

C. POPULATION AND HOUSING

This section describes population, housing, and employment conditions at the project site and in the context of citywide population, housing, and employment, as well as changes to these conditions with the development of the proposed project. Project issues related to population, housing, and employment are not considered impacts on the environment, unless they result in adverse physical effects.

SETTING

POPULATION

The City and County of San Francisco has grown from approximately 56,800 persons in 1860 to approximately 776,600 persons in 2000.¹ San Francisco's population increased by 10,195 persons between 2008 (835,364) and 2009 (845,559), that is, approximately 1.2 percent.² San Francisco's population is expected to increase to 854,675 by 2030,³ that is, approximately 1.0 percent, over a 21-year period.

The project site is within Census Tract 112 which encompasses the area bounded by Leavenworth Street to the west, Washington Street to the north, Powell Street to the east, and California Street to the south.⁴ According to the 2000 U.S. Census, the total population of Census Tract 112 was 3,700 residents with an average household size of 1.77 persons per household. The overall average household size for San Francisco was 2.30 persons per household in 2000 according to the U.S. Census.⁵

The existing Fairmont Hotel complex includes 591 hotel rooms and no residential units. The average occupancy rate of the hotel rooms is 67 percent according to the project sponsor.⁶ As shown in **Table IV.C-1: Existing Hotel Population** below, the Fairmont Hotel complex has a total of approximately 395 to 792 hotel guests at single and double occupancy, at an average occupancy of approximately 67 percent.

¹ State of California, Department of Finance, 2000, Historical Census Populations of California State, Counties, Cities, Places, and Towns 1850-2000.

² State of California, Department of Finance, 2009, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2008 and 2009.

³ State of California, Department of Finance, 2007, *Population Projections for California and Its Counties 2000-2050*, July 2007.

⁴ U.S. Census Bureau, American Fact-finding Map It tool, Available at: http://factfinder.census.gov/servlet/DTGeoSearchByListServlet?ds_name=DEC_2000_SF1_U&_lang=en&_ts=266412849442

⁵ U.S. Census Bureau, 2000, San Francisco County, California – Fact Sheet – American FactFinder.

⁶ Isaacson, Glenn, 2008. Conversion Management Associates, Personal Communication with AECOM on December 16, 2008.

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**Table IV.C-1
 Existing Hotel Population**

Building	Number of Rooms or Units	Number of Hotel Guests^{1,2}	Total Population²
Historic 1906 Fairmont Hotel	365	244 – 489	244 – 489
Hotel Tower	226	151 – 303	151 – 303
			395 – 792
<i>Notes:</i>			
1. Number of hotel guests at single and double occupancy, calculated at an average occupancy of 67 percent.			
2. All numbers are approximate.			

Source: Occupancy information provided by CMA to AECOM. Data compiled by AECOM 2009

HOUSING

The City relies on the Association of Bay Area Governments (ABAG) *Regional Housing Needs Determination (RHND)* for projections of housing needs.⁷ In May 2008, according to ABAG *RHND* 2007–2014 allocation, the City was projected to need 31,193 new dwelling units, an average yearly need of development of 4,456 net new dwelling units. In 2008, San Francisco had an estimated 361,777 existing housing units.⁸ In the five years between 2003 and 2007, there were 10,319 net new dwelling units built in San Francisco, with about 2,656 net new units added to the City’s housing stock in 2007, an increase of 24 percent over the previous year’s total (2,136 net new units added in 2006).⁹

The existing Fairmont Hotel includes 591 hotel rooms and no residential units. The average occupancy rate of the hotel rooms is approximately 67 percent according to the project sponsor.¹⁰ The project site is located in a densely-developed, urban area surrounded by mid- to high-rise residential and hotel structures. The primary land uses surrounding the project site are high-density hotel and residential uses, interspersed with some institutional uses.

⁷ Association of Bay Area Governments (ABAG), 2008, *San Francisco Bay Area Housing Needs Plan 2007-2014*, June.

⁸ State of California, Department of Finance, 2008, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2008, with 2000 Benchmark, May.

⁹ Ibid.

¹⁰ Isaacson, Glenn, 2008. Conversion Management Associates, Personal Communication with AECOM on December 16, 2008.

EMPLOYMENT

The City had approximately 665,799 jobs in 2007, and is expected to gain 124,552 additional jobs by 2030, when it is projected to have 790,351 jobs.¹¹ San Francisco had 437,533 employed residents in 2000 and is projected to have 443,706 employed residents in 2030.¹²

The Fairmont Hotel currently has approximately 430 full-time equivalent employees in the following divisions: rooms, food and beverages, operations, administration and sales and marketing.¹³

REGULATORY SETTING

Section III.E, Plans and Policies, pp. III-55 to III-67, describes the San Francisco population, housing, and employment regulatory framework relevant to the proposed project, including the Housing Element and Commerce and Industry Element of the San Francisco *General Plan*. The proposed project would be consistent with the Housing Element¹⁴ and Commerce and Industry Element. The proposed project would contribute to the city's housing supply by adding up to 160 residential units to San Francisco's housing stock. By locating in a high density residential district (Nob Hill SUD, which contemplates mixed-uses), the proposed project is compatible with surrounding land uses. This project would comply with Planning Code Section 315, which requires that affordable housing be provided either on site or off site, or that funds be contributed to the city for affordable housing development.

¹¹ The 2030 employment data are extrapolated from the 2021 data in San Francisco Planning Department, 2008, *San Francisco General Hospital Seismic Compliance, Hospital Replacement Program Final EIR*, June, p. 71. To determine the rate of job growth, the following method was used: (1) the total percent increase in jobs was derived by dividing the number of jobs projected in 2021 (737,606) by jobs in 2007 (665,799), which equals a 10.79% increase. (2) The annual rate of growth was derived by dividing the number of years in this time period (2021-2007 = 14 years), for a 0.77% annual increase in jobs. (3) The 0.77% annual increase was applied for each year between 2022 – 2030. The number of jobs gained in 2022 was determined by multiplying the number of jobs in 2021 by 0.77% ($737,606 \times 0.0077 = 5,680$). The number of jobs in 2022 would therefore increase by 5,680, bringing the total to 743,288. This calculation was repeated for each year up to 2030. The projected number of jobs in 2030 based on 0.77% annual increase in jobs is 790,351.

¹² The 2030 employed residents data are extrapolated from the 2025 data in San Francisco Planning Department, 2008, *San Francisco General Hospital Seismic Compliance, Hospital Replacement Program Final EIR*, June, p. 71. The same methodology to determine the job growth data described in footnote 8 is applied here. (1) The annual rate of growth for employed residents was derived by dividing the number of years in this time period (2025-2000 = 25 years), for a 0.05% annual increase in employed residents. (2) The 0.05% annual increase was applied for each year between 2026 – 2030. The increase in the number employed residents in 2026 was determined by multiplying the number of employed residents in 2025 by 0.05% ($442,600 \times 0.0005 = 221$). The number of employed residents in 2026 would therefore increase by 221, bringing the total to 442,821. This calculation was repeated for each year up to 2030. The projected number of employed residents in 2030 based on 0.05% annual increase in jobs is 443,706.

¹³ Isaacson, Glenn, 2009. Conversion Management Associates, Personal Communication with AECOM on July 10, 2009.

¹⁴ This includes the 1990 Residence Element, 2004 Housing Element, and proposed 2009 Housing Element.

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The proposed project would be consistent with the Commerce and Industry Element because the historic 1906 Fairmont Hotel would continue to operate as a hotel and the proposed upgrades would enhance the economic base of the Hotel. The project would serve to maintain a diverse economic base by refurbishing the existing Fairmont Hotel, new residential units, and potential new restaurants and event space would be created as part of the hotel renovation. Accessory hotel functions that serve city and regional markets would be brought up to current standards. The proposed project would also help support the goals of the Commerce and Industry Element by helping to maintain a diverse economic base by offering the same types of services and amenities to the new residents as are currently offered to hotel guests, and by expanding current retail use and other services, such as the proposed spa.

IMPACTS

SIGNIFICANCE THRESHOLDS

The thresholds for determining the significance of impacts in this analysis are consistent with the environmental checklist in Appendix G of the State *CEQA Guidelines*, which has been adopted and modified by the San Francisco Planning Department. For the purpose of this analysis, the following applicable thresholds were used to determine whether implementing the project would result in a significant impact to population and housing. The project would have a significant adverse population and housing impact if it would:

- C.a 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);
- C.b Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing; or
- C.c Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

PROPOSED PROJECT

The project sponsor proposes to demolish the existing Fairmont Hotel tower and podium and construct a 26-story residential tower, five-story mid-rise residential component, and a five-story podium structure. The proposed project would result in a net loss of 226 to 286 hotel rooms from the demolition of the hotel tower and podium, and potential consolidation of rooms in the historic 1906 Fairmont Hotel. The proposed residential tower and mid-rise residential component would have up to 160 dwelling units and

would introduce 283 to 368 residents to the project site.¹⁵ Project construction is also estimated to generate between 30 and 200 temporary jobs depending on the construction phase. As shown in **Table IV.C-2: Estimated Residential and Hotel Population with the Proposed Project** below, the number of hotel guests at the site would decrease by 191 to 303 guests with project development.

**Table IV.C-2
Estimated Residential and Hotel Population with the Proposed Project**

Building	Number of Rooms or Units	Number of Hotel Guests¹	Number of Residents²	Total Population	Net Change of Hotel Guests	Net Change Residents
Historic 1906 Fairmont Hotel	305 – 365	204 – 489	N/A	204 – 489	-191 to 303	N/A
Residential Tower	160	N/A	283 – 368	283 – 368	N/A	+ 283 – 368
				487 – 857		
<i>Notes:</i>						
1. Number of hotel guests at single and double occupancy, calculated at an average occupancy of 67 percent.						
2. The range of residents is derived by using the average household size of 1.77 (for Census Tract 112) multiplied by the proposed new 160 units and using the city’s average household size in the year 2000 of 2.30, according to the San Francisco Housing Element.						
3. All numbers are approximate.						

Source: Occupancy information provided by CMA to AECOM. Data compiled by AECOM 2009

IMPACT EVALUATION

Impact PH-1 The proposed project would not induce substantial population growth in the area, either directly or indirectly. (Less than Significant) [Criterion C.a]

The proposed project would introduce 283 to 368 residents to the project site.¹⁶ This would represent a 7.6 to 9.9 percent increase in the resident population for Census Tract 112 compared to the 2000 Census population data (3,700 people). While the addition of residents to the project site may be potentially noticeable to neighbors, the introduction of residents to the site would be an incremental increase and would not substantially change the existing area-wide population characteristics, and the resulting residential density on the site would not exceed population levels that are common and accepted in urban areas such as San Francisco.

There is substantial demand for new residential units in San Francisco. In May 2008, ABAG projected regional housing needs in its Regional Housing Needs Determination 2007–2014 allocation.

¹⁵ The range of 283 to 368 is derived by using the average household size of 1.77 [for Census Tract 112] and the City’s average household of 2.30 [per the 2000 U.S. Census] multiplied by the 160 proposed new units).

¹⁶ Ibid.

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The jurisdictional need of the city for the period of 2007–2014 is 31,193 dwelling units, or a yearly average of 4,456 net new units.¹⁷ The approximately 160 net new residential units developed as part of the proposed project would help satisfy this identified housing need.

Project construction is estimated to generate between 30 and 200 temporary jobs depending on the construction phase. The proposed project would be expected to meet its need for construction labor within the regional labor market for construction projects in San Francisco without attracting construction labor from areas beyond the region's borders.

At full occupancy, the existing hotel tower and historic 1906 Fairmont Hotel can accommodate up to 1,182 hotel guests in 591 hotel rooms. However, the hotel has an average occupancy rate of 67 percent.¹⁸ Based on this rate, the existing Fairmont Hotel complex typically accommodates up to 792 hotel guests. Hotel guest use could be decreased by up to 303 persons (based on full occupancy) with project development. Up to 368 residents could occupy the proposed new residential units. The project sponsor does not anticipate any net new employees over the current approximately 430 full-time-equivalent employees with the proposed project.¹⁹ These jobs are permanent and largely related to the hotel service sector including management, rooms, food and beverages, operations, administration, sales, and marketing. While the demand for employee services to hotel guests would be reduced, it is expected that a similar number of employees currently providing hotel guest services would provide similar services to the new residents.

The proposed project is not expected to generate substantial residential population growth in the project vicinity, because the proposed project would introduce between 283 to 368 residents to the project site. As compared to the 3,700 people in the project census tract, development of the proposed project would represent about an eight to 10 percent increase in its population. This growth would not substantially impact population growth in the wider area and the City of San Francisco as a whole and it is accounted for in current growth projections for this area of the city. Therefore, population growth impacts would be less than significant.

¹⁷ Association of Bay Area Governments (ABAG), 2008, *San Francisco Bay Area Housing Needs Plan 2007-2014*, June.

¹⁸ Isaacson, Glenn, 2008. Conversion Management Associates, Personal Communication with AECOM on December 16, 2008.

¹⁹ Isaacson, Glenn, 2009. Conversion Management Associates, Personal Communication with AECOM on July 10, 2009.

Impact PH-2 The proposed project would not displace existing housing units or people, or create demand for additional housing, necessitating the construction of replacement housing. (Less than Significant) [Criteria C.b and C.c]

The proposed project would not displace any residents, because there are no residential units currently on site. The proposed project would accommodate a total on-site population of approximately 204 to 489 hotel guests, and up to 368 residents, as shown in Table IV.C-2 above; however, overall hotel room occupancy at the site would decrease. The project sponsor does not anticipate any net new employees with the proposed project, and therefore the project would not generate demand for additional housing.

CUMULATIVE IMPACTS

As described in Section IV.A, Land Use, the proposed project and other cumulative projects that are under construction, proposed, or reasonably foreseeable in the future in the project site vicinity would provide a total of approximately 223 residential units in the future. The net new cumulative residential units (223 residential units) would help meet projected local housing needs. The 63 units proposed by other cumulative projects, such as the 23 dwelling units at 850 Bush Street, 23 dwelling units at 851 California Street, 15 dwelling units at 1001 California Street, and 2 dwelling units at 915 Jackson Street would result in a population increase of approximately 111 to 145 people²⁰ in the project area. This population increase is a conservative assessment, because it is assumed that these sites currently do not have any residents. The proposed project, in combination with the cumulative projects, would result in an overall increase of approximately 394 to 513 permanent residents in the project area. While some new residents purchasing units would be city residents moving within San Francisco, others would be from outside San Francisco; however the increase in the number of residents with cumulative development would not substantially change the existing area-wide population characteristics. In addition, because of planning controls and applicable zoning regulations the proposed project and other cumulative projects would be consistent with existing residential and other development in the project area. Implementation of the cumulative projects, in combination with the proposed project, would also not result in substantial population growth of the city because it would represent less than one percent (0.06 percent) increase in the resident population in 2030. The proposed project would not contribute to cumulative housing and population impacts. Therefore, cumulative population and housing impacts would be less than significant.

²⁰ The range of residents is derived by using the average household size of 1.77 (for Census Tract 112) and the City's average household size of 2.30, according to the 2000 U.S. Census multiplied by the 63 units.

MITIGATION AND IMPROVEMENT MEASURES

Development of the proposed project would not have substantial impacts on population growth in the area and would not displace existing housing units or create additional demand for housing. Therefore, the proposed project would result in less-than-significant impacts to population and housing. No mitigation or improvement measures would be required.