots City Planning SEACA Chinatown, Los Angeles, CA	23
17) Arts-Driven Place-Making AEDA Little Mekong, St. Paul, MN	24
18) Section 8 Preservation APALRC Chinatown, Washington DC	25
19) Registered Community Organizations PCDC Chinatown, Philadelphia, PA	26
20) Small Business & Stabilization Microloans AAFE New York City, NY	27
21) Inclusive Re-Zoning CAAAV Chinatown, New York City, NY	28
22) The Basement Campaign Chhaya CDC Jackson Heights, Queens, NY	29
23) Public Land Use for Family Housing ACDC Chinatown, Boston, MA	30
24) Just Cause Eviction CPA Boston Chinatown, Boston, MA	31

Attachment C– Research Bibliography

Attachment C presents a bibliography of research literature that was reviewed in the course of preparing this report, which supplements the analysis and reports referenced in the 2020 Socioeconomic Report.¹ The reports that were referenced in the 2020 Socioeconomic Report and reviewed as part of this report are highlighted with an asterisk (*) below.

Please refer to Attachment B for a summary of the most relevant research literature that was used to prepare the supplemental analysis of 469 Stevenson Street. As described in the report, the supplemental analysis also relies on information presented in various reports that are focused on San Francisco and the Bay Area region, which are listed in the first two sections below.

Reports Focused on San Francisco

- City and County of San Francisco, Office of the Controller- Office of Economic Analysis, “Potential Effects of Limiting Market- Rate Housing in the Mission,” September 10, 2015*
https://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf
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<https://sfplanning.org/resource/san-francisco-housing-needs-and-trends-report>
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- San Francisco Planning Department, Housing Element 2022 Update and the “Summary of the Draft Needs Assessment of the Housing Element 2022 Update,” March 2022 Update
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https://www.urbandisplacement.org/sites/default/files/images/sf_final.pdf

¹ Socioeconomic Effects of 469 Stevenson Street Market-Rate Development, ALH Urban & Regional Economics, September 2020.

Reports Focused on the Bay Area Region Reports

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- Bay Area Council Economic Institute, “Bay Area Economic Profile 2020 Tracking Impacts of the COVID-19 Recession on the Bay Area Economy,” 2020
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<https://belonging.berkeley.edu/2022-tcac-opportunity-map>
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<https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>
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- Metropolitan Transportation Commission (MTC) Vital Signs webpage, updated April 2020.
 - “Where are construction permits being issued for new housing?”
<https://www.vitalsigns.mtc.ca.gov/housing-permits>
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Attachment D

Residential Pipeline Development Within One Mile Radius

Exhibit D-1 Planned Residential Projects Under Construction One Mile Radius from Proposed Project

Address	In One Mile Radius	In Surrounding Area	Project Status	Date of Status Update	Housing Units			Affordable Units			Percent Affordable
					Total	Net	Market Rate	Inclusionary	100% Affordable Housing	ADU	
Under Construction											
1430 LEAVENWORTH ST	Y		CONSTRUCTION	12/01/21	9	3	0	0	0	3	100%
30 VAN NESS AVE	Y	Tenderloin	CONSTRUCTION	10/21/21	333	333	250	83	0	0	25%
555 OFARRELL ST	Y	Tenderloin	CONSTRUCTION	08/18/21	48	7	0	0	0	7	100%
530 STOCKTON ST	Y		CONSTRUCTION	08/13/21	49	3	0	0	0	3	100%
311 GROVE ST	Y		CONSTRUCTION	05/13/21	8	8	8	0	0	0	0%
53 COLTON ST	Y		CONSTRUCTION	04/20/21	96	96	0	0	96	0	100%
1125 STEVENSON ST	Y		CONSTRUCTION	03/19/21	64	64	0	0	64	0	100%
UC Hastings Student Housing	Y	Tenderloin	CONSTRUCTION	09/01/20	656	656	553	103	0	0	16%
1522 BUSH ST	Y		CONSTRUCTION	07/21/20	3	3	3	0	0	0	0%
145 LEAVENWORTH ST	Y	Tenderloin	CONSTRUCTION	07/17/20	94	94	79	15	0	0	16%
1068 MISSION ST	Y	South of Market	CONSTRUCTION	06/26/20	254	254	0	0	254	0	100%
500 TURK ST	Y	Tenderloin	CONSTRUCTION	06/12/20	122	122	1	0	121	0	99%
42 OTIS ST	Y		CONSTRUCTION	06/10/20	24	24	21	3	0	0	13%
1298 HOWARD ST	Y	South of Market	CONSTRUCTION	04/01/20	155	130	121	9	0	0	7%
1546 - 1564 MARKET ST	Y		CONSTRUCTION	03/31/20	109	109	96	13	0	0	12%
1335 LARKIN ST	Y		CONSTRUCTION	03/24/20	20	20	20	0	0	0	0%
457 TEHAMA ST	Y	South of Market	CONSTRUCTION	03/12/20	1	1	1	0	0	0	0%
1244 LARKIN ST	Y		CONSTRUCTION	03/11/20	3	3	3	0	0	0	0%
1028 MARKET ST	Y	Tenderloin	CONSTRUCTION	03/10/20	186	186	161	25	0	0	13%
OCEANWIDE (MISSION ST TOWER)	Y		CONSTRUCTION	03/09/20	156	156	156	0	0	0	0%
1700 CALIFORNIA ST	Y		CONSTRUCTION	01/21/20	47	5	5	0	0	0	0%
1372 PINE ST	Y		CONSTRUCTION	09/11/19	30	3	0	0	0	3	100%
436 OFARRELL ST	Y	Tenderloin	CONSTRUCTION	08/28/19	9	9	9	0	0	0	0%
460 LYON ST	Y		CONSTRUCTION	05/22/19	14	2	0	0	0	2	100%
266 04TH ST	Y	South of Market	CONSTRUCTION	02/20/19	70	70	1	0	69	0	99%
272 CLARA ST	Y	South of Market	CONSTRUCTION	10/15/18	3	2	2	0	0	0	0%
Total					2,607	2,363	1,490	251	604	18	37%

Source: San Francisco Planning Department Development Pipeline (as of Q4 2021)

Exhibit D-2 Planned Residential Projects in Building Department Pipeline One Mile Radius from Proposed Project

Address	In One Mile Radius	In Surrounding Area	Project Status	Date of Status Update	Housing Units			Affordable Units			Percent Affordable
					Total	Net	Market Rate	Inclusionary	100% Affordable Housing	ADU	
Building Permits Issued or Approved											
220 BATTERY ST	Y		BP APPROVED	12/17/21	2	2	2	0	0	0	0%
612 NATOMA ST	Y	South of Market	BP APPROVED	10/19/21	1	1	1	0	0	0	0%
481 TEHAMA ST	Y	South of Market	BP APPROVED	09/02/21	5	5	5	0	0	0	0%
130 RUSS ST	Y	South of Market	BP APPROVED	06/28/21	1	1	1	0	0	0	0%
265 SHIPLEY ST	Y	South of Market	BP APPROVED	08/23/20	9	9	9	0	0	0	0%
1228 FOLSOM ST / 723 - 725 CLEMENTINA	Y	South of Market	BP APPROVED	09/17/19	24	24	21	3	0	0	13%
280 07TH ST	Y	South of Market	BP APPROVED	08/20/19	17	17	15	2	0	0	12%
798 POST ST	Y		BP APPROVED	08/05/19	41	1	1	0	0	0	0%
1375 SACRAMENTO ST	Y		BP APPROVED	02/14/19	8	1	0	0	0	1	100%
40 CLEVELAND ST	Y	South of Market	BP APPROVED	12/06/18	3	3	3	0	0	0	0%
768 HARRISON ST	Y	South of Market	BP APPROVED	11/13/18	26	26	26	0	0	0	0%
430 EDDY ST	Y	Tenderloin	BP APPROVED	04/12/18	23	23	20	3	0	0	13%
240 VAN NESS AV	Y	Tenderloin	BP ISSUED	01/24/22	109	109	0	0	109	0	100%
1567 CALIFORNIA ST	Y		BP ISSUED	12/14/21	97	97	88	9	0	0	9%
600 07TH ST	Y	South of Market	BP ISSUED	11/22/21	221	221	0	0	221	0	100%
255 SHIPLEY ST	Y	South of Market	BP ISSUED	09/23/21	24	24	21	3	0	0	13%
1263 - 1265 CLAY STREET	Y		BP ISSUED	07/22/21	3	1	1	0	0	0	0%
780 POST ST	Y		BP ISSUED	07/02/21	42	6	0	0	0	6	100%
182 LANGTON ST	Y	South of Market	BP ISSUED	02/27/21	6	2	0	0	0	2	100%
921 HOWARD ST	Y	South of Market	BP ISSUED	02/01/21	203	203	0	0	203	0	100%
1621 MARKET ST	Y		BP ISSUED	01/11/21	185	185	156	29	0	0	16%
736 HYDE ST	Y		BP ISSUED	08/21/20	9	9	9	0	0	0	0%
78 HAIGHT ST	Y		BP ISSUED	07/21/20	63	63	0	0	63	0	100%
244 09TH ST	Y	South of Market	BP ISSUED	06/17/20	19	19	16	3	0	0	16%
450 OFARRELL ST	Y	Tenderloin	BP ISSUED	05/13/20	176	176	153	23	0	0	13%
711 EDDY ST	Y	Tenderloin	BP ISSUED	04/21/20	201	-1	-1	0	0	0	0%
1306 CALIFORNIA ST	Y		BP ISSUED	02/24/20	7	1	0	0	0	1	100%
1075 & 1089 FOLSOM ST	Y	South of Market	BP ISSUED	12/20/19	48	48	36	12	0	0	25%
1440 WASHINGTON ST	Y		BP ISSUED	12/11/19	24	1	0	0	0	1	100%
1270 MISSION ST	Y	South of Market	BP ISSUED	10/17/19	299	299	235	64	0	0	21%
1575 SACRAMENTO ST	Y		BP ISSUED	10/03/19	14	1	0	0	0	1	100%
655 FOLSOM ST	Y		BP ISSUED	08/12/19	89	89	89	0	0	0	0%
135 HYDE ST	Y	Tenderloin	BP ISSUED	06/28/19	72	72	62	10	0	0	14%
33 NORFOLK ST	Y		BP ISSUED	06/26/19	11	11	9	2	0	0	18%
300 OCTAVIA ST	Y		BP ISSUED	06/21/19	12	12	11	1	0	0	8%
300 OCTAVIA ST	Y		BP ISSUED	06/20/19	12	12	10	2	0	0	17%
1350 PINE ST	Y		BP ISSUED	05/30/19	30	2	0	0	0	2	100%
268 CLARA ST	Y	South of Market	BP ISSUED	04/09/19	2	1	1	0	0	0	0%
1601 MISSION ST	Y		BP ISSUED	04/04/19	220	220	220	0	0	0	0%
301 06TH ST	Y	South of Market	BP ISSUED	03/26/19	95	95	82	13	0	0	14%
980 FOLSOM ST	Y	South of Market	BP ISSUED	02/27/19	34	34	30	4	0	0	12%
839 LEAVENWORTH ST	Y		BP ISSUED	02/27/19	52	2	0	0	0	2	100%
807 FRANKLIN ST	Y		BP ISSUED	12/31/18	48	47	42	5	0	0	11%
5TH ST / CLARA ST / SHIPLEY ST	Y	South of Market	BP ISSUED	12/21/18	123	123	105	18	0	0	15%
891 POST ST	Y	Tenderloin	BP ISSUED	12/18/18	49	2	0	0	0	2	100%
19 - 25 MASON ST & 2 - 16 TURK ST	Y	Tenderloin	BP ISSUED	12/05/18	155	155	155	0	0	0	0%
1740 MARKET ST	Y		BP ISSUED	12/05/18	100	100	88	12	0	0	12%
651 GEARY ST	Y	Tenderloin	BP ISSUED	12/04/18	52	52	46	6	0	0	12%
600 VAN NESS AV	Y		BP ISSUED	12/03/18	168	168	144	24	0	0	14%
469 EDDY ST	Y	Tenderloin	BP ISSUED	11/30/18	28	28	25	3	0	0	11%
377 06TH ST	Y	South of Market	BP ISSUED	11/30/18	90	90	78	12	0	0	13%
58 TEHAMA ST / 555 HOWARD ST	Y		BP ISSUED	11/28/18	80	80	67	13	0	0	16%
555 HOWARD STREET	Y		BP ISSUED	11/28/18	127	127	117	10	0	0	8%
51 PRIEST ST	Y		BP ISSUED	11/07/18	2	1	0	0	0	1	100%
245 LEAVENWORTH ST	Y	Tenderloin	BP ISSUED	10/01/18	50	2	0	0	0	2	100%
1515 LEAVENWORTH ST	Y		BP ISSUED	09/10/18	8	1	1	0	0	0	0%
1394 HARRISON ST	Y	South of Market	BP ISSUED	07/20/18	68	68	68	0	0	0	0%
1033 - 1037 WASHINGTON ST	Y		BP ISSUED	12/15/17	4	1	1	0	0	0	0%
1551 FRANKLIN ST	Y		BP ISSUED	09/11/17	5	2	0	0	0	2	100%
OCEANWIDE (FIRST ST TOWER)	Y		BP ISSUED	07/05/17	112	112	112	0	0	0	0%
325 FREMONT ST	Y		BP ISSUED	03/21/17	119	119	119	0	0	0	0%
Total					4,124	3,405	2,500	286	596	23	27%

Note: BP=Building Permit.

Source: San Francisco Planning Development Pipeline (as of Q4 2021) and Mayor's Office of Housing and Community Development.

**Exhibit D-2 Planned Residential Projects in Building Department Pipeline (cont.)
One Mile Radius from Proposed Project**

Address	In One Mile Radius	In Surrounding Area	Project Status	Date of Status Update	Housing Units			Affordable Units			Percent Affordable
					Total	Net	Market Rate	Inclusionary	100% Affordable Housing	ADU	
Building Permits Filed or Reinstated											
380 IVY ST	Y		BP Filed	12/20/21	0	3	3	0	0	0	0%
1369 HYDE ST	Y		BP Filed	07/23/21	99	17	0	0	0	17	100%
1061 FOLSOM ST	Y	South of Market	BP Filed	05/21/21	9	8	8	0	0	0	0%
1101 SUTTER ST	Y		BP Filed	05/10/21	201	201	169	32	0	0	16%
224-228 CLARA ST	Y	South of Market	BP Filed	02/27/21	9	8	8	0	0	0	0%
98 FRANKLIN ST	Y		BP Filed	02/18/21	345	345	276	69	0	0	20%
555 BRYANT ST	Y	South of Market	BP Filed	02/12/21	500	500	460	40	0	0	8%
923 PACIFIC AV	Y		BP Filed	12/28/20	3	1	0	0	0	1	100%
737 PINE ST	Y		BP Filed	12/10/20	46	6	0	0	0	6	100%
580 MINNA ST	Y	South of Market	BP Filed	12/01/20	20	20	17	3	0	0	15%
861 SUTTER ST	Y		BP Filed	10/30/20	69	9	0	0	0	9	100%
665 EDDY ST	Y	Tenderloin	BP Filed	10/25/20	51	4	0	0	0	4	100%
1728 LARKIN ST	Y		BP Filed	10/21/20	6	6	6	0	0	0	0%
535 LEAVENWORTH ST	Y	Tenderloin	BP Filed	10/06/20	27	3	0	0	0	3	100%
626 POWELL ST	Y		BP Filed	09/22/20	37	3	0	0	0	3	100%
969 BUSH ST	Y		BP Filed	09/01/20	33	4	0	0	0	4	100%
380 07TH ST	Y	South of Market	BP Filed	08/28/20	4	4	4	0	0	0	0%
3 MEACHAM PL	Y	Tenderloin	BP Filed	08/05/20	1	0	0	0	0	0	0%
1374 JACKSON ST	Y		BP Filed	06/03/20	3	1	0	0	0	1	100%
825 SUTTER ST	Y		BP Filed	03/13/20	111	-3	-3	0	0	0	0%
1153 BUSH ST	Y		BP Filed	02/14/20	16	1	1	0	0	0	0%
365 12TH ST	Y		BP Filed	12/30/19	6	5	5	0	0	0	0%
200 MAIN ST	Y		BP Filed	12/20/19	683	683	576	107	0	0	16%
159 FELL ST	Y		BP Filed	12/20/19	20	20	17	3	0	0	15%
400 - 416 02ND ST	Y		BP Filed	12/06/19	489	489	489	0	0	0	0%
725 HARRISON ST	Y	South of Market	BP Filed	11/15/19	120	120	1	0	119	0	99%
729 BUSH ST	Y		BP Filed	11/14/19	4	4	4	0	0	0	0%
426 IVY ST	Y		BP Filed	10/30/19	1	1	1	0	0	0	0%
1406 LEAVENWORTH ST	Y		BP Filed	10/29/19	3	1	1	0	0	0	0%
673 Brannan St, 683 Brannan St, 168	Y		BP Filed	10/08/19	60	12	2	0	10	0	83%
300 05TH ST	Y	South of Market	BP Filed	08/21/19	130	130	110	20	0	0	15%
200 LILY ST	Y		BP Filed	08/20/19	3	1	1	0	0	0	0%
36 GOUGH ST	Y		BP Filed	06/24/19	6	6	6	0	0	0	0%
10 HERON ST	Y	South of Market	BP Filed	06/18/19	9	9	9	0	0	0	0%
347 10TH ST	Y	South of Market	BP Filed	06/18/19	9	9	9	0	0	0	0%
220 09TH ST	Y	South of Market	BP Filed	12/27/18	74	74	62	12	0	0	16%
1363 CALIFORNIA ST	Y		BP Filed	12/13/18	1	1	1	0	0	0	0%
611 JONES ST	Y	Tenderloin	BP Filed	11/28/18	12	11	8	3	0	0	27%
661 NATOMA ST	Y	South of Market	BP Filed	09/27/18	3	3	3	0	0	0	0%
519 ELLIS ST	Y	Tenderloin	BP Filed	06/08/18	21	21	18	3	0	0	14%
108 SOUTH PARK *	Y		BP Filed	05/25/18	4	3	3	0	0	0	0%
774 NATOMA ST	Y	South of Market	BP Filed	04/04/18	1	1	1	0	0	0	0%
301 GROVE ST	Y		BP Filed	03/13/18	9	9	9	0	0	0	0%
1450 HOWARD ST	Y	South of Market	BP Filed	09/05/17	16	16	0	0	16	0	100%
820 POST ST	Y		BP Filed	07/24/17	12	12	11	1	0	0	8%
655 MONTGOMERY ST	Y		BP Filed	06/15/17	33	0	0	0	0	0	0%
953 - 955 FOLSOM ST	Y	South of Market	BP Filed	02/02/17	23	23	23	0	0	0	0%
2 SUMNER ST	Y	South of Market	BP Filed	01/20/17	1	1	1	0	0	0	0%
1540 MARKET ST	Y		BP Filed	12/09/16	304	304	304	0	0	0	0%
735 CLEMENTINA ST	Y	South of Market	BP Filed	11/17/16	1	1	1	0	0	0	0%
744 HARRISON ST	Y	South of Market	BP Filed	11/07/16	4	4	4	0	0	0	0%
918 GRANT AV	Y		BP Filed	09/29/16	2	1	1	0	0	0	0%
1200 VAN NESS AV	Y		BP Filed	09/26/16	107	107	107	0	0	0	0%
851 OFARRELL ST	Y	Tenderloin	BP Filed	09/02/16	32	5	0	0	0	5	100%
809 SACRAMENTO ST	Y		BP Filed	07/21/16	1	1	1	0	0	0	0%
1523 FRANKLIN ST	Y		BP Filed	07/01/16	7	7	7	0	0	0	0%
727 - 731 NATOMA ST	Y	South of Market	BP Filed	02/03/16	10	6	6	0	0	0	0%
525 HARRISON ST	Y		BP Filed	09/24/15	179	179	154	25	0	0	14%
1695 FOLSOM ST	Y		BP Filed	07/06/15	4	4	4	0	0	0	0%
1 BRADY ST	Y		BP REINSTATED	02/19/20	190	190	0	0	190	0	100%
757 GRANT AV	Y		BP REINSTATED	03/11/19	6	6	6	0	0	0	0%
850 BUSH ST	Y		BP REINSTATED	04/10/08	20	20	17	3	0	0	15%
Total					4,324	3,641	2,932	321	335	53	19%

Note: BP=Building Permit.

Source: San Francisco Planning Development Pipeline (as of Q4 2021) and Mayor's Office of Housing and Community Development.

Exhibit D-3 Planned Residential Projects in Planning Department Pipeline One Mile Radius from Proposed Project

Address	In One Mile Radius	In Surrounding Area	Project Status	Date of Status Update	Housing Units			Affordable Units			Percent Affordable
					Total	Net	Market Rate	Inclusionary	100% Affordable Housing	ADU	
Planning Applications Approved											
229 ELLIS	Y	Tenderloin	PL Approved	05/22/18	52	52	52	0	0	0	0%
1320 CALIFORNIA ST	Y		PL Approved	01/24/18	7	2	0	0	0	2	100%
1401 MASON ST	Y		PL Approved	01/24/18	9	1	0	0	0	1	100%
1601 - 1637 MARKET ST / 53 COLTON ST	Y		PL Approved	10/20/17	44	44	0	0	44	0	100%
5M	Y	South of Market	PL Approved	01/04/16	386	386	386	0	0	0	0%
Total					498	485	438	0	44	3	10%
Planning Applications Filed											
101 Hyde St	Y	Tenderloin	PL Filed, pending*	06/01/22	85	85	1	0	84	0	99%
160 Freelon St	Y	South of Market	PL Filed, pending*	06/01/22	90	90	1	0	89	0	99%
71 Boardman PL	Y	South of Market	PL Filed, pending*	06/01/22	100	100	0	0	100	0	100%
967 Mission St	Y	South of Market	PL Filed, pending*	06/01/22	97	97	1	0	96	0	99%
841 POLK ST	Y	Tenderloin	PL Filed	12/22/21	40	40	33	7	0	0	18%
77 BEALE ST	Y		PL Filed	12/16/21	808	808	647	161	0	0	20%
1338 MISSION ST	Y	South of Market	PL Filed	09/02/21	287	287	243	44	0	0	15%
UDU Removal - 1360 WASHINGTON ST	Y		PL Filed	02/19/21	7	-1	-1	0	0	0	0%
1035 SUTTER ST	Y		PL Filed	01/13/21	36	2	2	0	0	0	0%
599 3rd St	Y		PL Filed	12/03/20	35	0	0	0	0	0	0%
1034 Folsom Street	Y	South of Market	PL Filed	09/25/20	6	6	6	0	0	0	0%
1025 Sutter Street	Y		PL Filed	08/21/20	22	1	1	0	0	0	0%
233 GEARY ST	Y		PL Filed	06/18/20	21	21	21	0	0	0	0%
1010 Mission Street	Y	South of Market	PL Filed	06/08/20	57	57	44	13	0	0	23%
618-630 Octavia ST	Y		PL Filed	05/19/20	50	46	36	10	0	0	22%
1240 BUSH ST	Y		PL Filed	04/22/20	21	5	5	0	0	0	0%
1025 POST ST	Y	Tenderloin	PL Filed	12/12/19	30	3	3	0	0	0	0%
1415 FOLSOM ST	Y	South of Market	PL Filed	11/25/19	8	8	8	0	0	0	0%
1324-1326 Powell ST	Y		PL Filed	11/05/19	17	17	15	2	0	0	12%
468 TURK ST	Y	Tenderloin	PL Filed	11/04/19	101	101	84	17	0	0	17%
667 Folsom St, 120 Hawthorne St, 12	Y		PL Filed	10/25/19	230	230	230	0	0	0	0%
600 MCALLISTER ST	Y		PL Filed	07/31/19	196	196	170	26	0	0	13%
598 BRYANT ST	Y	South of Market	PL Filed	04/10/19	353	353	299	54	0	0	15%
222 Dore ST	Y	South of Market	PL Filed	01/28/19	24	24	22	2	0	0	8%
1320 WASHINGTON ST	Y		PL Filed	12/20/18	25	25	25	0	0	0	0%
1233 FOLSOM ST	Y	South of Market	PL Filed	12/11/18	24	24	22	2	0	0	8%
457 Minna	Y	South of Market	PL Filed	11/28/18	270	270	127	143	0	0	53%
1560 FOLSOM ST	Y		PL Filed	10/29/18	244	244	210	34	0	0	14%
921 OFARRELL ST	Y	Tenderloin	PL Filed	10/26/18	40	40	28	12	0	0	30%
550 OFARRELL ST	Y	Tenderloin	PL Filed	10/15/18	111	111	89	22	0	0	20%
469 STEVENSON ST	Y	South of Market	PL Filed	08/23/18	495	495	422	73	0	0	15%
1333 GOUGH ST / 1481 POST ST	Y		PL Filed	07/30/18	400	231	203	28	0	0	12%
698 BUSH ST	Y		PL Filed	07/26/18	46	1	1	0	0	0	0%
550 LARKIN ST	Y	Tenderloin	PL Filed	07/17/18	26	3	0	0	0	3	100%
385 EDDY ST	Y	Tenderloin	PL Filed	04/16/18	67	-2	0	-2	0	0	100%
351 12TH ST	Y		PL Filed	04/06/18	48	48	40	8	0	0	17%
650 HARRISON ST	Y		PL Filed	04/04/18	245	245	210	35	0	0	14%
1501 CALIFORNIA ST	Y		PL Filed	01/10/18	42	0	0	0	0	0	0%
300 05TH ST	Y	South of Market	PL Filed	12/14/17	9	9	9	0	0	0	0%
755 BRANNAN	Y	South of Market	PL Filed	05/01/17	57	57	49	8	0	0	14%
451 - 453 TEHAMA ST	Y	South of Market	PL Filed	03/16/17	6	2	2	0	0	0	0%
TRANSBAY PARCEL F	Y		PL Filed	02/14/17	165	165	111	54	0	0	33%
1145 MISSION ST	Y	South of Market	PL Filed	12/29/16	25	25	21	4	0	0	16%
955 POST ST	Y	Tenderloin	PL Filed	12/09/16	69	69	52	17	0	0	25%
88 BLUXOME ST (645 05TH ST)	Y	South of Market	PL Filed	12/01/16	100	100	1	0	99	0	99%
95 HAWTHORNE ST	Y		PL Filed	09/28/16	392	392	337	55	0	0	14%
1331 WASHINGTON ST	Y		PL Filed	06/30/16	4	1	1	0	0	0	0%
630 GEARY ST	Y	Tenderloin	PL Filed	06/29/16	54	0	0	0	0	0	0%
655 04TH ST	Y	South of Market	PL Filed	05/17/16	960	957	957	0	0	0	0%
48 TEHAMA ST	Y		PL Filed	05/10/16	7	7	7	0	0	0	0%
1525 PINE ST	Y		PL Filed	05/09/16	21	21	19	2	0	0	10%
262 07TH ST	Y	South of Market	PL Filed	05/06/16	96	96	79	17	0	0	18%
828 BRANNAN ST	Y	South of Market	PL Filed	04/14/16	50	50	41	9	0	0	18%
10 SOUTH VAN NESS AV	Y		PL Filed	04/11/16	966	966	966	0	0	0	0%
1245 FOLSOM ST	Y	South of Market	PL Filed	03/22/16	37	37	30	7	0	0	19%
57 TAYLOR ST	Y	Tenderloin	PL Filed	10/23/15	190	78	48	30	0	0	38%
Total					8,012	7,341	5,976	894	468	3	19%

* Unit count and project status based on data provided by the Mayor's Office of Housing and Community Development.

Note: PL=Planning Application.

Source: San Francisco Planning Development Pipeline (as of Q4 2021) and Mayor's Office of Housing and Community Development.

Attachment E– Exhibits on Anti-Displacement Strategies

Exhibit E-1 Draft Community Prioritized Strategies and Recommendations Summary From SOMA Pilipinas Filipino Cultural Heritage District CHHESS

SOMA PILIPINAS COMMUNITY PRIORITIZED STRATEGIES & RECOMMENDATIONS SUMMARY (FINAL DRAFT)

1 CULTURAL PRESERVATION

1. Develop and support SOMA Pilipinas Filipino cultural heritage archive and living legacy
2. Expand access to Filipino arts education & programs teaching Filipino languages, history, and culture
3. Expand and strengthen programs that empower, serve, and address the health of Filipino children and youth

2 TENANT PROTECTIONS

4. Protect and stabilize buildings that contain a high proportion of Filipino tenants and stabilize existing Filipino residents
5. Build capacity and Filipino cultural competence to support residential acquisition and rehabilitation in SOMA
6. Increase language and culturally competent housing readiness support for Filipinos to get into affordable, below market rate (BMR), and supportive housing

3 ARTS & CULTURE

7. Strengthen and stabilize the capacity of Filipino arts and cultural organizations and individual artists
8. Develop a SOMA Pilipinas arts master plan
9. Create SOMA Pilipinas special area design guidelines and public realm design toolkit
10. City support for cultural district public realm improvement, maintenance, and neighborhood cleaning and beautification
11. Development of a Cultural Conservator

4 ECONOMIC & WORKFORCE DEVELOPMENT

12. Strengthen non-profits' ability to sustain community workers
13. Further development of Mission St. as a commercial corridor for the cultural district
14. Support the development of a mutual-aid and mentorship-based merchant association to support the stabilization and attraction of Filipino businesses
15. Strategic planning to create Filipino access to family-sustaining jobs in public and private sectors

5 PLACE KEEPING & PLACE MAKING

16. Establish a working group to examine, strengthen, and expand the youth and family special use district
17. Increase community-based access, use, and stewardship of land, buildings, and space
18. Ensure that the historic and ongoing displacement of the Filipino community are part of the discourse in developing the Planning Department's racial and social equity plan initiative including the phase II action plan

6 CULTURAL COMPETENCY

19. Develop a barangay center/co-location services hub
20. Strengthen and expand language access for Filipino residents
21. Invest in the sustainability of Filipino community-based organizations
22. Develop a community health report on Filipinos in SF

Source: SOMA Pilipinas Filipino Cultural Heritage District Cultural, History, Housing, and Economic Sustainability Strategy (CHHESS), June 2022 Draft. The Board of Supervisors passed a resolution adopting the CHHESS, which was signed by Mayor Breed on September 16, 2022, Resolution No. 369-22, Board File No. 220769.

Exhibit E-2 Description of Residential Anti-Displacement Strategies

Strategy	Description	City Program Lead(s)	South of Market and Tenderloin Neighborhood Examples	Proposed by the 469 Stevenson Project	Sources*
Housing Production					
Affordable and market rate housing production	Production of affordable housing and market rate housing, including inclusionary housing, with rental housing application assistance by DAHLIA: San Francisco Housing Portal.	Planning, Mayor's Office of Housing and Community Development (MOHCD)	About 12,700 units produced in neighborhoods from 2005-2021, including 3,500 affordable units.	Required: Provision of 422 market rate and 73 affordable apartment units plus funding for additional affordable housing.	1, 2, 6
Inclusionary housing/zoning	Inclusion of affordable housing within mixed income/market rate developments.	Planning	About 1,100 units inclusionary units produced in neighborhoods from 2005-2021.	Required: 73 on-site inclusionary housing units affordable to very low, low and moderate income households.	1, 2, 6
Accessory dwelling units (ADUs)	Secondary house or apartment that shares the building lot of a larger, primary residential building.	Planning	Provision of 19 ADUs in neighborhoods from 2005-2021.	N/A	6
Affordable housing impact fees	Fees in-lieu of building units.	MOHCD	Payment of fees by market rate residential developments to fund affordable housing, which MOHCD uses to help fund production of affordable housing in the neighborhoods.	Required: \$8,000,000 (with MOHCD intention to direct funding toward affordable housing in SoMa). Voluntary: Potential use of funds for affordable housing at 967 Mission Street.	2, 3, 4, 6, 7
Jobs-housing balance or commercial impact fees	Non-residential linkage fees.	MOHCD	Payment of fees by non-residential developments to fund affordable housing, which MOHCD uses to help fund production of affordable housing in the neighborhoods.	Not required due to proposed size of retail.	2, 3, 4, 7
Expedited permitting and developer incentives (including Housing Overlay Zones)	California Permit Streamlining Act (Government Code Sec. 65920-64) and Housing Accountability Act.	Planning	The Tahanan building with 146 permanent supportive housing units at 833 Bryant Street was completed using State Density Bonus and streamlining.	N/A	8, 9
Reduced parking requirements for affordable housing	City does not have minimum off-street parking requirements and has maximum parking requirements for some uses.	Planning	New affordable developments such as 921 Howard Street, 555 Larkin Street and 725 Harrison Street will not include off street parking.	Proposed Project does not have any minimum off-street parking requirements.	8
Land dedication for affordable housing	San Francisco Public Land for Housing, California Surplus Land Act.	Planning and Office of Economic and Workforce Development (OEWD)	Fourth and Folsom (266 Fourth St) City-owned property, 5M donation of property at 967 Mission Street for affordable housing.	Voluntary: Donation of property at 59 6th Street for community benefit use, such as affordable housing, open space and recreation, or a community facility.	2, 4, 10
Homelessness prevention and supportive services and housing	Core programs to prevent homelessness and provide supportive housing include: permanent supportive housing, transitional housing, coordinated entry, shelter, street outreach, health care and support services.	Department of Homelessness and Supportive Housing (HSH)	Coordinated access points: Episcopal Community Services, Saint Vincent de Paul Society, Swords to Plowshares, Larkin Street Youth Services. Hamilton Families provides rental assistance and case management for formerly homeless.	Voluntary: Efforts to either negotiate a lease of the ground floor of the Helen Hotel, located at 166 Turk Street, for use as an Urban Rest and Sleep Center, or a purchase option for the entire building. Should the negotiation be successful, assign the lease or purchase option to a local community group and provide initial funding.	2, 4, 11
Tax incentives and tax funded programs for affordable housing	Programs that dedicate tax revenues to affordable housing or provide property tax exemptions as incentives.	Treasurer's Office, Office of Community Infrastructure and Investment (OCII), MOHCD	Funds used by developers and community organizations to develop affordable housing and address homelessness in both neighborhoods.	N/A	12, 13
Voter Authorized Funding/Bonds	Voter approved bonds and allocation of General Funds.	MOHCD, OCII	Funds used by developers and community organizations to develop affordable housing (3,500 affordable units from 2005-2021).	N/A	13, 14
Housing Preservation					
Preservation of federally subsidized housing	Preservation and replacement of federally assisted housing, including public housing.	MOHCD, SF Housing Authority, HOPE SF	Senior and affordable housing developments funded with Federal HUD funds.	N/A	7, 14
Condominium conversion ordinances	The Ellis Act	Rent Board, State of California	Applies to condos in both neighborhoods.	N/A	15
No-net-loss, one-for-one replacement strategies	California Housing Crisis Act (as amended in 2021 by Senate Bill 8)	Planning	Applies to existing housing in both neighborhoods.	N/A	16
Single-room occupancy (SRO) hotels rent and conversion controls	Residential Hotel Unit Conversion and Demolition Ordinance (HCO), Chapter 41 of the San Francisco Administrative Code.	Rent Board, Planning	About 8,300 certified residential SRO units in SoMa and Tenderloin.	N/A	15, 17
Property rehabilitation and preservation, including buildings with high proportion of Filipino tenants	Preservation and Seismic Safety Program (PASS) provides low-cost and long-term access to debt financing to acquire, rehabilitate, and preserve existing buildings as permanently affordable housing, including Small Sites (e.g. 5 to 25 units), larger multifamily structures (e.g. 25+ units), or SROs of all sizes.	MOHCD, Housing Accelerator Fund (HAF)	Seven properties in MOHCD pipeline to be acquired and rehabilitated into 457 affordable units (including 224 SRO units) in SoMa and Tenderloin (including 270 Turk Street). Nine units on Natoma Street purchased through small sites program using HAF loan.	N/A	7, 9, 18
Land banking/community control	Create permanently affordable housing for low-to-moderate-income people through community ownership of land.	MOHCD, San Francisco Community Land Trust (SFCLT), Community Opportunity to Purchase Act (COPA)	SFCLT acquisition and preservation of 534-36 Natoma, 568-570 Natoma, 285 Turk Street, 308 Turk Street.	N/A	7, 19

* See Exhibit E-4 for list of sources used to describe each strategy, indicate City Program Lead(s), outline neighborhood examples and indicate what is proposed by 469 Stevenson Street.

Exhibit E-2 (Cont.) Description of Residential Anti-Displacement Strategies

Strategy	Description	City Program Lead(s)	South of Market and Tenderloin Neighborhood Examples	Proposed by the 469 Stevenson Project	Sources*
Housing Stabilization and Protection					
Tenant rental assistance	Housing Choice Voucher program for qualified lower income renters.	MOHCD, SF Housing Authority	Many neighborhood residents receive Housing Choice Vouchers.	N/A	7, 14
Rent stabilization/control	San Francisco Rent Ordinance (SF Administrative Code, Chapter 37) enacted and effective June 13, 1979.	Rent Board	About 8,100 rent controlled apartments and 8,300 SROs in SoMa and Tenderloin.	N/A	15
Tenant counseling and right to legal counsel	Tenants' rights education and counseling, tenant landlord mediation programs, and Tenant Right to Counsel (TRC), which provides legal representation to tenants facing eviction.	Rent Board	Rental counseling, tenant readiness, rental housing application assistance and/or legal representation for neighborhood tenants through Homeownership SF, Asian Pacific Islander Legal Outreach (APILO) and Eviction Defense Collaborative (EDC).	N/A	15
Code Enforcement Outreach Program (CEOP) and SRO Collaborative Program	Proactive code enforcement of SROs and older buildings working done in collaboration with local non-profit organizations that represent rental property owners and tenants.	Department of Building Inspection (DBI) Housing Inspection Services (HIS)	Expedited code enforcement of neighborhood apartments and SROs coordinated by following non profits: Tenderloin Housing Clinic, Housing Rights Committee of San Francisco, San Francisco Apartment Association, Central City SRO and SRO Families Collaborative.	N/A	15, 17
Just-Cause eviction policy	Citywide policy to provide tenant protections.	Rent Board	Protections and counseling for neighborhood tenants.	N/A	15
Tenant right to purchase	COPA gives qualified non-profit organizations the right of first offer, and/or the right of first refusal to purchase certain properties offered for sale in the City.	MOHCD, HAF, COPA	Five-unit property located at 566 Natoma Street in SoMa purchased by Mission Economic Development Agency and 4-unit property at 528 Natoma purchased by Novin Development Corporation using HAF loan.	N/A	9, 19
Foreclosure assistance	Housing counseling and loan advice.	MOHCD	Protections and counseling for neighborhood homeowners through Homeownership SF.	N/A	20
Homeowner assistance programs and Individual Development Accounts (IDA)	City's Downpayment Assistance Loan Program (DALP) is a downpayment loan up to \$375,000 for a single unit that will become a primary residence; complementary programs available through Federal Home Loan Bank San Francisco.	MOHCD	Homeowner counseling, workshops and downpayment assistance for neighborhood residents through Homeownership SF and Asian Inc.	N/A	20, 21

* See Exhibit E-4 for list of sources used to describe each strategy, indicate City Program Lead(s), outline neighborhood examples and indicate what is proposed by 469 Stevenson Street.

Exhibit E-3 Description of Cultural Anti-Displacement Strategies

Strategy	Description	City Program Lead(s)	South of Market and Tenderloin Neighborhood Examples	Proposed by the 469 Stevenson Project	Sources*
Community Stabilization Initiative	Multi-agency effort to mitigate the impacts of ongoing displacement and help vulnerable populations thrive and contribute to the City's economy and culture.	Planning	SoMa Community Stabilization Fund, Tenderloin Development Without Displacement Initiative, SoMa Pilipinas Filipino CHHESS.	See descriptions below of anti-displacement strategies.	22
Racial Equity Plans	Development and implementation of Racial Equity Plans by City Departments.	Office of Racial Equity, Division of Human Rights Commission (HRC), Planning	Action plans that strengthen interagency collaboration and community engagement to advance racial and social equity in SoMa and Tenderloin.	N/A	23
Community Benefits Agreement (CBA)	Negotiated agreements that provide community benefits, including funding, services, community space, land dedication, and other benefits.	Office of Economic and Workforce Development (OEWD)	Negotiated CBAs with 5M, FITNESS SF, Lever, Spotify, and other large projects.	See descriptions below of anti-displacement strategies per voluntary community benefits agreement with Mid-Market Coalition and its constituent groups.	4, 24
Community, Arts and Cultural Stabilization					
Arts and culture protection	Ongoing support for arts and cultural organizations and historically underserved communities including grants for services, capital and capacity building.	San Francisco Arts Commission (SFAC), Grants for the Arts (GFTA), CAST (Culture Compass)	Representative buildings with arts and cultural organizations: Dempster Building, Old Mint Building, Bindlestiff Studio, Odd Fellows Building, Intersection for the Arts, San Francisco Chronicle Building.	Voluntary: Designate two ground floor spaces of about 4,000 square feet at below market rent for SoMa community-serving retail and community spaces. Building and Construction Trades Council will donate skilled labor for construction of tenant improvements for community serving non-profits.	2, 4, 25, 26, 27, 28, 29
Cultural District Initiative, including support of local Cultural Districts	Cultural District Initiative seeks to celebrate, strengthen, and coordinate the unique cultural identities of the city's communities.	Planning	SOMA Pilipinas – Filipino Cultural District, Leather & LGBTQ Cultural District, Transgender Cultural District.	N/A	30, 31, 32, 33
Historic Resource and Landmark Designations	Designations of landmarks and historic resources, particularly those associated with Cultural Districts, communities of color and vulnerable populations.	Planning	Designated landmarks per SF Planning Code. Potential Filipino historic resources per HRE Part II: 50 Rizal Street and California Register-eligible South Park Historic District.	N/A	30, 31, 32, 33, 34, 35
Community investment, including support of arts and cultural organizations, such as Cultural Centers	Funding for artists, arts organizations and historically underserved communities through grants, technical assistance and capacity building, economic development, education and cultural centers.	SFAC, Grants for the Arts (GFTA), Community Arts Stabilization Trust (CAST)	Yerba Buena Center for the Arts, SoMarts Cultural Center, which is also home to Asian Pacific Islander Cultural Center.	Voluntary: Same as above (designation of two community-serving and community spaces).	2, 4, 25, 26, 27, 28, 29
Community organization preservation - Nonprofit Sustainability Initiative (NSI), Community Cornerstones	Provision of financial assistance, professional services, assessment tools and other resources to address key challenges, including grants for property acquisition and lease stabilization.	SFAC, OEWD, Community Vision, CAST	Representative NSI acquisition or lease stabilization grants: United Playaz (UP), Healing WELL, Curry Senior Center, KULARTS, PUSH Dance Company (PUSH), SFFILM, Southeast Asian Development Center (SEADC), Southeast Asian Development Center (SEADC).	Voluntary: Same as above (designation of two community-serving and community spaces).	2, 4, 26, 27, 28, 29, 36, 37, 38, 39, 40, 41
Community organization support and retention	Support of community organizations that preserve culture and improve quality of life including health, public safety and resident wellness.	SFAC, OEWD, Community Vision, CAST	Variety of community organizations and centers including Bayanihan Community Center, Bayanihan Equity Center, Canon Kip Senior Center, Foundation For Filipina Women's Network, KULARTS, Kultivate Labs, Mabuhay Health Clinic, Renaissance Center, SEED Network, South of Market Community Action Network (SOMCAN), West Bay Pilipino Multi-Service Center, United Playaz.	Voluntary: \$578,700 to benefit resident-led projects and organizations in SoMa and Tenderloin and help fund programs to promote community, public safety, sanitation, and resident wellness.	2, 30, 31, 32, 33, 36, 37, 38, 39, 40, 41
Health and social services for vulnerable populations, including programs for Filipino children and youth	Health and social services to the City's most vulnerable populations and those who need language translation services.	Department of Public Health (DPH), San Francisco Human Services Agency (HSA)	Variety of service organizations including Canon Kip Senior Center, Glide Health Services, Larkin Street Health Clinic, Mabuhay Health Clinic, Pilipino Senior Resource Center, South of Market Health Center, SoMa RISE (Recover, Initiate, Support, Engage) Center, Tenderloin Health Services, West Bay Multi-Service Center, United Playaz.	Voluntary: Fund an independent impact assessment/ study to evaluate extent of construction impact, including impact to social equity, livelihoods, health, and the general SoMa population.	2, 31, 33, 42, 43, 44
Public art, civic art and public realm improvements	Provision of public and civic art as well as improvement of the public realm, including street safety.	SFAC, OEWD, Community Vision, CAST, SF Parks Alliance	Yerba Buena Gardens, Kapwa Gardens, Victoria Manalo Draves Park, Parks at 5M (Mary Court), Mint Plaza, Skybridge on Stevenson, StreetSmARTS Murals, SoMa Youth & Family Special Use District	Required: As part of required 1%-for-art program, contribute \$250,000 to support on-site public art projects that recognize the Filipino community's history, culture, and contributions.	2, 31, 33, 45, 46
Citywide Public Space Initiative and equitable recreation and park investments	Recreation and Parks' Equity Metrics endeavors to invest in open space and recreational investments in disadvantaged neighborhoods.	San Francisco Recreation and Parks Department, SF Parks Alliance	Yerba Buena Gardens, Gene Friend Recreation Center, Tenderloin Recreation Center, Kapwa Gardens, Howard & Langdon Mini-Park, Parks at 5M (Mary Court), Boeddeker Park, Eagle Plaza, Jessie Street, Mint Plaza, UN Plaza, Victoria Manalo Draves Park.	Voluntary: Provide in-kind contribution (valued at \$50,000/year) by the Project's on-site maintenance and administration staff to help maintain Mint Plaza.	5, 45, 46

* See Exhibit E-4 for list of sources used to describe each strategy, indicate City Program Lead(s), outline neighborhood examples and indicate what is proposed by 469 Stevenson Street.

Exhibit E-3 (Cont.) Description of Cultural Anti-Displacement Strategies

Strategy	Description	City Program Lead(s)	South of Market and Tenderloin Neighborhood Examples	Proposed by the 469 Stevenson Project	Sources*
Business and Workforce Stabilization					
Business retention and stabilization	Resources to start, run, grow, and support local businesses in San Francisco, including technical assistance, low interest loans, façade improvements (SF Shines), CBDs, and other programs.	OEWD, Office of Small Business, Main Street Launch	Mid Market, North of Market/Tenderloin, SoMa West, and Yerba Buena Community Benefit Districts (CBDs).	Voluntary: Same as above (designation of two community-serving and community spaces).	2, 4, 47, 48
Sustain local businesses and commercial corridors (Invest in Neighborhoods)	Partnerships between City agencies, nonprofits and CBDs to enhance and strengthen neighborhood commercial corridors through small business support, improvements to physical condition and quality of life, and capacity building.	OEWD, Office of Small Business, Main Street Launch	OEWD, Office of Small Business, Main Street Launch.	Voluntary: Same as above (designation of two community-serving and community spaces).	2, 4, 39, 48
Legacy Business Program	Funding and protections for City's longstanding businesses (30+ years) to stabilize anchor businesses and institutions that provide community-serving goods and services.	OEWD, Office of Small Business	Variety of legacy businesses as indicated in the Legacy Business Directory, such as Legal Assistance for Elderly and Mission Neighborhood Health Center.	N/A (none on site).	47, 50
Commercial vacancy tax	Commercial property owners must pay a tax to keep certain commercial space vacant for more than 182 days in a calendar year, with filing and payment to begin in 2023.	Treasurer's Office	Applies to the SoMa Neighborhood Commercial Transit District, which incorporates properties facing the street along Sixth Street, Ninth Street, Tenth Street and Folsom Street.	N/A (not in SoMa Neighborhood Commercial Transit District).	51
Commercial District Planning, Management, Safety, and Vibrancy	Customized support to stabilize neighborhood commercial corridors and investments in physical assets and civic spaces to promote a safe and vibrant environment.	OEWD	Mid Market, North of Market/Tenderloin, SoMa West, and Yerba Buena Community Benefit Districts (CBDs).	N/A	47, 48, 49
Workforce development and education	Workforce development, job placement and paid work experience opportunities, including workforce hiring programs and programs for young adults.	OEWD Workforce Development Division, HSA, MOHCD, Department of Children, Youth & Their Families (DCYF)	Job centers, occupational skills training and neighborhood and young adult access points such as Larkin Street Youth Services, SoMa Youth Collaborative, Program for Economic Advancement, Downtown Streets Team, 6th Street Employment Program. 5M project provided funding for workforce programs.	Voluntary: Develop employment programs for local residents of SoMa and Tenderloin in conjunction with OEWD 6th Street Employment Program.	2, 4, 52, 53, 54, 57
First Source Hiring	San Francisco First Source Hiring Program per Chapter 83 of San Francisco Administrative Code.	OEWD Workforce Development Division	SoMa Youth Programming, Program for Economic Advancement and related employment and training programs for neighborhood residents and workers.	Required: Provision of employment opportunities for economically disadvantaged individuals during construction and operations.	2, 55
Local employment programs	San Francisco Local Hiring Policy per Chapter 6 of San Francisco Administrative Code.	OEWD Workforce Development Division	Job Centers: Central City Hospitality, Southeast Asian Development Center, Upwardly Mobile. Occupational skills training resources: Homebridge, Episcopal Community Service.	Voluntary: Same as above (develop employment programs for local residents).	2, 4, 56
Minimum wage	Minimum Wage Ordinance per Chapter 12R of San Francisco Administrative Code.	Office of Labor Standards Enforcement (OLSE)	Required payment of minimum wages to neighborhood workers.	Required: As required by City Administrative Code	58
Wage theft protections and enforcement of other labor laws	Enforcement of local labor laws that apply citywide as well as to City contractors, lessees, and others doing business with the City.	Office of Labor Standards Enforcement (OLSE)	Protections for neighborhood workers.	Required: As required by City Administrative Code	59
Educational programs, including programs to support families and cultivate arts and culture	Education and family services, including early education/care and programs that cultivate arts and culture.	SF Department of Early Childhood (Formerly Office of Early Care & Education), San Francisco Unified School District (SFUSD)	Bessie Carmichael School, Filipino Education Center, Compass Children Center, Tenderloin Community Elementary School, West Bay Pilipino Multi-Service Center, United Playaz.	N/A	33, 59, 60, 61
Muni Service Equity Strategy	Provides service and transportation options to the City's most vulnerable populations and free transit rides for youth, seniors, and people with disabilities.	San Francisco Municipal Transportation Agency (SFMTA)	SFMTA service to neighborhood residents and workers, providing transit access to jobs, education and workforce programs.	N/A	62

* See Exhibit E-4 for list of sources used to describe each strategy, indicate City Program Lead(s), outline neighborhood examples and indicate what is proposed by 469 Stevenson Street.

Exhibit E-4 List of Key Sources for Figures and Exhibits on Anti-Displacement Strategies

- 1 San Francisco Planning Case 2017-014833PRJ, which presents residential and commercial components of the Proposed Project.
- 2 Vettel, Steven, Counsel for Project Sponsor, email correspondence with the San Francisco Planning Department, August 31, 2022.
- 3 Mayor's Office of Housing and Community Development, Letter to Director of San Francisco Planning Department, May 25, 2021.
- 4 Mid-Market Coalition, Letter of Support for the Proposed 469 Stevenson Street Project, October 20, 2021
- 5 469 Stevenson Property Owner, LLC, 469 Stevenson (SF Planning Case 2017-014833PRJ) Contribution for Maintenance and Repair of Mint Plaza, July 29, 2021
- 6 Geocoded databases compiled by San Francisco Planning Department regarding existing affordable housing, ADUs, SROs, and rent controlled apartments, as well as pipeline housing developments with both market rate and affordable units.
- 7 <https://sfmohcd.org/housing-development-financing>
- 8 <https://sfgov.registar.com/View.ashx?M=F&ID=6950192&GUID=EB1A5961-EEB1-4F4D-8863-90C0466ACDA2>
- 9 <https://www.sfnaf.org/projects/>
- 10 <https://sfplanning.org/public-land-housing>
- 11 <https://hsh.sfgov.org>
- 12 <https://sftreasurer.org/business/taxes-fees/homelessness-gross-receipts-tax-hgr>
- 13 <https://sfocil.org/housing>
- 14 <https://sfha.org>
https://cgoboc.sfgov.org/models/data/28Feb2022/docs/MOHCD%20CGOBOC%20Presentation%20Feb%202022_final.pdf
- 15 <https://sfrb.org/fact-sheet-1-general-information>: <https://sfrb.org/laws-regulations>
- 16 https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB8
- 17 <https://sfdbi.org/SRO>
- 18 <https://sfmohcd.org/small-sites-program>
- 19 <https://sfmohcd.org/community-opportunity-purchase-act-copa>
- 20 <https://sfmohcd.org/affordable-homebuyer-programs>
- 21 <https://sfmohcd.org/dalp>
- 22 <https://sfplanning.org/community-stabilization-strategy>
- 23 <https://sfplanning.org/project/racial-and-social-equity-action-plan>
- 24 <https://www.racialequitysf.org>
- 25 <https://sfgov.org/ccsfqsa/centralmarketcac/community-benefit-agreements-2018>
- 26 <https://www.sfartscommission.org>
- 27 <https://sfqfta.org>
- 28 <https://cast-sf.org>
- 29 <https://culturecompass.org>
- 30 <https://sfplanning.org/cultural-heritage>
- 31 <https://www.somapilipinas.org>
- 32 SoMa Pilipinas Filipino Cultural Heritage District Cultural, History, Housing, and Economic Sustainability Strategy Report (CHHESS), June 2022 Draft
- 33 https://static1.squarespace.com/static/5b2c30b58f51305e3d641e81/t/606735a1bda56a5896a81fee/1617376673646/SoMaPilipinas_map2021.pdf
- 34 <https://sfplanning.org/landmark-designation-program>
- 35 Historic Resources Evaluation Part II, Page and Turnbull
- 36 <https://oewd.org/nonprofits-0>
- 37 <https://communityvisionca.org/sfsustainability/>
- 38 <https://communityvisionca.org/mayor-london-breed-announces-3-3-million-in-funding-to-support-community-nonprofit-organizations/>
- 39 https://oewd.org/sites/default/files/ECN_Racial_Equity_Plan_V1_12.31.20_Appendix_E_OEWD_Vulnerable_Populations_Engagement_Assessment.pdf
- 40 <https://www.sfartscommission.org/content/2021-grantees>
- 41 <https://www.sfartscommission.org/content/2020-grantees>
- 42 <https://www.sfdph.org/dph/comupq/oservices/medSvs/hlthCtrs/default.asp>
- 43 <https://sf.gov/soma-rise-center>
- 44 <https://www.sfhsa.org/>
- 45 <https://sfrecpark.org/685/Recreation-Facilities>
- 46 <https://sanfranciscoparkalliance.org/our-community-partners/>
- 47 <https://sf.gov/departments/office-economic-and-workforce-development/office-small-business>
- 48 <https://oewd.org/resources-businesses>
- 49 <https://oewd.org/community-benefit-districts>
- 50 <https://legacybusiness.org/>
- 51 <https://sftreasurer.org/business/taxes-fees/commercial-vacancy-tax-vt>
- 52 <https://oewd.org/workforce>
- 53 <https://oewd.org/jobcenters>
- 54 <https://www.sfhsa.org/services/jobs-money>
- 55 https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-20483
- 56 https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-2671
- 57 <https://www.sfbuildingtradescouncil.org/news/top-stories/506-supervisors-approve-5m-development>
- 58 https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-8564
- 59 <https://sfgov.org/olse/>
- 60 <https://sfdec.org>
- 61 <https://www.sfusd.edu>
- 62 <https://www.sfmta.com/projects/muni-service-equity-strategy>

Attachment F– Statement of Qualifications– Seifel Consulting, Inc.

Seifel Consulting, Inc. (or Seifel) is an economic consulting firm that advises public and private clients on the planning, funding and development of high quality infill development. Since 1990, we have provided a range of real estate, economic and housing advisory services to more than 100 public agencies throughout California, completing over 1000 consulting assignments. The following page presents representative public and private sector clients that we have advised.

Real estate economics is the foundation for Seifel’s work. We combine insight into the real estate market with a technical foundation in pro forma cash flow modeling, asset valuation, and other analytical methods. We use the analytical tools of real estate economics and urban planning to evaluate development strategies for client properties.

Our real estate services include evaluating the market and development potential for a broad range of real estate product types, including housing, office, retail, and lodging. We project potential market demand on local and regional levels, identify existing and future competition, and forecast revenues and absorption. We have extensive experience analyzing value premiums generated by proximity to transit. Our analyses support area planning efforts by helping clients to select among alternative land use scenarios and fine-tune development regulations (e.g., building heights and parking requirements), based on considerations such as economic feasibility, job generation potential, and fiscal impact.

We perform financial feasibility analysis for development alternatives and evaluate properties in terms of opportunities and constraints, market potential, and importance toward broader area planning goals. We project the long-term revenue potential of development and calculate net present value of future income using pro forma cash flow modeling. We identify catalyst development sites and formulate strategies to encourage redevelopment and attract additional neighborhood investment, including funding strategies to achieve development success. We also advise clients on how to select potential developers, help negotiate and structure deal terms, and perform due diligence on financial proposals.

Seifel has facilitated the construction of thousands of housing units for households of all income levels, helping clients leverage limited resources to meet the unique housing needs of their communities. We have developed, reviewed and/or helped implement housing programs for more than 50 communities related to 100% affordable housing and mixed income housing development, inclusionary housing, housing fee, housing forecasts, density bonus programs and first-time homebuyer programs. We have prepared studies that analyze displacement and disparate impacts on residents and workers in Bay Area cities to inform live work preference policies.

San Francisco Experience

For more than two decades, Seifel has provided a broad range of economic consulting services to the City and County of San Francisco as well as other public agencies, community organizations and developers actively engaged in planning and development projects in San Francisco. Seifel has advised the City’s Planning Department, Office of Economic and Workforce Development, Mayor’s Office of Housing and Community Development, Department of Building Inspection, Port of San Francisco, the former San Francisco Redevelopment Agency, the Office of Community Investment and Infrastructure, Public Utilities Commission, San Francisco Municipal Transportation Agency, San Francisco Housing Authority, Treasure Island Development Authority, and Transbay Joint Powers Authority.

This experience has equipped Seifel with deep knowledge and understanding of the economic and market conditions that affect existing and future development in San Francisco, with a particular specialty in the evaluation of residential, mixed use and affordable housing developments.



Representative Public Sector Clients of Seifel Consulting, Inc.			
Berkeley Rent Stabilization Board		San Diego Association of Governments	
California Department of Real Estate		San Francisco Housing Authority	
California Department of Justice		Santa Monica Rent Control Board	
California Housing Finance Agency		Sunnyvale School District	
Clovis Unified School District		The Presidio Trust	
Hastings College of Law		Transbay Joint Powers Authority	
Housing & Community Development Corporation of Port of San Francisco		Treasure Island Development Authority	
San Buenaventura (Ventura) Housing Authority		US General Services Administration	
		University of California	
California Cities and Towns			
Alameda	Hercules	Petaluma	San Marcos
Albany	Hesperia	Pleasant Hill	San Rafael
Berkeley	Lafayette	Portola	Santa Cruz
Brentwood	Livermore	Rancho Cordova	Santa Monica
Capitola	Lodi	Richmond	Santa Rosa
Chico	Long Beach	Rocklin	Santee
Cloverdale	Los Angeles	Rohnert Park	Seaside
Concord	Los Gatos	Roseville	Soledad
Cupertino	Monterey	Sacramento	South San Francisco
Dublin	Moraga	Salinas	Stockton
East Palo Alto	Morgan Hill	San Carlos	Sunnyvale
El Cerrito	Mountain View	San Diego	Tehachapi
Elk Grove	Napa	San Fernando	Temple City
Emeryville	Novato	San Francisco	Truckee
Fairfield	National City	San Jose	Ukiah
Folsom	Oakdale	San Leandro	Union City
Fremont	Oakland	San Luis Obispo	Watsonville
Hayward	Palo Alto	San Mateo	West Sacramento
California Counties			
Alameda	Los Angeles	Nevada	San Joaquin
Butte	Marin	Placer	Santa Cruz
Contra Costa	Mendocino	Plumas	Sonoma
Fresno	Monterey	San Diego	Stanislaus
Kern	Napa	San Francisco	Yolo
Representative Private Sector Clients of Seifel Consulting, Inc.			
Asian Inc.		Kenwood Investment	
Bay Area Council		Kilroy Realty Corporation	
Best, Best & Krieger		Kronick Moskowitz Tiedemann & Girard	
BRIDGE Housing		Legacy Partners	
Carmel Partners		Lennar Communities	
Catellus Development Corporation		LINC Housing	
CCH of Northern California		Mercy Housing	
Centex Homes		Meyers, Nave, Riback, Silver & Wilson	
Chinatown Community Development Center		Mid-Peninsula Housing Coalition	
Civic Center Associates		salesforce.com, inc.	
Ford Foundation		Related California	
Forest City Development Company		salesforce.com, inc.	
Goldfarb & Lipman		Solano Affordable Housing Foundation	
Grosvenor		Sobrato Development Company	
Heritage Partners		The Real Estate and Land Use Institute	
The John Stewart Company		The RREEF Funds	



Seifel has advised on planning, housing and/or revitalization efforts in the Eastern Neighborhoods, Transit Center District, Northern and Southern Waterfront, Tenderloin neighborhood, and along the Market Street Corridor from Union Square to the Castro, as well as most of San Francisco's major public private partnership developments. Seifel has analyzed the market potential for a broad range of residential and non-residential uses—including retail, office, industrial and hotel/conference facilities. Seifel has provided real estate and economic advisory services to public agencies and private developers for the following representative San Francisco projects:

- 55 Laguna Street Mixed Use Development Financial Analysis
- 1500 Mission Street Mixed Use Development Financial Analysis
- Alcatraz Landing Real Estate, Economic and Lease Negotiation Support
- Balboa Park Mixed Use Development Financial Feasibility Assessment
- Balboa Reservoir Financial Analysis and Negotiation Support
- Boudin Lease Amendment Review and Financial Analysis
- Castro Retail Strategy
- Central SoMa Plan Economic Analysis
- Chinatown Economic Analysis of Potential Future Reuse for 838 Grant Street
- Eastern Neighborhoods Public Benefits and Economic Analysis Advisory Services
- Federal Court Expansion Valuation Study
- Fisherman's Wharf Retail Strategy
- Hunters Point Shipyard Fiscal Analysis and Developer Due Diligence
- India Basin Shoreline Market Study
- Japantown Cultural Heritage and Economic Sustainability Strategy
- Japantown Real Estate and Economic Development Advisory Services
- LGBTQ+ Cultural Heritage Strategy
- Market Octavia Plan Economic and Real Estate Analysis
- Mid-Market Redevelopment Feasibility Analysis
- Mission Bay Fiscal Analyses– 1450 Owen Street and Warriors Hotel/Residential Development
- Mixed-Use Development Financial Analysis for 901 16th Street
- Mixed-Use Development Financial Analysis for 1601 Mariposa Street
- North of Market Community Infrastructure Financing Advisory Services
- Northern Waterfront Transportation Survey Analysis
- Pier 70 Due Diligence Analysis and Negotiation Support
- Potrero 901 16th Street Financial Analysis
- Potrero 1601 Mariposa Street Financial Analysis
- Production, Distribution and Repair (PDR) Economic Analysis of Policy Alternatives
- San Francisco Overlook Residential Development Financial Analysis
- Seawall Lot 337 and Pier 48 (Mission Rock) Real Estate, Financial and Fiscal Advisory Services
- Seawall Lot 323 (Teatro Zinzanni/Hotel) Economic and Infrastructure Financing District Services
- Tenderloin/Central Market Housing Development Due Diligence Analysis
- Transferable Development Rights Program Evaluation and Market Analysis
- Transportation Sustainability Program Economic Analysis
- Transit Center District Plan Economic and Financial Advisory Services
- University of California Hastings College of Law Parking and Mixed Use Development Analysis
- Upper Market Plan Economic and Real Estate Analysis
- West SOMA Market Analysis
- West Crissy Development Advisory Services for the Presidio Trust

An Expert Team

Achieving success in the arenas of community revitalization and real estate development requires a realistic vision, skilled project management and a steady focus on objectives. Seifel Consulting guides our clients through the complexities of the planning and development process so that they can make sound decisions built upon a solid foundation of expert analysis and clear insight. Our objective is to help our clients transform their vision into measurable value and results.

Our professional staff is skilled in its approach to solving problems and committed to producing results. We offer a broad range of expertise in demographic and market research, financial analysis, public funding and financing, fiscal and economic impact analysis, planning, public policy evaluation and grant writing. Once we understand the requirements of a client's project, we assemble an interdisciplinary team of experts who have the skills and knowledge required to achieve client goals. Our integrated approach to strategic planning, economic analysis and project management is the key to our successful track record.

The firm President, Elizabeth (Libby) Seifel, is a certified planner (AICP) who has applied the principles of real estate economics and planning to property development and community revitalization for more than 30 years. Since founding her firm in 1990, she has advised private developers, investors and governments on residential, commercial, industrial and mixed-use projects ranging in value from \$5 million to \$4 billion, with a particular focus on urban infill, transit oriented development involving public private partnerships. She has guided the financing, development and planning of more than 20,000 affordable housing units in California and developed successful programs and strategies to achieve mixed income housing development.

Prior to founding her firm, Ms. Seifel was Associate-in-Charge of Williams-Kuebelbeck & Associates, overseeing their Bay Area real estate economic and management consulting practice. Ms. Seifel combines insight into the real estate market with a technical foundation in financial modeling and development feasibility testing. She has prepared financial, fiscal and economic analyses in order to evaluate and recommend a broad variety of plans, public policies and programs.

Ms. Seifel received her Bachelor of Science and Master in City Planning from the Massachusetts Institute of Technology (MIT). She is a certified planner with the American Institute of Certified Planners (AICP) and an elected member of Lambda Alpha International, the Honorary Society of Land Economists. Ms. Seifel was honored for her positive influence on real estate development, joining the Hall of Fame for Northern California Women of Influence in Real Estate.

Ms. Seifel actively promotes best practice in real estate development and urban revitalization through teaching and writing activities. She is a frequent speaker at professional conferences, having presented to the American Planning Association, California Association of Local Economic Development, Housing California, League of California Cities, and Urban Land Institute. She has chaired the Urban Land Institute (ULI) Urban Revitalization Council and SPUR Regional Policy Board. She currently serves on the Executive Committee for ULI's San Francisco District Council and served as the co-chair of the ULI Housing the Bay Steering Committee for five years.

Ms. Seifel served as the editor for *After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities* and the *California Affordable Housing Handbook*, among other publications. She has lectured at the UC Berkeley College of Environmental Design and taught a graduate-level course on Public Private Partnerships as part of its MRED+D program.