



West of Twin Peaks Central Council

A Resource for Neighborhood Organizations West of Twin Peaks in San Francisco since 1936

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July 11, 2010

**Mr. Bill Wyco
Environmental Review Officer
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA. 94103**

Subject: Re Parkmerced Project Draft EIR

Dear Mr. Wyco,

This forwards the West of Twin Peaks Central Council's (WTPCC) Comments on: 1) the Parkmerced DEIR and 2) how this DEIR relates to the San Francisco Planning Departments recently published 19th Avenue Corridor Study.

The WTPCC helped to initiate the 19th Avenue Corridor study so that the cumulative impact of several individual planning projects could be reviewed comprehensively on the West side of San Francisco. Heretofore, each planning review project was examined on an individual basis and approved on its merits. It is our organizations belief that the 19th Avenue Corridor Study will help the Planning Department and the Western neighborhoods mitigate the combined infrastructure impacts of the Parkmerced, San Francisco State University, 800 Brotherhood Way, 77-111 Cambon, 700 Font (SFUSD), Stonestown, 445 Wawona (Arden Wood) and 1150 Ocean (Balboa Park) projects.

It was the intention of the San Francisco Planning Department to apply the findings of the 19th Avenue Corridor study to developments like the Parkmerced Project and by extension to the Parkmerced DEIR.

City Code requires the Planning Department to review any development consisting of 20 residential units or more and/or 50,000 square feet of retail or commercial space that would be located along or near the southern portion of the 19th Avenue Corridor. The build-out of the above identified development projects is estimated to increase the city's population by about 16,850 persons by 2030. These projects would include about 7,375 residential units, 460,000 gsf of retail uses, 834,000 gsf of institutional/educational uses, 80,000 gsf of office uses, 214,000 gsf of community facilities, and an eight-screen movie theater.

PARKMERCED PROJECT DESCRIPTION: Parkmerced is an existing residential neighborhood with 3,221 residential units on approximately 152 acres of land in the southwest portion of San Francisco adjacent to Lake Merced. The existing on-site residential units are located in 11 towers and 170 two-story buildings. The proposed Parkmerced Project is a long-term mixed-use development program to comprehensively re-plan and redesign the site. The Parkmerced Project would increase residential density, provide a neighborhood core with new commercial and retail services, modify transit facilities, and improve utilities within the development. About 1,683 of the existing apartments located in 11

tower buildings would be retained. The remaining 1,538 existing garden apartments would be demolished and fully replaced, and an additional 5,679 net new units would be added to the Project Site, resulting in a total of about 8,900 units on the Project Site.

WTPCC FINDINGS/TESTIMONY

The WTPCC believes that the Parkmerced Project should be built and can be successfully completed, however; after carefully reviewing the detail in the 19th Avenue Corridor study, the Parkmerced Project DEIR and the financial situation of the developer - Stellar Management - the WTPCC has concluded that: 1) the 19th Avenue Corridor study's findings are overly optimistic and do not accurately represent the ability of the City of San Francisco to provide the infrastructure improvements required to support the proposed growth, and 2) Stellar Management's current financial situation is very weak, and calls into question their ability to actually deliver the proposed project at all. More importantly, the WTPCC feels that the DEIR fails to adequately address the following issues:

- Project Financial Viability
- Water Delivery Services
- Schools & Education
- Transit Services
- Parking

Financial Viability

We realize that DEIR's do not consider the financial components of a project. However, the net benefit to the City in increased property taxes must be equal to or greater than the cost of providing and maintaining the infrastructure needed to support that development. This must be considered for projects of this size and potential negative impact.

We disagree with the premise that the infrastructure along the 19th Avenue corridor is adequate to support the proposed growth. We also feel that the required improvements to that infrastructure will demand significantly more capital investment than could ever be recovered by the City through the increased property taxes that the growth would result in. The City is requiring that Stellar management, the project developer pay for any property tax shortfalls caused by the project. This is unrealistic as the developer will not have the additional funds needed and we believe that the financial burden of this project will be subsidized by the general fund and ultimately the San Francisco taxpayers.

Stellar Management is currently in default of its mortgage payments. A Special Servicer, not Stellar Management is controlling Parkmerced's financial assets while they attempt to restructure the developer's debt. Stellar Management has a \$550 million note coming due in October. The Riverton housing complex in Harlem, a 1,228 unit property owned by Stellar Management, was just foreclosed on. The WTPCC is concerned about the Stellar Management's ability to finance and complete this project in a timely manner. Caveat Emptor (Buyer Beware).

Water Delivery Services

We agree with DEIR's assessment that there will be an adequate water supply for the 16,850 people who will be added to the 19th Avenue corridor by 2030. The term adequate is deceptive in that the average daily per capita water consumption in San Francisco is an already a very low 58.7 gallons of water per day. This is an extraordinarily low amount when compared to the 120 gallons per day used by San Jose residents. The Association of Bay Area Governments (ABAG) growth demands for San Francisco dictate that the average daily water consumption in San Francisco may be as low as 47.8 gallons per day by 2030. This low level of water usage will become a quality of life issue.

San Francisco's new 25 year master water contract, signed in the Summer of 2009, will allow San Francisco only 81 million gallons per day from Hetch Hetchy. The 94.5 million gallons of available water that you are projecting is not reliable and the SFPUC costs to achieve this 94.5 million is cost-prohibitive. The costs to achieve this additional 13.5 million gallons of water (14% increase) through the WISP and Wastewater bonds will double to triple the cost of water and sewage for the average San Francisco consumer. At some point the City is going to have ask if the costs of this additional water and growth is worth burdening the existing population for the 7,375 net housing units that will be added by 2030. The Planning Department will have to monitor city water consumption very closely to make sure that planned growth is feasible AND affordable for the average citizen. The expected high cost of water and sewage will have a tremendous impact on future developments. Once again, the citizens of San Francisco will be subsidizing the Parkmerced development at a very high cost.

Schools & Education

The 19th Avenue Corridor Study conclusion for "available schooling" is completely inaccurate. The study states:

"The geographic context for the analysis of the development projects' effects on schools is the entire City, because while school assignments take into account parents' preferences, which often include where a student lives, assignment is not necessarily to the closest neighborhood school."

Due to changes in SFUSD admissions policy, proximity to a neighborhood school for elementary and middle-school children will now be prioritized geographically. Showing that there is availability throughout the entire system is no longer relevant. The study needs to show how the additional 1,500 children living in the 19th Avenue Corridor will be able to go to schools in the proximity of their neighborhoods. Under the new SFUSD admission guidelines the schools inside the 19th Avenue Corridor will not be able to adequately service the higher population of children.

The SFUSD sold off the Frederick Burke Elementary School and thus eliminated the only public school in walking distance to the Park Merced Development. Stellar Management, the Parkmerced developer will be building a new Pre K – 5 school and a day care facility, however, These will not be public schools, and as such should not be considered when calculating the number of students that will be added to the SFUSD. The proposed new private school would not be large enough to adequately meet the needs of the Parkmerced children and children from the surrounding neighborhoods even if it were turned over to the SFUSD to operate.

San Francisco taxpayers will be subsidizing the costs for new schools to serve the additional residents that Parkmerced will bring to San Francisco.

Transit Service

It is commendable that Planning reviewed the 4A - 4C tier approaches for the 19th Avenue Corridor plan. All four are good representations of logical and well thought out transportation options. The true test will be the Planning Departments Tier 5 option. As stated in the study, "Subsequent to the evaluation of these four future tiers, a Tier 5 study will be conducted that assesses large-scale and long-term projects to address corridor-wide transportation issues. This study will be scoped and conducted at a later date." It is critical that this Tier 5 study be completed as soon as possible.

The WTPCC questions the ability of the SFMTA to deliver on its promise of faster transit times. Muni's delivery time has dropped steadily over the last five years. In 2008, the average speed of a Muni bus/train was 9.1mph. The average speed is now 8.75mph and still falling. Declining rates of speed add millions to the costs of operation and continue to make Muni less efficient. Muni light rail used to travel at speeds of up to 55 mph through the West Portal tunnel. Due to poor track conditions, light rail trains are traveling at a much slower rate of speed. Muni may be able to repair rail lines and purchase new buses because of the capital improvement funds that they are and will be receiving. Muni's operational funds are in shambles with Muni running huge operating deficits that may no longer be paid for through State funding. MUNI cut services by an additional 10% on May 1st, 2010. Muni has reduced its operating services by 20% over the last year and more service cuts are expected over the next five years. As Muni's operational budget continues to go deeper and deeper into debt, there is no reason to be optimistic about increases in Muni's service times. At Muni's current reduction rate in operational service, Muni may be operating at 50% of its current service level by the time that the 19th Avenue Corridor development projects are completed, especially the Parkmerced development.

Muni's lack of service will cause more people to rely on automobiles and create higher rates of traffic congestion and a greater need for parking. People want to get off of the bus, not on the bus. On page III.3 of the 19th Avenue Corridor study states the following, "In addition, the review of operating speeds indicated that bus delays would noticeably increase under Tier 1 and Tier 2 conditions, due to projected congestion levels along the streets. The transportation improvements included in Tier 3, Tier 4A, Tier 4B and Tier 4C would help reduce the travel time increases, but buses would still operate more slowly than they do under existing conditions, which could have impacts on Muni schedule adherence and service reliability."

The 19th Avenue Corridor study is only evaluating transportation from a capital improvement point-of-view and must consider the SFMTA's operational budget constraints. Federal, State and developer funding will allow the city to proceed and build Tier 5 plan, but operationally Muni will not be able to perform to anticipated standards. We believe that the Planning Department should take a close look at what has happened at St. Francis Circle. This main intersection has the longest stoplight waiting times in San Francisco with traffic stops averaging 90 - 120 seconds. These excessive intersection waits are caused by the Muni light-rail trains running directly through the intersection. MUNI trains traveling across or along 19th avenue and into the Parkmerced development will receive right-of-way priority over

other types of transportation. Stoplight waits are projected to increase by at least 27 seconds. Parkmerced's increased population density will have a tremendous impact on 19th Avenue traffic.

The Parkmerced Project includes construction of (or provides financing for construction of) a series of transportation improvements, which include rerouting the existing Muni Metro M Ocean View line from its current alignment along 19th Avenue. The new alignment, as currently envisioned, would leave 19th Avenue at Holloway Avenue and proceed through the neighborhood core in Parkmerced. The Muni M line trains would then travel alternately along one of two alignments: trains would either re-enter 19th Avenue south of Felix Avenue, and terminate at the existing Balboa Park station, or they would terminate at a new station, with full layover and terminal facilities, constructed on the Parkmerced Project Site at the intersection of Font Boulevard and Chumasero Drive.. Although the cost is anticipated to be four times greater, the Planning Department's Tier 5 plan should analyze having the Muni light-rail trains go underground at the Ocean Avenue intersection and going into Park Merced. The Tier 5 plan should also consider connecting the M Ocean View line to the Daily City Bart Station.

Due to Stellar Management's current financial situation, it is questionable whether they will be able to afford to build these track extensions and additional stations or purchase the additional Muni trains that their agreement with the city will require. If Stellar Management does build the stops, San Francisco will still have to pay the future operation and maintenance costs. If the developer cannot complete the transit extension, San Francisco will be forced to pay for the extension and possibly more trains.

Parking

The 19th Avenue Corridor plan is projecting that there will be a substantially greater parking demand primarily focused near Stonestown, SFSU and Parkmerced. The study states, "It is likely that both SFSU and Parkmerced will have a substantial parking shortfall. As a result, the unmet parking demand in the area would tend to spill over into the adjacent residential neighborhoods, exacerbating any current parking problems." The bicycle lanes installed along Holloway Avenue would also reduce existing parking. Under new city planning guidelines parking is almost eliminated from the Balboa Park development and is rationed by income at Parkmerced. City Planning's insistence on higher density housing developments with limited parking will only discourage a limited number of people from owning an automobile. The Parkmerced Project has a one parking spot per apartment spot component. Additional cars will be warehoused in existing neighborhoods. As Muni fare costs soar and service becomes more constricted and unreliable, development residents will purchase MORE cars and have less incentive to ride Muni. Parking along the 19th Avenue Corridor and in the surrounding neighborhoods will be horrendous.

CONCLUSION

The WTPCC wants to again thank the San Francisco Planning Department for producing such a detailed plan of the 19th Avenue Corridor developments. However, we disagree with the overall finding of the study that supports the proposed growth by making overly optimistic estimations of the ability of the City of San Francisco to deliver the infrastructure improvements necessary to support this growth. We are concerned that the Planning Department's desire to facilitate increased housing density along 19th Avenue (in order to meet housing growth metrics prescribed in the 2009 Housing Element) may lead to

unintended negative consequences with respect to the City's financial wellbeing, water availability, schools and education, mass transportation operations and parking.

The WTPCC supports the Parkmerced Project but believes that the project is hampered by the current economy, the financial strength of Stellar Management and the San Francisco Planning Departments over-optimistic analysis of the infrastructure support that the City of San Francisco can provide to the Parkmerced Project.

Sincerely,

George Wooding
President, West of Twin Peaks Central Council