



**OCCUPATIONAL & ENVIRONMENTAL HEALTH**

September 17, 2003

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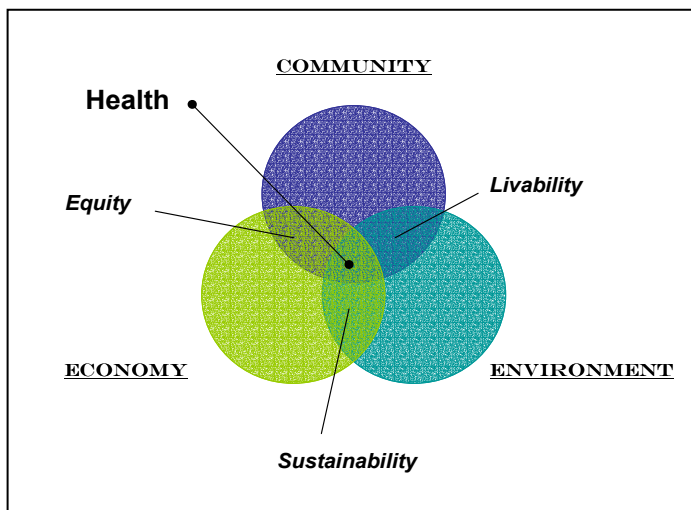
**RE: DEIR for 300 Spear Street 201 and Folsom Street  
Rincon Hill Planning Process**

Dear Mr. Maltzer:

Our agency recently reviewed the DEIRs of the proposed projects at 300 Spear Street and 201 Folsom Street. I understand that these DEIRs have been certified by the Planning Commission; however, we are providing this review in the hopes that future environmental review required under the California Environmental Quality Act, including those required for the proposed Rincon Hill plans, may more comprehensively address impacts important for the health and environment of San Franciscans. Our review is focused on the following potential issues:

1. Conflicts with established housing policy and goals including the regional housing needs determination, local affordable housing goals, the transit first goals, and neighborhood livability goals;
2. Potential adverse impacts on population and housing due to increased demand in the low income sector of the housing market
3. Potential adverse health effects on human beings due to the loss of affordable housing, inadequate housing, or displacement;
4. Potential environmental justice impacts.

Our analysis is motivated by our review of CEQA and our experience with environmental justice in San Francisco. This review is also informed by the World Health Organization and the United Nation's Environmental Program's activities on health and sustainability. These frameworks consider how urban planning influences health through interrelated impacts on the environment, the economy, and social cohesion. They view social cohesion (community), our ecology, and our



economy as interdependent and collectively exerting powerful influences on health and human being.

As you know, the San Francisco Department of Public Health already participates in the City's environmental review focusing on issues of air quality; contaminated soil and water, and the handling of hazardous materials or wastes. However, land use, housing and transportation decision may produce other direct and indirect adverse effects on health and human well being as strong as or stronger than effects due to pollution and environmental contamination. For example, land use policies influence the type of housing constructed, housing affordability, and the jobs—housing balance. Inadequate housing has direct impacts on human health and the job-housing balance has indirect impacts through transportation effects, air quality effects, displacement, and changes in community character and cohesion.

### **Context and Project Description**

The Rincon Hill area is south of the Financial District and north of the South Beach neighborhood. According to the planning department, this area is envisioned as a new mixed-use residential neighborhood adjacent to downtown, with new housing and a full range of services and amenities to compliment new uses and a substantial new residential population. The objective for the proposed Rincon Hill rezoning is the development of a full-service urban neighborhood. The creation of this new neighborhood will require new open spaces, sidewalk and lighting improvements for the pedestrian realm, closely integrating these improvements with the needs of transit and cyclists, ensuring adequate sunlight and enhancing public views to the Bay and the City, and preserving and enhancing the character and scale of finely grained residential areas within the Rincon Hill area.

According to planning department documents, 201 Folsom Street would consist of two residential towers of heights of 350 feet and 400 feet, above an approximately 80-foot podium with full lot coverage and would include up to 725 dwelling units, about 38,000 square feet of commercial and retail uses and about 753 off-street parking spaces for residential and retail uses, and about 272 parking spaces to replace existing USPS parking. 300 Spear Street would consist of two residential towers of heights of 350 feet and 400 feet and two 85 foot high residential buildings, and would include up to 820

#### **Land Use Policy Related to Local and Regional Housing Needs (Residence Element)**

Objective 1, Policy 2: Facilitate the conversion of underused industrial and commercial are to residential use, giving preference to permanently affordable housing.

Objective 2, Policy 2: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households.

Objective 12, Policy1: Assure housing is provided with adequate public improvements, services, and amenities.

Objective 16, Policy 2: Encourage development of housing in the Bay Area which will meet regional housing needs and contribute to the quality of life in the region.

dwelling units, approximately 35,000 square feet of retail, and up to 890 off-street parking spaces.

**Consistency with Housing Policy and Goals**

CEQA considers as potentially Significant Impacts on the Environment the *conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?* (CEQA Environmental Checklist). The San Francisco General Plan’s 1990 Residence Element and the Regional Housing Needs Determination (RHND) are two applicable land use policies.

Objectives and policies in the Residence Element relevant to this project are listed in the box above. The RHND is a State mandate, devised to address the need for and planning of housing across a range of affordability and in all communities throughout the State. Each jurisdiction within the Bay Area (101 cities, 9 counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is specified by the California State Department of Housing and Community Development (HCD) and finalized through negotiations with ABAG. The timeframe for this RHND process is January 1, 1999, through June 30, 2006, (a seven and a half year planning period).

Jurisdiction	Total Projected Need	Very Low	Low	Moderate	Above Moderate	Average Yearly Need
SAN FRANCISCO	20,372	5,244	2,126	5,639	7,363	2,716

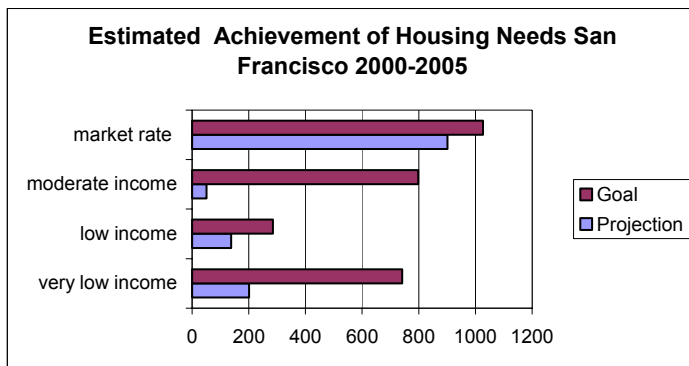
The section on growth inducement of the SF Planning Department’s Draft EIR for 300 Spear Street and 201 Folsom Streets states that the development of approximately 820 dwelling units in each project should be viewed in the context of the city’s annual need to build 2716 units or 20,372 units between 1999 and 2006. However, the State determined fair share housing needs for San Francisco categorized needs by income category.<sup>1</sup> The RHND includes 5244 units affordable to very low income residents, 2136 units affordable to low income residents, 5639 units affordable to moderate income residents, and 7363 units affordable to above moderate income residents. While San Francisco has met its market rate housing targets in recent years, it has not met moderate income, low income and very low income housing needs. The Draft 2003 Housing Element projects a similar disparity in the future.

Meeting income specific housing needs and matching new housing demand with local employment potential are goals that relate to important environment effects including those on air quality and the protection of open space. Meeting income specific needs also relate to potential

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<sup>1</sup> [http://www.abag.ca.gov/cgi-bin/rhnd\\_allocation.pl](http://www.abag.ca.gov/cgi-bin/rhnd_allocation.pl)

adverse impacts on human beings (discussed below). These relationships are explained in the 2003 draft of the California State General Plan Guidelines.



The DEIRs for these projects do not evaluate the projects against these specific categories of regionally determined housing needs. Similarly, the Draft EIR similarly does not explicitly address its consistency with the Residence Element's policies on affordable housing. In order to assess conflict or consistency with local housing policy, future environmental review could look at how this project meets housing needs disaggregated by the categories in the RHND.

Residence Element policy also aims to assure housing is provided with adequate public improvements, services, and amenities. (See box above) The project adds 1600 dwelling unit to the area, creating a potentially significant demand on residential public services. While new residents living in this area would have excellent access to local and regional transit and consequently few transport-related barriers to employment and higher education, new housing in this area requires additional and complimentary investments to ensure they meet the day to day needs of diverse residents and to ensure that Rincon Hill becomes a socially and economically integrated San Francisco neighborhood.

Specifically, the current neighborhood environment does not meet the needs of families with children potentially limiting the ability of the projects to meet a large segment of the city's most urgent housing needs. Having an elementary school within walking distance is a particularly important consideration for families. Neighborhood childcare facilities are another important service that would both promote gender equity in planning and promote transit first goals. Potentially adverse impacts of commuting to school on children include the loss of sleep, exposure to vehicle pollution, and the lost opportunity for exercise. In order to assess consistency with the Residence Element policy, the EIR could better describe how the project fits with the goals of the area planning process and describe the timeline and mechanism for achieving how essential goods and services necessary for livable neighborhoods such as schools.

### **Impacts to Population and Housing**

CEQA lists the following potentially adverse impacts to population and housing in its

#### Environmental Checklist:

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?
- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

The initial study for these projects reasoned that the proposed project would not have significant environmental effects to population and housing, citing consistency with jurisdictional needs and typical urban densities. The DEIR also reasoned that *“the proposed 820 residential units would more than offset housing demand created the projected employment in the development [of 355 people in retail and office uses.] Citing the project’s consistency with the Rincon Hill Plan, the initial study also states: “A majority of the people living in Rincon Hill residential area could conceivably be employed in Downtown San Francisco and could easily walk to work from home.”*

The discussion above is relevant to the issue of consistency with jurisdictional housing needs. In addition, though both the DEIR and the initial study acknowledge San Francisco’s expensive housing market, the position of no significant environmental effects does not consider the mediating effects of housing affordability. This position also appear to conflict with a subsequent statements in this section, including *“New workers would also increase the demand for housing in other parts of the Bay Area.”*

Currently, Only 7.3% of San Francisco Households currently earn enough to afford the median sale price of housing. (San Francisco Housing Databook, 2002) In the Bay Area Region, only 16% of people can afford to buy a median-priced home. [Greenbelt Alliance] In addition, the fair market rent for a two-bedroom apartment is \$1904 which is affordable only to those who make 90% of the average family’s median income of \$86,100. (National Low Income Housing Coalition, 2002).

The DEIR states that *“some new jobs would be filled by individuals who already live and work in the city, those who live in the city but who were previously not employed; those who live in the surrounding communities; or by those unable to afford to reside in the City.”* Many jobs in retail and office uses will pay at the lower end of the income distribution, including cashiers, waiters and cooks, sales people and clerks, and painters, carpenters and electricians. Given the current ability of San Francisco households to afford market rate housing, only a small minority of the new jobs is likely be able to afford market rate housing either in the project or in San Francisco. Similarly, few current downtown employees may be able to afford market rate housing in these projects.

CEQA recognizes that significantly adverse effects can be products of indirect and complex pathways, including those mediated or modified by social and economic effects.

*An EIR [Environmental Impact Report] may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. [California CCR 15131]*

In general, mixed use, high density development can be beneficial in urban areas such as San Francisco with an imbalance of jobs and housing. Such projects can contribute to meeting the city's housing shortage, reduce the need for private vehicle transportation, and limit urban sprawl; however, such benefits depend on a match between the amount and type of housing, the people in employment, and the income of jobs. In its section on environmental justice and sustainability, the 2003 State of California General Plan Guidelines similarly emphasizes the need to carefully match employment potential, housing demand by income level and type, and new housing production. If housing affordability is not consistent with distribution of current and expected income levels in mixed use neighborhoods, the expected environmental benefits of transit-oriented mixed use development and the social benefits of mixed-income integrated neighborhoods will not occur.<sup>2</sup>

The DEIR does not estimate what proportion of residents of these proposed projects are likely to work in the downtown area. It also does not estimate what proportion of current or future downtown employees will be able to afford to live in the proposed projects. Depending on the mix and balance of future residents and the location of their employment, the project could potentially increase trips by automobile into the downtown area in addition to those projected in the transportation analysis. This increase in overall vehicle trips could potentially defeat or even reverse expected benefits such as the promotion of walking and reduction of air pollution.

### **Direct and Indirect Adverse Impacts to Humans**

Direct and indirect substantial adverse impacts to human beings are mandatory significance findings under CEQA. CEQA law similarly specifies that *a social or economic change related to a physical change may be considered in determining whether the physical change is significant.* [15382]

The initial Study for these projects recognizes the challenges to housing affordability in the region, stating “*New workers would also increase the demand for housing in other parts of the Bay Area.*” However, the DEIR does not estimate the degree to which new workers influence may create demand for housing in other areas outside of Rincon Hill and in sub-sectors of housing

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<sup>2</sup> [www.brookings.edu/views/speeches/downs/20030529\\_downs.htm](http://www.brookings.edu/views/speeches/downs/20030529_downs.htm)

markets. Given the current status of the housing demand, especially in the low income range, in the Bay Area, this could be a potentially significant effect.

Increased housing demand in specific markets could adversely affect neighborhood, local and regional housing affordability. The consequences of exacerbating this situation include potentially significant adverse human impacts. Already, families are working longer hours and multiple jobs to afford housing limiting time for sleep, recreation, and spending time with their children. Spending more of household income on rent often means doing without necessities such as food and clothing. Many families accept inadequate housing, affecting health conditions such as asthma, their personal sense of control, their level of stress and how well their children perform in school. Increased demand contributes to displacement meaning that some people would accept housing beyond their means, accept inadequate housing, move out of the city or region, or become homeless. Displacement results in the loss of supportive family and community relationships and potentially leads to changes in community character and cohesion. Homelessness is the most severe consequence of unaffordable housing and results in exposure to the elements, disease susceptibility, a decrease in self-esteem, a loss of a sense of control and an ability to care for oneself, and social stigma.

On the other hand, balancing housing affordability and economic potential through appropriate mixed-income development can produce desirable health and social results. Economically integrated neighborhoods have significant benefits for the health and development of children. For example, in lower income children benefit from residence in more economically integrated neighborhoods as evidenced by improved measures of school performance and behavior.

### **Environmental Justice**

Environmental Justice provides another rationale for considering population, housing, and livability under CEQA. California Law defines Environmental Justice as *the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.* (Government Code Section 65040.12) In California, Assembly Bill 1553 requires that the principles of environmental justice be incorporated into state guidelines for local general plans. [AB 1553] The 2003 draft General Plan Guidelines include mixed-income housing development as a component of environmental justice. An environmental justice analysis of this project could focus on the potential for disproportionate impacts to low income and minority populations currently working in the downtown area, expected to be working in new retail and office uses, or living in areas that may be affected by any increased demand for housing created by this project. It could also look at the potential to enhance equity and social solidarity in San Francisco through matching the incomes of area jobs to the quantity and type of housing development.

### **Methods and tools available for Environmental Impact Assessment**

A number of resources are available to assess the potential impacts described above. In 1994, the U.S. Federal Government published a set of guidelines for Social Impact Assessment (SIA)

to compliment the analysis of physical environmental effects. (Inter-organizational Committee on Social Impact Assessment, 1994) The guidelines include social impacts such as population dynamics, political and institutional structures, community assets, personal resources, and health. In the US, transportation agencies such as the California Department of Transportation have guidelines for community impact assessment. Outside the US, public health practitioners have developed a practice of Health Impact Assessment (HIA) that seeks to integrate systematically diverse assessment methods to emphasize the social, economic, environmental, and institutional conditions affecting health.

I would appreciate your consideration of this review and the opportunity to meet with you to discuss how some of the issues raised may be productively addressed in future environmental review. Please contact me at 252-3982 at your convenience.

Respectfully,

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