



## MEMO TO THE PLANNING COMMISSION

September 2, 2021

**Subject:** Office Development Annual Limit Program – Updated Status  
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### Central SoMa Reserve

Proposition E created a 1.7 Million square foot “Central SoMa Reserve” of office space available for allocation only to Large Cap projects within the Central SoMa SUD that meet specified criteria. The Central SoMa Reserve is entirely separate from the square footage available in the standard Large Cap. As such, the square footage within the Central SoMa Reserve is intended to be allocated to Large Cap projects within the SUD when there is insufficient office space available within the standard Large Cap. However, starting from January 1, 2019, the Planning Commission may not allocate more than 6 Million square feet in the SUD until at least 15,000 housing units are produced in the larger SoMa neighborhood.

Proposition E requires the Office Development Annual Limit Program (“Program”) to gradually account for the total square footage allocated to projects from the Central SoMa Reserve. More specifically, one-tenth of all additional office space allocated from the Central SoMa Reserve in a year is deducted from the Large Cap’s annual allotment at the beginning of the next allocation year (i.e., October 17). The one-tenth deductions then continue each year until the allocated amount is reduced to zero (i.e., 10 years total).

### 598 Brannan St and Mission Rock Parcel G

The project at 598 Brannan Street was granted an office allocation by the Planning Commission on December 3, 2020 for a total of 211,601 square feet (Motion No. 20816). The Department reported then that there were 148,824 square feet available in the Large Cap, that the project would deplete all that availability, and then draw the balance of 62,777 square feet from the Central SoMa Reserve per Proposition E. These numbers are provided in additional detail in the table below.

Information Provided for 598 Brannan St Allocation		
Date	Event	Square Feet
10/16/20	Large Cap Balance	24,949
10/17/20	Annual Allotment	527,625
	Subtotal	<b>552,574</b>
10/22/20	Station A Allocation	(403,750)
	Subtotal	<b>148,824</b>
12/3/20	598 Brannan St Allocation	(211,601)
	Large Cap Balance	<b>0</b>
	CSoMa Reserve Deduction	<b>(62,777)</b>

The Program provides that office space in buildings on property under the jurisdiction of the San Francisco Port Commission does not require an office allocation from the Planning Commission, and such square footage is automatically deducted when the first site or building permit is issued. The site permit for the building on Parcel G within the Mission Rock development, which is on land under the jurisdiction of the Port, was issued on October 30, 2020 for a total of 283,323 square feet of office space. However, the Planning Department did not become aware of the issuance of that permit until March 2021.

As a result, the Large Cap was already at a negative balance (-134,499) when the allocation was granted to the project at 598 Brannan Street on December 3, 2020. Therefore, the 598 Brannan Street project actually drew down its full allocation of 211,601 square feet from the Central SoMa Reserve instead of only 62,777 square feet. Per the one-tenth provision explained above, 21,160 square feet will be deducted from the Large Cap on October 17, 2021 to account for this allocation instead of the previously reported amount of 6,278 square feet. These numbers are provided in additional detail in the table below. To date, no other projects have received an allocation from the Central SoMa Reserve.

Corrected Program Tracking Information		
Date	Event	Square Feet
10/16/20	Large Cap Balance	24,949
10/17/20	Annual Allotment	527,625
	Subtotal	<b>552,574</b>
10/22/20	Station A Allocation	(403,750)
	Subtotal	<b>148,824</b>
10/30/20	Mission Rock Parcel G Building Permit Issued	<b>(283,323)</b>
	Subtotal	<b>(134,499)</b>
12/3/20	598 Brannan St Allocation	(211,601)
	Large Cap Balance	<b>(134,499)</b>
	CSoMa Reserve Deduction	<b>(211,601)</b>

An updated, comprehensive Program tracking sheet will be released in the coming weeks. However, this memo is provided in advance of the hearing for the office project at 490 Brannan Street on September 9, 2021, which also proposes to receive an allocation from the Central SoMa Reserve. The information contained in the case report for 490 Brannan Street reflect the corrected numbers provided above.

Please feel free to contact the Department with any questions you may have regarding this update.