



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: APRIL 4, 2019

Date: March 28, 2019
Project: Office Development Annual Limit Program – Update
Staff Contact: Corey Teague – (415) 575-9081
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Recommendation: **None – Informational Item Only**

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BACKGROUND

San Francisco's Office Development Annual Limit Program ("Program") was initially created in 1985 as part of the Downtown Plan. It limited the amount of large office development (projects containing at least 50,000 square feet of office space) that could be permitted each year in the City (the "Large Cap"). The passage of Proposition M the following year amended the Program in various ways, including the addition of a new and separate annual limit for smaller office development (projects containing between 25,000 to 49,999 square feet), which is commonly known as the "Small Cap." The Planning Commission cannot allocate office space to any development beyond what is available in the relevant cap at any given time. However, it is not a use-or-lose program, and unallocated office space in one year rolls over to the next year.

There are currently 2,892,466 square feet available for allocation in the Large Cap. However, there are currently numerous large office development proposals on file with the Department that represent approximately 6.6 million square feet. Of these, the majority of square footage proposed (5,160,819 square feet) is in Central SOMA. While the Large Cap receives an annual allotment of 875,000 square feet each October, and many of the office projects on file may eventually change and/or take multiple years to fully mature, it is likely that the Large Cap will be depleted at some point within the next two years if the typical project-by-project review process continues. The Planning Commission has sole authority to grant office space allocation under Prop M (although such allocations are appealable to the Board of Appeals). The Commission may choose the process for allocating space for situations where there are more applications for space than square footage available.

Planning Department staff will give an informational presentation on the background, mechanics, and current status of the Program. Additionally, the Department will present information regarding several large office projects within Central SoMa that may soon come before the Planning Commission. Because the Central SOMA projects were being planned and designed during the preparation of the Central SOMA Plan, these projects all provide public benefits at levels consistent with the plan. Staff will present the various projects to the Commission, and currently believes that the first phases of most large Central SOMA projects can be allocated within the current Large Cap, generally in the order that the projects are otherwise ready for Commission action.

REQUIRED COMMISSION ACTION

This item will be presented for informational purposes only. No formal action by the Planning Commission will be required.

RECOMMENDATION: None – Informational Item Only
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Attachments:

Current Office Development Annual Limit Program Figures