



San Francisco
Planning

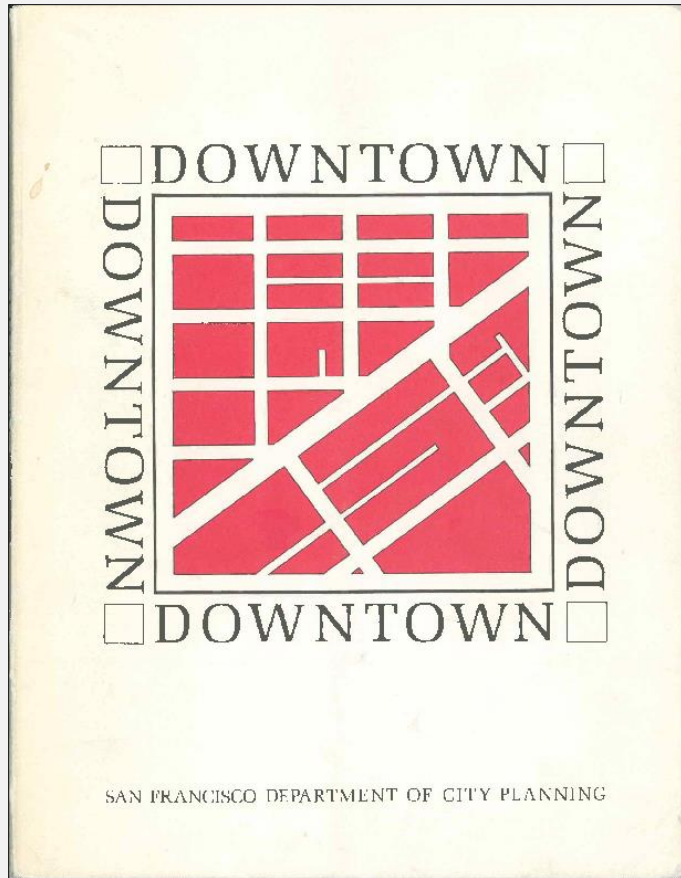
DOWNTOWN RECOVERY

THE FUTURE OF DOWNTOWN

Planning Commission / February 23, 2023

Lily Langlois
Principal Planner

Background **Downtown Plan**



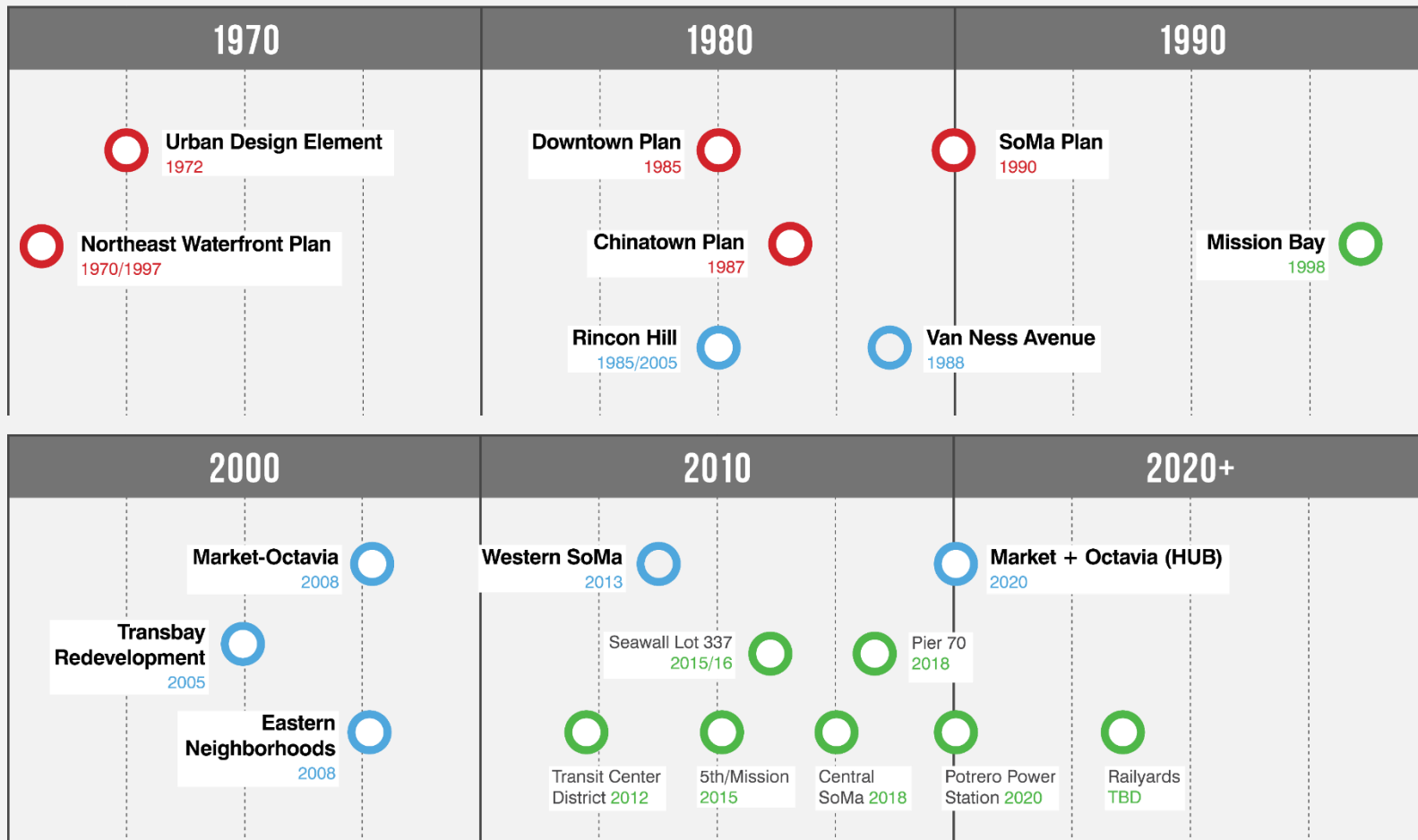
- Adopted in 1985.
- Widely praised for its ambitious effort to manage growth.
- Developed in response to:
 - office growth spreading outside the FiDi
 - growing outrage over the consequences of rapid uncontrolled growth, especially loss of historic buildings, poor design, impacts to housing and transportation.


Background **Downtown Plan**




- Re-directed employment growth to the C-3 district, shifting the center of gravity south to Market/Mission Streets and the area around the Transbay Terminal.
- Preserved permanently nearly 300 historic buildings; created 5 conservation districts.
- Supported housing within, and especially in neighborhoods adjacent to downtown..
- Re-affirmed Transit First and set transportation goals for transit ridership & vehicle occupancy rates.
- Established new open space, art, childcare requirements, and jobs-housing linkage fee to fund affordable housing.

Background **Downtown Plan**



 Reinforcing the Downtown, Protecting the Neighborhoods

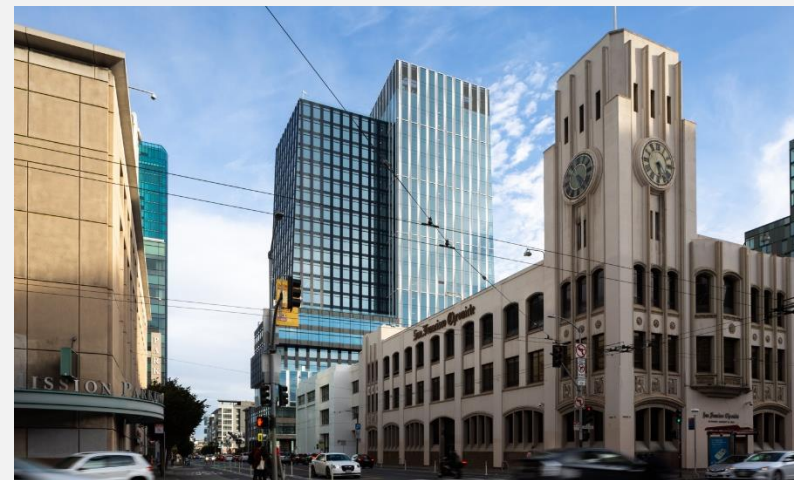
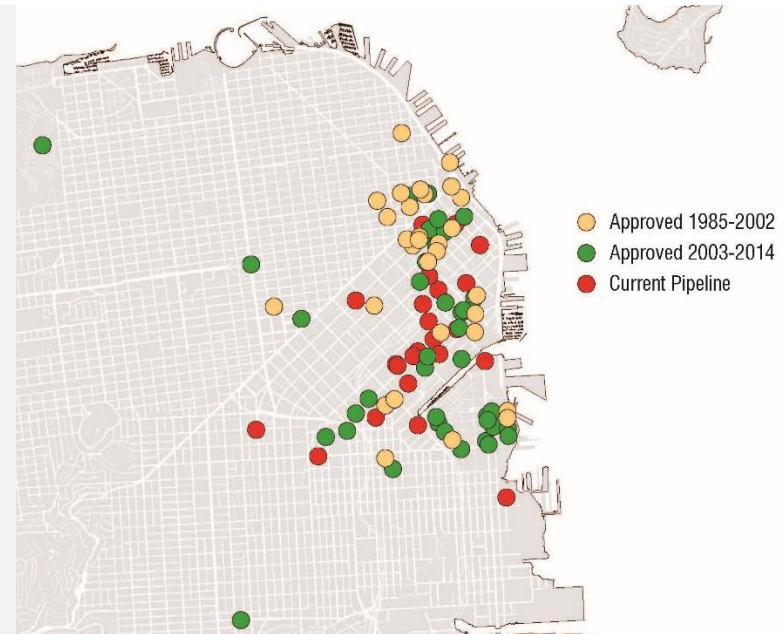
 TOD Housing, Better Neighborhoods

 Expanding the Core, Space for Jobs and Urban Mixed Use

Background **Downtown Plan**

Office Allocation: Prop M + Prop E

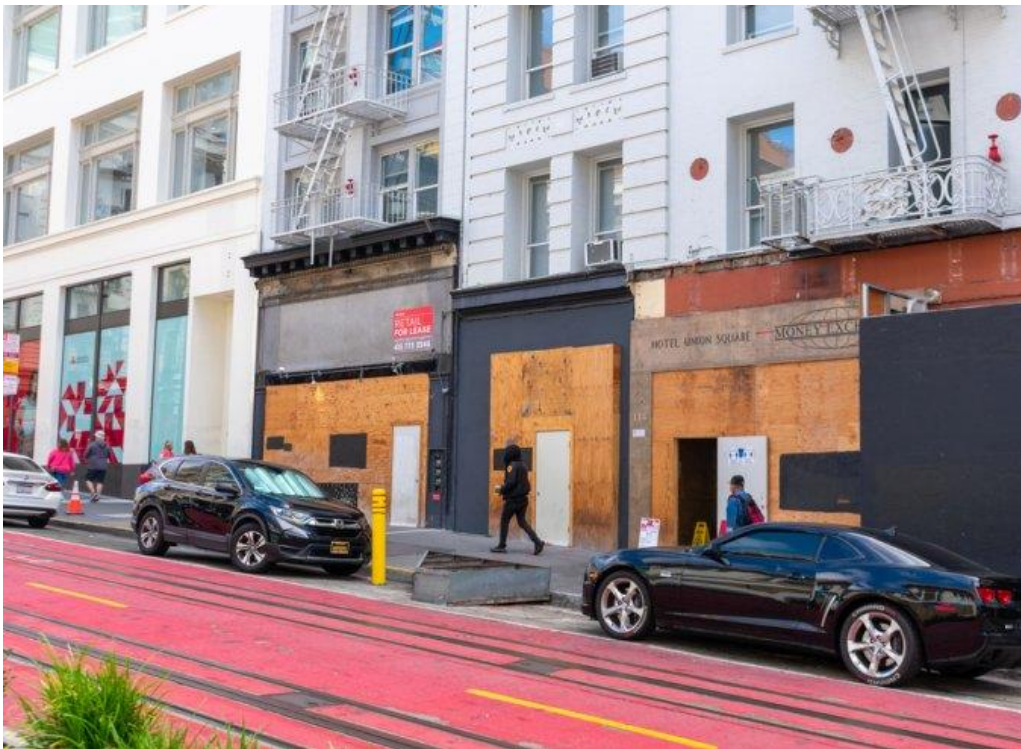
- Almost two-thirds of the city's office space is located in the Downtown C-3 District.
 - Most new office in past 20 years has been outside (south) of the C-3 District.
- Since 1985, allocated 30.4M sf of office:
 - Large Cap 27.9M sf
 - Small Cap 2.5M sf
- Currently available:
 - Large Cap 199,755 sf
 - Small Cap 430,192 sf
- Have seen a shift towards small cap projects in last three years, as large cap became more constrained with the adoption of the Central SoMa Plan (2019) and Prop E.



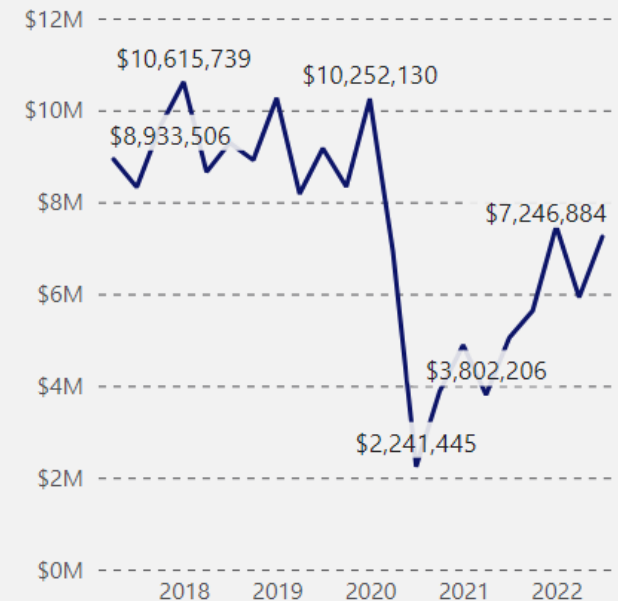
COVID Impacts

1 Heightened or accelerated pre-pandemic trends

- Challenges to brick-and-mortar retail with competition from e-commerce and broader changes of the retail economy.
- High rents + rising vacancies



Financial District/South Beach total annual sales tax

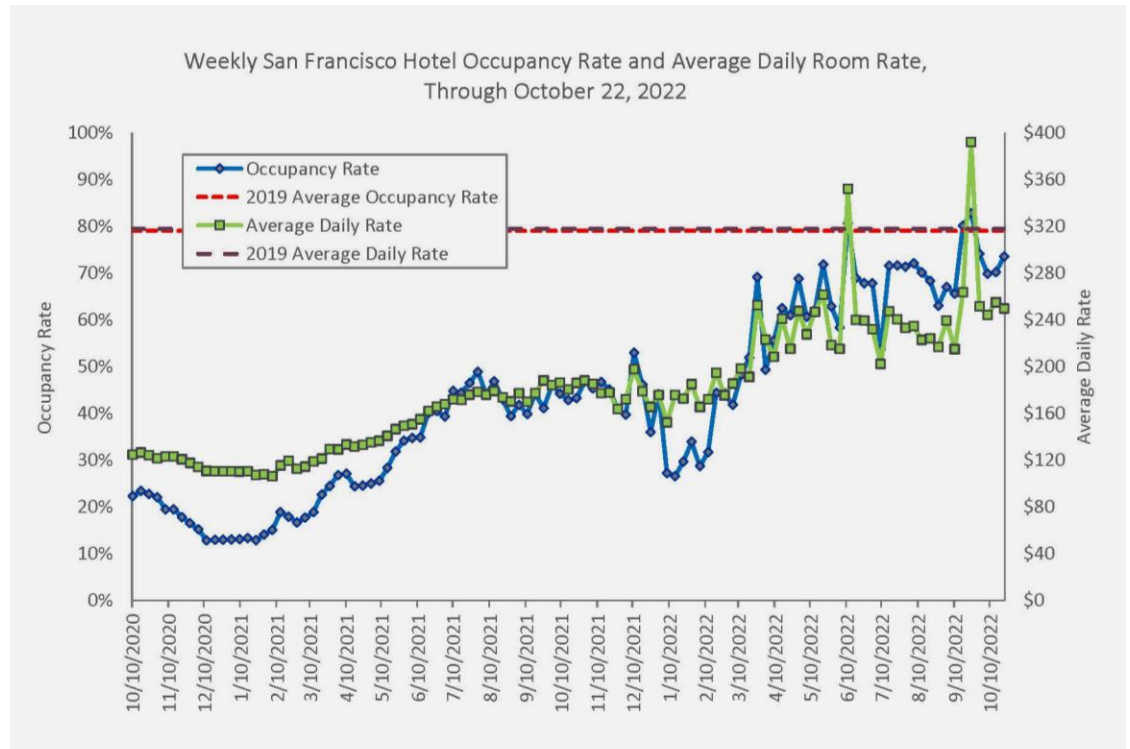


COVID Impacts

2

Temporary changes to the economy that will revert to pre-pandemic trends

- Tourism, conferences, indoor dining, and cultural/arts activity nearly ceased in March 2020.



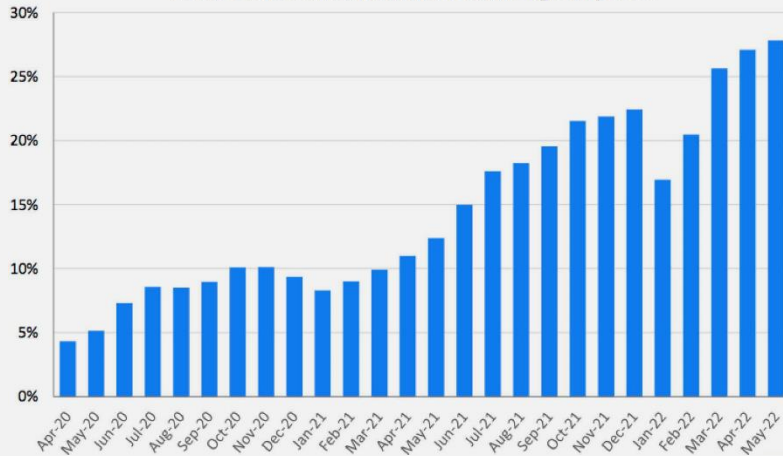
COVID Impacts

3

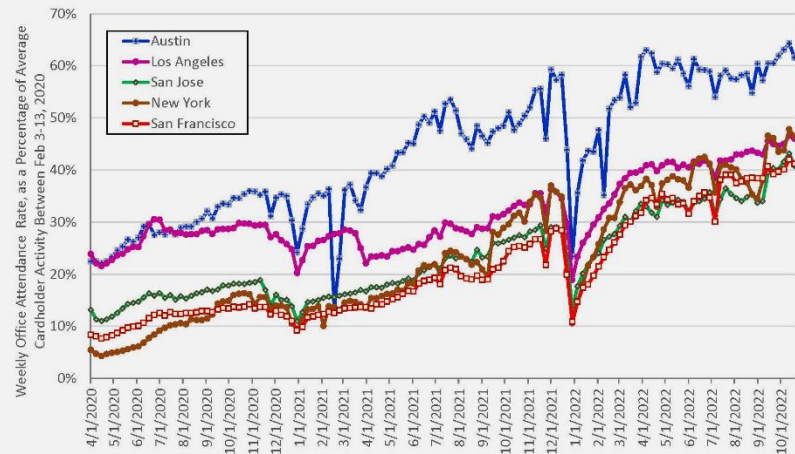
New, novel effects that are contrary to pre-pandemic dynamics and will have lasting impacts to varying degrees

- Changes in the frequency and intensity of the use of physical office space.
- Changes in commute patterns.

BART Exits At Downtown San Francisco Stations, as a % of the Same Month in 2019, Through May 2022



Weekly Office Attendance in San Francisco and Other Selected Metros, Through October 19, 2022



How a massive Twitter layoff — and mandatory return to office — would impact S.F.

Chase DiFeliciano & Roland Li
Updated: Nov. 4, 2022 10:44 a.m.

Pinterest cancels huge SF office lease in unbuilt project, citing work-from-home shift

Roland Li | Aug. 28, 2020 | Updated: Aug. 31, 2020 11:02 a.m.

Here's how Bay Area residents really feel about returning to the office

Chase DiFeliciano
Updated: Oct. 3, 2022 5:59 p.m.

Efforts Underway

- The Planning Department and OEWD are engaged in a coordinated effort across city departments to address:
 - Short-term opportunities to activate downtown and spur recovery.
 - Longer-term solutions related to business and use mix to ensure that our downtown is more resilient, economically vibrant, and socially inclusive in the future.

Efforts Underway **Economic Diversification**

- OEWD hired KPMG and Bay Area Council to complete a Covid Economic Impact Analysis Study and survey.
- Explore code changes and other economic development incentives to support existing and attract new businesses.



Efforts Underway Expanding Downtown Housing



- Work by City and partners including SPUR looking at factors that may affect the feasibility or desirability of conversion to understand the landscape of buildings that would make good candidates.
- Exploring Planning Code and Building Code barriers to conversion.
- Analysis of supporting amenities and facilities to ensure that downtown is a viable and inclusive residential neighborhood.

Efforts Underway **Public Life and Retail**

- Explore ways to incentive and/or streamline new businesses.
- Near term grant programs to activate the public realm and facilitate pop-ups in vacant storefronts.
- Build off the Public Realm Action Plan created by the Downtown SF Partnership to pilot creative ways to draw people downtown, and scale successful models to other parts of the Economic Core.



Efforts Underway **Union Square**

- Build off the strategic planning effort led by the Union Square Alliance.
- Understand what types of businesses are currently located in Union Square.
- Explore ways to incentive and/or streamline activity in and around Union Square.



What to expect over the next 6 months:

- Meeting with community-based organizations and downtown stakeholders to hear about what they are doing, their interests and priorities.
- Surveying how other cities are addressing downtown recovery including regulatory changes to address land use and urban form to allow for more flexibility of uses, as well as financial incentives to address feasibility and spur investment.
- Collaborating on two important studies, the Covid Economic Impact Analysis led by OEWD and analysis around residential conversion led by SPUR and Gensler.
- Partnering with OEWD to explore an Arts, Culture and Entertainment zone
- Developing legislation to support downtown recovery by allowing for more flexibility of uses in C-3 districts and changes to building development controls to support residential conversion.
- Working with other city departments to advance recommendations for financial incentives.
- Partnering with SPUR and ULI on a Technical Assistance Panel (TAP) on the future of downtown. The TAP is expected to take place in May 2023.



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OFFICE PROJECTS

STATUS UPDATES

Planning Commission / February 23, 2023

Corey Teague
Zoning Administrator

Office Projects NOT YET Under Construction

- 22 Total Office Projects = 5.9M square feet
 - 11 Small Cap projects totaling nearly 500,000 sf.
 - 11 Large Cap projects totaling approximately 5.5M sf.
 - 4 of the 11 Large Cap projects are separate phases of 2 larger projects.
 - 5 of the 11 Large Cap projects are associated with Development Agreements.
- 2 Office Projects under construction, but on hold:
 - 50 1st St (aka Oceanwide Center): Approx. 1.05M sf
 - 88 Bluxome St (former SF Tennis Club): Approx. 775,000 sf



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THANK YOU

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