

ATTACHMENT A

2009 SAN FRANCISCO HOUSING ELEMENT

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS: FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES AND STATEMENT OF OVERRIDING CONSIDERATIONS

SAN FRANCISCO PLANNING COMMISSION

In determining to approve the proposed 2009 San Francisco Housing Element and related approval actions (the “Project”), the San Francisco Planning Commission (“Planning Commission” or “Commission”) makes and adopts the following findings of fact and statement of overriding considerations and adopts the following recommendations regarding mitigation measures and alternatives based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act, California Public Resources Code Sections 21000 *et seq.* (“CEQA”), particularly Sections 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Sections 15000 *et seq.* (“*CEQA Guidelines*”), particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administration Code.

I. Introduction

This document is organized as follows:

Section I provides a description of the proposed Project, the environmental review process for the Project, the Planning Commission actions to be taken, and the location of records;

Section II identifies the impacts found not to be significant that do not require mitigation;

Section III identifies potentially-significant impacts that can be avoided or reduced to less-than-significant levels through mitigation;

Section IV identifies significant impacts that cannot be avoided or reduced to less-than-significant levels;

Section V discusses why a subsequent or supplemental EIR is not required;

Section VI evaluates the different Project alternatives and the economic, legal, social, technological, policy, and other considerations that support the rejection of the alternatives as infeasible; and

Section VII presents a statement of overriding considerations setting forth specific reasons in support of the Planning Commission's actions and its rejection of the Alternatives not incorporated into the Project.

Attached to these findings as Exhibit 1 is the Mitigation Monitoring and Reporting Program (“MMRP”) for the mitigation measures that have been proposed for adoption. The Mitigation Monitoring and Reporting Program is required by CEQA Section 21081.6 and *CEQA Guidelines* Section 15091. It provides a table setting forth each mitigation measure listed in the Final EIR (“FEIR”) that is required to reduce or avoid a significant adverse impact. Exhibit 1 also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule.

These findings are based upon substantial evidence in the entire record before the Planning Commission. The references set forth in these findings to certain pages or sections of the EIR or responses to comments in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

a. Project Description

State Housing Element Law

Since 1969, California's Housing Element law, Government Code Sections 65580 *et seq.*, has required local jurisdictions to adequately plan for and address the housing needs of all segments of its population, such that all communities contribute to the attainment of California's housing goal. Thus, each local jurisdiction is required to include a housing element as an element of its general plan.

State housing element law requires that each city and county develop local housing programs designed to meet its "fair share" of housing needs for all income groups during a stated planning period. The "fair share" allocation of regional housing needs (called the RHNA) is determined by regional planning agencies. San Francisco's RHNA is determined by the Association of Bay Area Governments (ABAG). By allocating each jurisdiction's regional housing need, and by requiring that each jurisdiction's housing element addresses the RHNA for the relevant planning period, state Housing Element law ensures that each jurisdiction accepts responsibility for the housing that represents the number of additional dwelling units that would be required to accommodate the anticipated growth in households, replace expected demolitions and conversions of housing units to non-housing uses, and achieve a future vacancy rate that allows for the healthy functioning of the housing market.

Each housing element must include an assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs, a statement of housing goals, policies and objectives, as well as a program setting forth actions that the locality is undertaking or will undertake to implement the policies and achieve the goals and objectives.

State law requires the housing element to be updated periodically, usually every five years. The most recent update of the housing element occurred in 2004, when the City adopted the 2004 Housing Element, an update to the 1990 Residence Element. The 2004 Housing Element addressed the City's housing needs for the planning period 1999 to 2006. Subsequent to adoption of the 2004 Housing Element, the California Court of Appeal determined the environmental document prepared for the 2004 Housing Element was inadequate, and directed the City to prepare an EIR (see *San Franciscans for Livable Neighborhoods v. City and County of San Francisco* [June 22, 2007, A112987] [unpublished opinion]). The Court allowed the City to continue to rely on the 2004 Housing Element pending the completion of the EIR, except for several express policies and objectives.

2009 Housing Element

During the pendency of litigation over the 2004 Housing Element's environmental review, and in accordance with state Housing Element law, the City underwent a comprehensive planning process and prepared the next update of the Housing Element to address the planning period 2007 through 2014. The result was the proposed 2009 Housing Element.

The 2009 Housing Element consists of three parts. Part I of the 2009 Housing Element consists of the Data and Needs Analysis section, which provides a statistical baseline for determining

appropriate housing objectives, policies and implementation strategies. This section includes San Francisco population and employment trends, housing data, and inventories of land available for housing development. Part I provides a foundation for the proposed changes to the objectives and policies contained in Part II of the 2009 Housing Element.

Part I also presents an updated calculation of San Francisco's fair share of the regional housing need, for January 2007 through June 2014. The City's RHNA goal is 31,193 housing units, or 4,159 units per year. Part I identifies where development capacity exists under existing zoning for future potential housing throughout the City.

Part II of the 2009 Housing Element, summarized in the Project Description of the EIR, and attached as an appendix thereto, sets forth the objectives, policies, and implementing strategies intended to address the City's housing needs based on the RHNA. Generally, the objectives and policies contained in Part II prioritize the creation of permanently affordable housing; conserve and improve the existing housing stock; recognize and preserve neighborhood character; integrate planning of housing, jobs, transportation and infrastructure; and maintain the City as a sustainable model of development.

The 2009 Housing Element also includes implementation measures, which are proposed for adoption and which have been reviewed in the EIR, and a series of "Strategies for Further Review." The Strategies for Further Review are ideas which were raised over the course of development and outreach for the 2009 Housing Element. Most of the strategies require further examination, and potentially long-term study, before they can be directly implemented.

b. Environmental Review

The Planning Department printed and circulated a Notice of Preparation (NOP) on October 8, 2008 that solicited comments regarding the content of the proposed EIR for the 2004 Housing Element that was required by the court. The NOP for the Draft EIR was circulated for 30 days in accordance with CEQA Guidelines Section 15082(b). During the NOP circulation period, a public scoping meeting was held on November 6, 2008.

Subsequent to the circulation of the NOP, a draft of the proposed 2009 Housing Element was completed. The scope of the EIR was revised to include both the 2004 Housing Element and the 2009 Housing Element. Therefore, the Planning Department printed and recirculated an NOP on September 2, 2009 that solicited comments regarding the content of the EIR for the proposed Housing Elements. During the NOP circulation period, the Planning Department held a public scoping meeting on September 30, 2009.

The Planning Department published the Draft EIR and provided public notice of the availability of the Draft EIR for public review and comment on June 30, 2010. Notices of Completion and copies of the Draft EIR were distributed to the State Clearing house.

The Planning Commission held a duly noticed public hearing on the Draft EIR on August 5, 2010. At this hearing, opportunity for public comment was given, and public comment was received on the Draft EIR. The Planning Department accepted public comments on the Draft EIR from June 30, 2010 to August 31, 2010.

The Planning Department published the Comments and Responses on the Draft EIR on March 9, 2011. This document includes responses to environmental comments on the Draft EIR made at the public hearing on August 5, 2010, as well as written comments submitted on the Draft EIR from June 30, 2010 to August 31, 2010. The Comments and Responses document also contains text changes to the Draft EIR made by the EIR preparers to correct or clarify information

presented in the Draft EIR, including changes to the Draft EIR text made in response to comments.

The Planning Commission certified the Final EIR on March 24, 2011 and recommended that the Board of Supervisors adopt the 2009 Housing Element as the Housing Element of the General Plan. The Board of Supervisors amended the General Plan and adopted the 2009 Housing Element in June 2011. Subsequent to the Board's approval, however, San Franciscans for Livable Neighborhoods again challenged the environmental document prepared for the 2009 Housing Element. The trial court found that the City complied with CEQA in all respects except for the EIR's treatment of alternatives, and the City's adoption of findings under CEQA. In a January 15, 2014 Peremptory Writ of Mandate, the Court ordered the City to set aside and reconsider the EIR and the approval of the 2009 Housing Element.

In response to the Court's direction, the Planning Department revised the alternatives analysis of the EIR. The Department published the Draft EIR Revised Chapter VII Alternatives (the Revision) and provided public notice of the availability of the Revision for public review and comment on December 18, 2013. Notices of Completion and copies of the Revision were distributed to the State Clearinghouse. The Planning Commission held a duly noticed public hearing on the Revision on January 23, 2014. At this hearing, opportunity for public comment on the Revision was given and public comment was received on the Revision. The Planning Department accepted public comments on the Revision from December 18, 2013 to February 18, 2014. The Planning Department published the Responses to Comments on the Revision on April 10, 2014. This document includes responses to environmental comments on the Revision made at the public hearing on January 23, 2014, as well as written comments submitted on the Revision from December 18, 2013 to February 18, 2014. The April 10, 2014 Responses to Comments document also contains text changes to the Revision made by the EIR preparers to correct or clarify information presented in the Revision.

c. Planning Commission Actions

The Planning Commission is being requested to take the following actions to approve and implement the proposed Project.

- Certify the Final EIR.
- Adopt CEQA Findings and a Mitigation Monitoring and Reporting Program.
- Approve and recommend adoption of the 2009 Housing Element of the San Francisco General Plan by the Board of Supervisors.
- Set aside Planning Commission Motions 18307, 18308 and Resolution 18309 in compliance with the Peremptory Writ of Mandate.

d. Location of Records

The record upon which all findings and determinations related to the Project are based includes, but is not limited to, the following:

- The San Francisco 2009 Housing Element (drafts 1, 2 and 3 and proposed amendments);
- The San Francisco 2004 Housing Element;
- The San Francisco 1990 Residence Element;

- The EIR and all documents referenced in or relied upon by the EIR;
- All information (including written evidence and testimony) provided by City staff to the Planning Commission relating to the EIR, the proposed approvals, the Project, and the alternatives set forth in the EIR;
- All information (including written evidence and testimony) presented to the Planning Commission by the environmental consultant and sub-consultants who prepared the EIR, or incorporated into reports presented to the Planning Commission;
- All information (including written evidence and testimony) presented to the City from other public agencies relating to the Project or the EIR;
- All information (including written evidence and testimony) presented at any public hearing or workshop related to the Project and the EIR;
- For documentary and information purposes, all locally-adopted land use plans and ordinances, including, without limitation, general plans, specific plans and ordinances, together with environmental review documents, findings, mitigation monitoring programs and other documentation relevant to planned growth in the area;
- The MMRP; and
- All other documents comprising the record pursuant to Public Resources Code Section 2116.76(e)

The public hearing transcripts, a copy of all letters regarding the EIR and the Revision received during the public review periods, the administrative record, and background documentation for the Final EIR are located at the Planning Department, 1650 Mission Street, Suite 400, San Francisco. Jonas Ionin, Commission Secretary, is the custodian of these documents and materials.

II. Impacts Found Not to Be Significant, Thus Requiring No Mitigation

Finding: Based on substantial evidence in the whole record of this proceeding, the City finds that the implementation of the Project would not result in any significant environmental impacts in the following areas: Land Use and Land Use Planning; Aesthetics; Population and Housing; Cultural and Paleontological Resources; Air Quality; Greenhouse Gas Emissions; Wind and Shadow; Recreation; Utilities and Service Systems; Public Services; Biological Resources; Geology and Soils, Hydrology/Water Quality; Hazards/Hazardous Materials; Mineral/Energy Resources; Agricultural Resources. Each of these topics is analyzed and discussed in detail, including, but not limited to, in the EIR at Chapters V.B, V.C, V.D, V.E, V.H, V.I, V.J, V.K, V.L, V.M, V.N, V.O, V.P, V.Q, V.R, and V.S.

III. Findings of Potentially-Significant Impacts that Can be Avoided or Reduced to a Less-Than-Significant Level

Finding: The California Environmental Quality Act (CEQA) requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible.

The findings in this Section III and in Section IV concern mitigation measures set forth in the FEIR. These findings discuss mitigation measures as proposed in the FEIR and recommended for adoption by the Planning Commission and the Board of Supervisors.

As explained previously, **Exhibit 1**, attached, contains the Mitigation Monitoring and Reporting Program required by CEQA Section 21081.6 and *CEQA Guidelines* Section 15091. It provides a table setting forth each mitigation measure listed in Chapter V of the EIR that is required to reduce or avoid a significant adverse impact. **Exhibit 1** also specifies the agency responsible for implementation of each measure, establishes monitoring actions and a monitoring schedule.

The Planning Commission finds that, based on the record before it, the mitigation measure proposed for adoption in the FEIR is feasible, and that it can and should be carried out by the Planning Commission and Board of Supervisors, and staff has recommended that it be incorporated into the 2009 Housing Element as an implementation measure found in Appendix C. The Planning Commission acknowledges that if such measures were not adopted and implemented, the Project may result in additional significant unavoidable impacts. For this reason, and as discussed in Section VI, the Planning Commission is adopting a Statement of Overriding Considerations as set forth in Section VII.

The mitigation measures identified in the FEIR which would reduce or avoid significant adverse environmental impacts are proposed for adoption as implementation measures of the 2009 Housing Element, and are set forth in **Exhibit 1**, in the Mitigation Monitoring and Reporting Program.

Noise:

a) Potentially Significant Impact

Implementation of the 2009 Housing Element would promote housing near transit and other infrastructure, housing near neighborhood services, and housing within mixed-use areas which could result in housing located in area that already experience ambient noise levels above 75 Ldn. Residential development in areas that experience noise levels above 75 Ldn could expose noise sensitive receptors to noise levels in excess of established standards. Compliance with Title 24, which typically addresses interior noise levels for housing developments, may not mitigate exterior noise on private open space. Other site specific conditions may warrant acoustical monitoring and analysis beyond the requirements for Title 24. This could result in a significant impact with respect to noise.

b) Mitigation Measure and Conclusion

The City finds the potentially-significant impact listed above would be reduced to a less-than-significant level with implementation of mitigation measure M-NO-1, which would require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-generating uses within two blocks of the project site, and includes at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to completion of environmental review. The analysis shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels in the vicinity of the proposed project. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action, in order to demonstrate that acceptable interior noise levels consistent with those in Title 24 standards can be attained.

In addition, to minimize effects on development in noisy areas, for new residential uses, the Planning Department, shall, through its building permit review process, in conjunction with noise analysis required above, require that open space required by the Planning Code for such uses be protected, to the maximum feasible extent, from existing ambient noise levels that could

prove annoying or disruptive to users of the open space. Implementation of this measure could involve, among other things, site design that uses the building itself to shield on-site open space from the greatest noise sources, construction of noise barriers between noise sources and open space, and appropriate use of both common and private open space in multi-family dwellings. Implementation would also be undertaken consistent with other principles of urban design.

Compliance with this mitigation measure M-NO-1, together with compliance with Title 24 of the California Code of Regulations and the California Building Code and the San Francisco Police Code, would reduce the impact to a less-than-significant level.

IV. Significant Impacts That Cannot Be Avoided or Reduced to a Less-Than-Significant Level.

Finding: Based on substantial evidence in the whole record of these proceedings, the City finds that, where feasible, changes or alterations have been required, or incorporated into the 2009 Housing Element to reduce the significant environmental impact as identified in the FEIR. The City determines that the following significant impacts on the environment, as reflected in the FEIR, are unavoidable, but under Public Resources Code Section 21081(a)(3) and (b), and *CEQA Guidelines* 15091(a)(3), 15092(b)(2)(B), and 15093, the City determines that the impacts are acceptable due to the overriding considerations described in Section VII below. This finding is supported by substantial evidence in the record of this proceeding.

Transportation/Circulation:

a. Impact – Transit

Adoption of the 2009 Housing Element would result in implementation of objectives and policies that encourage residential development that takes advantage of alternative modes of transportation, including transit. Under 2025 Cumulative Conditions, the California Street and Market Street Subway transit corridors are anticipated to operate near Muni's transit capacity utilization standard of 85 percent. A substantial mode shift to transit could result in an increase in transit ridership above Muni's capacity utilization standard, thereby resulting in overcrowding on the public transit system. To reduce potential overcrowding on transit, SFMTA could increase capacity on Muni by implementing the transportation plans and programs, as described in the Draft EIR at Section V.F-15 to V.F-18, which include SFPark, SFGO, the San Francisco Bicycle Plan, the Central Subway, Bus Rapid Transit and the Better Streets Plan. Implementation of these plans and programs could reduce congestion and decrease transit travel times, allowing a given bus to complete more runs in a day, which allows MUNI's capacity to increase without acquiring additional buses. However, although many of the transportation plans are in the process of being or have been implemented, implementation has not been secured for all of the measures, or for those measures that have been implemented, they have not been implemented for a sufficient amount of time to determine the extent of their effectiveness, and it is not known whether the implementation of all of the measures would provide a sufficient decrease in travel time, and subsequent increase in bus runs, to carry all projected riders. SFMTA could also increase capacity on MUNI by providing more buses. However, this approach would involve increased costs to SFMTA for which funding has not been identified, and could require additional sources of revenue. Although SFMTA is pursuing additional sources of revenue through development impact fees, increases in vehicle license fees, and issuance of bonds, those measures require approval by the Board of Supervisors after appropriate study, or by voters in a general election, and the outcome of those efforts cannot be determined at this time. Because the certainty and feasibility of these two mitigation options cannot be established, the impact on transit would remain significant and unavoidable.

b) Mitigation Measure:

No feasible mitigation measures have been identified for the potentially significant impact on transit. Hence a significant and unavoidable transit impact would occur with implementation of the 2009 Housing Element.

V. Why Subsequent Environmental Analysis or Recirculation is Not Required.

Finding: For the reasons set forth below and elsewhere in the Administrative Record, none of the factors are present which would necessitate recirculation of the Final EIR under CEQA Guideline Section 15088.5 or the preparation of a subsequent or supplemental EIR under CEQA Guideline Section 15162.

The Comments and Responses documents thoroughly addressed all public comments that the Planning Department received on the Draft EIR and on the Revision. In response to these comments, the Department added new and clarifying text to the EIR and the Revision. In addition, since publication of the original Draft EIR, the staff, in response to public comments and additional staff evaluation of the 2009 Housing Element, modified a number of policies and Objectives in the 2009 Housing Element in order avoid or alleviate specific concerns raised by the public and City officials. The Comments and Responses documents, which are incorporated herein by reference, analyzed all of these changes and determined that these changes did not constitute new information of significance that would add new significant environmental effects, or substantially increase the severity of effects identified in the Final EIR.

Further, additional changes to the 2009 Housing Element have been incorporated into the Element after publication of the Comments and Responses document. These changes have been addressed orally by staff or in staff reports, which statements and reports are incorporated herein by reference, and based on this information, the Planning Department determined, and the trial court affirmed, that these additional changes do not constitute new information of significance that would alter any of the conclusions of the EIR.

Based on the information set forth above and other substantial evidence in light of the whole record on the Final EIR, which includes the Revision, the Commission determines that the 2009 Housing Element is within the scope of the project analyzed in the Final EIR; (2) approval of 2009 Housing Element will not require important revisions to the Final EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (3) taking into account the 2009 Housing Element and other changes analyzed in the Final EIR, no substantial changes have occurred with respect to the circumstances under which the Project are undertaken which would require major revisions to the Final EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Final EIR; and (4) no new information of substantial importance to the Project has become available which would indicate (a) the 2009 Housing Element or the approval action will have significant effects not discussed in the Final EIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the Final EIR would substantially reduce one or more significant effects on the environment. Consequently, there is no need to recirculate the Final EIR under CEQA Guideline 15088.5 or to prepare a subsequent or supplemental EIR under CEQA Guideline Section 15162.

VI. Evaluation of Project Alternatives.

This Section describes the EIR alternatives, including the 2004 Housing Element. This Section also outlines the 2009 Housing Element's purpose and provides the rationale for selecting the 2009 Housing Element and for rejecting alternatives as infeasible. Additional evidence to

support the City's conclusions regarding the Project and the Alternatives can be found in the administrative record.

CEQA mandates that an EIR evaluate a reasonable range of alternatives to the Project, which would "feasibly attain most of the basic objectives of the project, but would avoid or substantially lessen effects of the project, and evaluate the comparative merits of the project." (*CEQA Guidelines*, Section 15126.6(a)). Pursuant to the Court's December 19, 2013 Order in *San Franciscans for Livable Neighborhoods v. City and County of San Francisco*, San Francisco Superior Court Case Number 513-077, the EIR evaluated a reasonable range of alternatives.

CEQA requires that every EIR evaluate a "No Project" alternative as part of the range of alternatives analyzed in the EIR. The Housing Element EIR's No Project analysis was prepared in accordance with *CEQA Guidelines* Sections 15126.6(e)(3)(A) and (C).

Alternatives provide a basis of comparison to the Project in terms of beneficial, significant, and unavoidable impacts. This comparative analysis is used to consider reasonable feasible options for minimizing environmental consequences of the Project.

A. Reasons for Selection of the Project

As described above and in this section, the project proposed for adoption is the 2009 Housing Element, as defined in the Project Description, with the changes incorporated into "Draft 3" of the 2009 Housing Element when it was approved by the Planning Commission and the Board of Supervisors in 2011 (in Board of Supervisors' Ordinance 108-11). The 2009 Housing Element is identified in the Draft EIR in Chapter IV, Project Description, particularly at pages IV-28 through IV-31. The 2009 Housing Element is selected for adoption because this Commission, the body pursuant to the San Francisco Charter charged with setting land use policy in San Francisco, based on the recommendation of the expert staff at the Planning Department, has determined that the 2009 Housing Element will best achieve all of the following objectives, which would not be achieved as well by any of the alternatives, including the 2004 Housing Element.

- Provide a vision for the City's housing and growth management through 2014

Although all the Alternatives provide a vision for housing and growth management, the 2009 Housing Element is a product of significant and recent community input and debate and includes responses to recent global economic indicators and global climate issues. In drafting the policies and objectives of the 2009 Housing Element, the Department worked closely with community leaders, stakeholders, City agencies, and community members starting in September of 2008. The Department convened a Community Advisory Body, held over a dozen stakeholder sessions, over 30 public workshops and presentations, hosted staff office hours, surveyed the community in writing and online, and the Planning Director hosted two workshops. In addition, the Planning Commission held several informational hearings. As a result of this extensive outreach and effort, the 2009 Housing Element best provides a community based vision for the City's housing future, which specifically incorporates and responds to an updated RHNA goal set for 2007 to 2014, and responds to recent global economic indicators and global climate issues. (See Policies 13.2 and 13.3).

- Maintain the existing housing stock to serve housing needs

The 2009 Housing Element recognizes that the majority of San Francisco's housing stock is over 60 years old and this existing stock is an important part of meeting San Francisco's housing demands. Retaining existing housing reduces the need for resources to build new housing, and maintains the total supply of lower cost housing, particularly that housing which is controlled by

the City's Rent Control Ordinance. Demolition of existing housing and construction of new housing often results in new units which are more costly than the units that were demolished. The 2009 Housing Element contains objectives which specifically discourage the demolition of existing housing (see Objective 2) and discourages the merger of existing units, unless the resulting units increases the City's supply of affordable or family housing (see Policy 2.1). The 2009 Housing Element also discourages the removal or reduction of housing for parking, thereby encouraging the maintenance of the existing housing stock (see Policy 2.3).

- Ensure capacity for the development of new housing to meet the RHNA at all income levels

The Association of Bay Area Governments (ABAG) determined that San Francisco's fair share of the regional housing need for January 2007 through June 2014 is 31,190 units, or about 4,160 units per year. This regional housing needs assessment (RHNA) includes production targets addressing housing at a range of household income categories. San Francisco's RHNA target includes 18,880 units, or 61%, that are affordable to moderate income households (120% of the area median income) and below. Under existing zoning, the City has enough capacity to meet the overall RHNA. However, the City historically has not met the RHNA targets at all income levels, particularly for affordable housing. Because of the high cost of housing, subsidies required to provide a unit to low or very low income households can be up to \$200,000 per unit, and thus, the total cost to meet those needs exceeds \$2 billion. Public and private subsidies will not be able to fulfill all of San Francisco's affordable housing needs.

The 2009 Housing Element contains objectives and policies designed to ensure that the City has capacity for the development of various types of housing for households at all income levels. It also contains objectives and policies to foster a housing stock that meets the needs of all residents across all lifecycles, such as families with children, people with disabilities and seniors, many of whom have income levels that can only be met by affordable units, and who often do not have access to private transportation (See Policy 4.1, 4.2 and 4.3). The 2009 Housing Element seeks to ensure that units affordable to all income levels are located throughout San Francisco according to infrastructure and site capacity (Policy 4.6), and encourages integrated neighborhoods with a diversity of unit types and affordability levels (Policy 4.5). The 2009 Housing Element encourages the completion of key opportunity areas such as Treasure Island, and Candlestick Point/Hunters Point Shipyard, which will provide significant new capacity for new neighborhoods with units at all income levels (See Policy 1.2).

- Encourage housing development where supported by existing or planned infrastructure, while maintaining neighborhood character;

The 2009 Housing Element best balances the tension between the demand for additional housing with potential impacts on existing neighborhoods, where new housing is supported by existing infrastructure. The 2009 Housing Element supports the completion of planning for Treasure Island, Candlestick Point/Hunters Point Shipyard, as well as Park Merced and the Transbay Transit Center (See Policy 1.2). These areas have existing infrastructure to support new housing, or new infrastructure is planned for them. The 2009 Housing Element supports new, mixed-use infill development in areas where there is adequate open space, child care, neighborhood services and public transit (Policy 12.2). At the same time, the 2009 Housing Element seeks to maintain and support the diverse and distinct character of San Francisco's neighborhoods (See Objective 11), and ensures new and substantially altered buildings are compatible with existing neighborhood character (See Policy 11.2). The 2009 Housing Element also has several policies which call for community based planning processes, to allow greater input in the planning for new housing (See Policy 1.4), ensuring that the community is involved in the development process and that any tension between new and existing housing is lessened.

- Encourage, develop and maintain programs and policies to meet projected affordable housing needs

Affordable housing is the most salient housing issue in San Francisco. The 2009 Housing Element seeks to facilitate permanently affordable housing, and contains many objectives and policies designed to expand the number of resources for affordable housing, facilitate affordable housing development through land subsidy programs, and support programs that do not require direct public subsidies and that can facilitate the development of middle income units (See Objectives 3, 4 and 5.).

The 2009 Housing Element best promotes the need to encourage the creation of affordable housing without the need for public subsidies. To make a unit affordable to a low or very low income household requires a subsidy ranging from \$170,000 to \$200,000, yet the level of state and federal funding has decreased. To meet all RHNA goals for low and very low income households, a total of over \$2 billion is required. Thus, the 2009 Housing Element contains numerous policies that encourage the creation or preservation of “naturally” affordable units or units which are “affordable by design.” This includes policies related to the preservation of existing older units (Objective 2), including rent controlled units (Policy 3.1), policies which encourage affordable housing through zoning accommodations (Policy 7.5), policies which consider the creation of and preservation of smaller units (Policy 1.5, 3.4), and policies allowing for the development of housing at increased densities where appropriate (Policy 1.6).

- Develop a vision for San Francisco that supports sustainable local, regional and state housing and environmental goals

The City, the greater Bay Area and the State of California have adopted environmental and housing goals for more sustainable development. SB 375, adopted by the State in 2008, seeks to link housing with transportation to address global climate change. ABAG has allocated regional housing needs based on the availability of transit infrastructure. San Francisco has adopted numerous plans that support green development and help to reduce the City’s greenhouse gas emissions.

The 2009 Housing Element supports these environmental and housing goals with objectives and policies which support smart regional growth that locates new housing close to jobs and transit (Policy 1.10; 13.1), requires that the City work with localities region-wide to coordinate affordable housing productions (Policy 13.2), which promote “green” development at the highest level by encouraging walking, bicycling and transit (Policy 12.1, 13.3), and which encourage LEED developments (Policy 13.4). These objectives and policies will help ensure that San Francisco, and the region, works toward meeting the needs of the present without sacrificing the ability of future generations to meet their own needs.

- Adopt a housing element that substantially complies with California Housing Element Law as determined by the California Department of Housing and Community Development.

A determination by the California Department of Housing and Community Development that the Housing Element substantially complies with state Housing Element law provides the City with a rebuttable assumption that the Housing Element complies with state Housing Element law and allows the City to amend redevelopment plans (an important source of affordable housing funds), and allows the City to maintain eligibility for state transportation, open space, and development funds.

HCD has previously found that the 2009 Housing Element substantially complied with state housing element law in a letter to the Department on July 29, 2011, and has previously

commended the City for its many innovative strategies and programs. The City expects that HCD will continue to find that the 2009 Housing Element complies with state housing element law.

B. Alternatives Rejected and Reasons for Rejection

An agency may reject project alternatives if it finds them infeasible. Feasible, under CEQA, is defined as capable of being accomplished in a successful manner within a reasonable period of time taking into account economic, environmental, social, technological and legal factors. (Public Resources Code §21061.1; CEQA Guidelines §15364.) Other considerations may also provide the basis for finding an alternative infeasible, such as whether an alternative is impractical, or undesirable from a policy standpoint. The City finds infeasible, and therefore rejects, the alternatives analyzed in the EIR, including the 2004 Housing Element, for the economic, legal, social, technological, policy, and other considerations set forth below and elsewhere in the record, including the reasons set forth in the Statement of Overriding Considerations in Section VII.

Rejection of 2004 Housing Element: The 2004 Housing Element was analyzed in the EIR at an equal level of detail as the 2009 Housing Element and was included as a Housing Element that the decision-makers could adopt in the alternative to the 2009 Housing Element, and in response to the Court's direction that the City analyze the 2004 Housing Element in an EIR. Generally, the policies and objectives in the 2004 Housing Element encourage housing in certain areas of the City, and encourage the construction of higher density developments and developments with reduced parking requirements. The overall impact conclusions for both the 2004 Housing Element and 2009 Housing Element were similar; however, there were differences in degree of the amount of impact.

Adoption of the 2004 Housing Element is hereby rejected as infeasible. The 2004 Housing Element would not meet the Project's Objectives to encourage housing development where supported by existing or planned infrastructure while maintaining neighborhood character, because the 2004 Housing Element "strongly encourages" developers to "take full advantage of building densities" (Policy 11.8) and to "use new housing as a means to enhance neighborhood vitality and diversity" (Policy 11.1). These two policies in particular could have more of an impact on neighborhood character and aesthetics than the Project, particularly in areas of the City that are dominated by lower density development. Although the EIR determined that neither the 2004 or the 2009 Housing Element would have a significant environmental impact on neighborhood character and aesthetics, because of these policies, the Department and Commission has determined that the 2004 Housing Element does not appropriately balance the need for new housing with the need to protect the character of established neighborhoods..

Although the conclusions regarding the impacts on transit for the 2004 and 2009 Housing Element are similar, based on the number of policies in the 2004 Housing Element regarding the reduction of parking requirements (such as Policy 4.4, and 11.7), as noted above, it is likely that the 2004 Housing Element would increase the significant and unavoidable impact on transit, as more housing units could be built without historically required parking, resulting in more person trips shifting to transit. This is because transit ridership increases as the cost of owning a private vehicle increases. In addition, the 2004 Housing Element included a number of policies designed to increase the allowable densities in a given building envelope. Studies have shown that transit use increases where housing densities are higher. An increase in the number of transit trips would decrease the amount of vehicle miles traveled and reduce the amount of greenhouse gas emissions and would better achieve the Project objective to support sustainable local, regional and state environmental goals. However, as noted above, the 2004 Housing Element does not appropriately balance that objective with the City's objective to maintain existing neighborhood character.

The policies and objectives in the 2004 Housing Element were proposed in response to San Francisco's RHNA goal for 2001-2006, which numbered 20,374. As noted, an updated Housing Element must now respond to ABAG's RHNA goal from 2007 to 2014. Although the higher density and reduced parking strategies encouraged in the 2004 Housing Element might better achieve the City's RHNA targets at the lower income levels, as noted above, the 2004 Housing Element does not appropriately balance that need with the City's objective to maintain existing neighborhood character. Unlike in the 2004 Housing Element, the 2009 Housing Element contains policies which focus housing growth according to community plans (Policy 1.2), and which ensure that community based planning processes are used to generate changes to land use controls (Policy 1.4). The 2009 Housing Element also contains more policies related to the preservation of neighborhood character (Objective 11).

Finally, the 2004 Housing Element was not created with the depth and breadth of community input and involvement that the 2009 Housing Element was. The 2009 Housing Element includes input from a Citizens Advisory Committee, over 30 public workshops, staff office hours, online and written surveys as well as workshops hosted by the Planning Director over a two and a half year period. The scope of community input on the 2009 Housing Element is an important aspect of the City's determination to recommend the 2009 Housing Element as the vision for the City's housing growth and management through 2014. As noted, none of the other alternatives, including the 2004 Housing Element, can match the 2009 Housing Element's recent community outreach.

For the foregoing reasons as well as economic, legal, social, technological, policy, and other considerations set forth herein and elsewhere in the record, including the reasons set forth in the Statement of Overriding Considerations in Section VII below, the 2004 Housing Element is hereby rejected as infeasible.

Rejection of Alternative A: The No Project/Continuation of 1990 Residence Element Alternative. Alternative A is the CEQA-required "No Project" alternative. CEQA Guidelines Section 15126.6(e)(3)(A) provides that "when the project is the revision of an existing land use or regulatory plan, policy or ongoing operation, the 'no project' alternative will be the continuation of the existing plan, policy or operation into the future." Under Alternative A: the No Project/Continuation of 1990 Residence Element Alternative, the 1990 Residence Element policies would remain in effect and neither the 2004 Housing Element nor the 2009 Housing Element policies would be implemented. Housing development in the City would continue as encouraged under the 1990 Residence Element.

Alternative A would not be desirable as a matter of policy nor meet the Project's Objectives as well as the 2009 Housing Element. Alternative A encourages housing in less limited areas than the Project, because the policies and implementation measures encourage housing that is consistent with existing land use patterns, and existing density patterns. Thus, because the City's projected growth and housing needs remain the same under Alternative A as they do under the Project, housing constructed in response under to the City's need would be constructed Citywide more so under Alternative A than the Project, which encourages housing along transit lines, or within a community planning process. In other words, similar amounts of total housing units would result from Alternative A and under the Project, but under Alternative A, these units would not be encouraged or concentrated where supported by existing or planned infrastructure, such as transit lines or in areas subject to community planning processes. Concentrating housing along transit lines or in areas subject to community planning processes better enables the City to meet the Objective of encouraging housing development where supported by existing or planned infrastructure.

There are no policies in Alternative A which specifically discourage the destruction or reduction of housing for parking, which is one strategy to meet affordable housing needs due to the higher cost of housing with parking. Thus, Alternative A would not meet the Project's Objective to encourage, develop and maintain programs and policies to meet projected affordable housing needs, particularly meeting the City's RHNA at all income levels.

Likewise, as noted, Alternative A does not contain policies which allow for the reduction in parking requirements, and thus construction of housing units could include construction of underground parking for those units, which could result in an increased amount of excavation. This would have a potentially greater impact on archeological and paleontological impacts, which are located underground. Although these impacts were found insignificant, there could be more such impacts as compared to the other Alternatives.

Alternative A contains less focus than the Project on encouraging housing near jobs and other services or along transit lines, which could result in the development of more housing farther away from these jobs and services resulting in more vehicle trips to access those activities than under the Project (which includes specific policies designed to encourage housing near jobs, other services and along transit lines, such as Policy 1.10, 13.1, 13.3). An increase in the amount of vehicle trips can result in more air quality impacts and greenhouse gas impacts, because vehicles are the biggest emitter of greenhouse gases. As a result, Alternative A has increased air quality and greenhouse gas impacts than the Project. Therefore, Alternative A does not meet the City's Objective in adopting a Housing Element that supports sustainable local, regional and state housing and environmental goals which call for a reduction in the amount of vehicle trips and greenhouse gas emissions, such as SB 375, the City's Climate Action Plan and the Department of the Environment's Strategic Action Plan, as well as the 2009 Housing Element.

Finally, Alternative A, approved almost 25 years ago, does not respond to the City's current housing and transportation needs or recent economic conditions which have had an impact on the creation and preservation of affordable housing or the need for middle class housing. The Commission finds that historically, development under Alternative A did not produce adequate affordable housing to meet the City's needs. For example, only 41% of the state mandate annual targets for the period covered by the 1990 Residence Element (1989-1998) was achieved. Thus, the Department recognizes a need to amend those policies to better meet those goals.

Because the policies in Alternative A were based on data and housing needs of the City prior to 1990, Alternative A includes policies and objectives which do not take into account the updated demographic information and background information that the policies and objectives in the 2009 Housing Element do. For example, Alternative A does not contain policies that protect historic resources to the same extent as the Project, because the Project's policies and objective's approach to historic resources reflects the changes in the City and state's approach to evaluating historic impacts. Also, the policies and objectives in Alternative A were developed under the assumption that the City's available land capacity included historic resources as potential soft sites capable of redevelopment. As a result of this methodology, the EIR concluded that Alternative A has a significant impact on historic resources, which the other Alternatives do not have. Likewise, the updated Data and Needs analysis in the 2009 Housing Element recognizes that the Planning Code's requirements for parking and open space are potential constraints on the development of housing, particularly affordable housing, and as a result, the 2009 Housing Element includes policies which address those constraints, such as Policy 7.5. The 1990 Residence Element does not include policies which address those constraints, because they were not recognized as issues in the Data and Needs Analysis for the 1990 Residence Element.

For the foregoing reasons as well as economic, legal, social, technological, policy, and other considerations set forth herein and elsewhere in the record, including the reasons set forth in the

Statement of Overriding Considerations in Section VII below, Alternative A is hereby rejected as infeasible.

Rejection of Alternative B: 2004 Housing Element—Adjudicated. Alternative B includes the objectives, policies and implementation measures of the 2004 Housing Element except for the policies that were stricken by the San Francisco Superior Court, in *San Franciscans for Livable Neighborhoods v. City and County of San Francisco*, San Francisco Superior Court case number 504-780. The remaining policies that constitute Alternative B can be found in the Appendices to the EIR. Similar to Alternative A, this alternative would include the updated Data and Needs analysis found in Part 1 of the 2009 Housing Element, which also includes the most recently identified RHNA for the current planning period.

As identified in the EIR, Alternative B was determined to be the environmentally superior alternative because Alternative B would come closer to meeting the key Project objective of meeting the RHNA than would Alternative A, and Alternative A would have a potentially greater impact on historic resources.

Similar to the reasons set forth in rejecting Alternative A, Alternative B would be less likely to meet the Project's Objectives to meet the RHNA than the 2009 Housing Element. Even if enough development and new housing units were built under Alternative B to meet the total RHNA, the policies and objectives in Alternative B may not ensure that the affordability of those new units would reflect the income levels required by the RHNA. This is because Alternative B does not contain policies and objectives that allow an increase in density of new housing or reduced parking requirements as much as the 2009 Housing Element. Higher density housing with reduced parking requirements is generally lower in cost than single family or other low density housing with "one-to-one" parking.

Similar to Alternative A, policies and objectives in Alternative B contain less focus than the Project on encouraging density of housing near jobs and other services or along transit lines, which could result in the development of more housing farther away from these jobs and services resulting in more vehicle trips to access those activities than under the Project. The Project, on the other hand, includes specific policies designed to encourage denser housing near jobs, other services and along transit lines, such as Policy 12.1, 12.2, and 1.10. An increase in the amount of vehicle trips under Alternative B can result in more air quality impacts and greenhouse gas impacts. As a result, Alternative B has more air quality and greenhouse gas impacts than the Project, and thus, Alternative B does not meet the City's Objective in adopting a Housing Element that supports sustainable local, regional and state housing and environmental goals which call for a reduction in the amount of vehicle trips - the biggest source of greenhouse gases. These goals are found in plans and policies such as SB 375, and local plans such as the City's Climate Action Plan and the Department of the Environment's Strategic Action Plan.

In addition, Alternative B is a compilation of policies and objectives that received no community input or involvement. Alternative B does not contain the policies and objectives related to housing issues that respond to all stakeholders in San Francisco, including neighborhood organizations, housing developers and affordable housing advocates. On the other hand, and as noted above, the 2009 Housing Element includes input from a Citizens Advisory Committee, over 30 public workshops, staff office hours, online and written surveys as well as workshops hosted by the Planning Director over a two and a half year period. The scope of community input on the 2009 Housing Element is an important aspect of the City's determination to recommend the 2009 Housing Element.

Although the EIR determined that neither the Project nor Alternative B would have a significant environmental impact on neighborhood character and aesthetics, Alternative B does not include policies that appropriately balance the need to accommodate housing with the need to protect the

character of established neighborhoods. While recognizing and preserving the unique character of San Francisco's neighborhoods is a central housing value in the 2009 Housing Element, the ability to meet the City's housing needs, particularly affordable housing needs is also salient. As noted above, San Francisco was not able to meet its RHNA targets for affordability under policies in Alternative A, which are similar to the policies in Alternative B. Thus, Alternative B protects neighborhood character at the expense of developing housing which can meet the City's affordable housing goals, such as housing which is denser or contains less parking.

For the foregoing reasons as well as economic, legal, social, technological, policy, and other considerations set forth herein and elsewhere in the record, including the reasons set forth in the Statement of Overriding Considerations in Section VII below, Alternative B: the 2004 Housing Element – Adjudicated is hereby rejected as infeasible.

Rejection of Alternative C: 2009 Housing Element–Intensified. This alternative includes concepts that more actively encourage affordable housing development through zoning accommodations, and that encourage housing near transit. These concepts were generated based on ideas and alternative concepts raised over the course of outreach for the 2009 Housing Element preparation process, but which were ultimately not included. These concepts are intended to encourage housing by: 1) allowing for limited expansion of allowable building envelope for developments meeting the City's affordable housing requirement on-site with units of two or more bedrooms; 2) requiring development to the full allowable building envelope in locations that are directly on Transportation Effectiveness Project (TEP) rapid transit network lines; 3) giving height and/or density bonuses for development that exceeds affordable housing requirements in locations that are directly on TEP rapid transit network lines; 4) allowing height and/or density bonus for 100 percent affordable housing in all areas of the City except in RH-1 and RH-2 zones; and 5) granting of administrative exceptions for reduced parking spaces if the development is: a) in an RH-2 zoning district or greater; b) in an area where additional curb cuts would restrict parking in areas with parking shortages; or c) on a Transit Preferential Street.

Alternative C encourages housing density in more locations than the other Alternatives. By encouraging more dense housing, particularly along transit lines, with fewer controls over the height and bulk of that housing (thereby impacting neighborhood character), Alternative C would not meet the City's objectives to appropriately balance new housing development while maintaining existing neighborhood character. The increase in density under Alternative C could potentially result in incrementally increased impacts to scenic vistas, visual resources and visual character compared to the Project. Although these impacts were found less than significant, they would be incrementally greater than under the Project, and less responsive to the City's objective to balance new housing development with maintenance of existing neighborhood character.

Alternative C could result in greater impacts to archaeological resources compared to the Project due to the fact that potentially larger/taller projects would require more excavation. Alternative C also could have incrementally greater impacts on transit, because it would require development of full allowable building envelopes and would grant height and/or density bonuses that are on the rapid transit network as identified in the Transportation Effectiveness Project. Therefore more units would be built near transit, increasing the amount of transit trips. This impact would be significant and unavoidable, like the conclusion for the Project; however, it is likely that the impact would be greater under Alternative C than under the Project. As noted in the Revision, the increased promotion of density would also incrementally increase impacts on recreation, utilities and service systems, wind and shadow, geology and soils, hydrology and water quality, and hazards and hazardous materials. Although these impacts would be less than significant, they would be incrementally greater under Alternative C than under the 2009 Housing Element.

For the foregoing reasons as well as economic, legal, social, technological, policy, and other considerations set forth herein and elsewhere in the record, including the reasons set forth in the

Statement of Overriding Considerations in Section VII below, Alternative C: Housing Element – Intensified is hereby rejected as infeasible.

Additional Alternatives Proposed by the Public

During the term of analysis of the 2009 Housing Element and its associated EIR and the Revision and the related comment periods, various commentators proposed alternatives to the 2009 Housing Element. To the extent that these comments addressed the adequacy of the EIR analysis, they were described and analyzed in the Responses to Comments documents. As presented in the record, and determined by the Superior Court, the Final EIR reviewed a reasonable range of alternatives; moreover, CEQA does not require the project sponsor to consider every proposed alternative so long as the CEQA requirements for alternatives analysis have been satisfied.

Although the EIR and the Revision discussed a reasonable range of alternatives, the Commission specifically rejects as infeasible the following alternatives proposed by the public in comments on the Draft EIR, for the reasons set forth herein and noted elsewhere in the record, including the Responses to Comments document, and memoranda by the Planning Department to the Planning Commission and the Board of Supervisors on the 2009 Housing Element when it was previously in front of those bodies in 2011.

A “RHNA-Focused Alternative” is rejected as infeasible because it fails to reduce environmental impacts, and because a RHNA-focused alternative would also result in cumulatively considerable contribution to a potentially feasible transit impact. The 2009 Housing Element includes policies that are designed to encourage moderate and low income housing consistent with the RHNA, and do not “allow wholesale density increases;” therefore a “RHNA-Focused Alternative” would not provide useful information for decision-makers.

A “No Post-2004 Rezoning” is rejected as infeasible because current, post-2004 planning controls, such as those found in Market and Octavia Area Plan and the Eastern Neighborhoods Area Plan reflect the existing environment, and any reversal to those controls would require significant community outreach and involvement, the development of draft plans, Planning Commission and Board of Supervisors hearings and environmental review. Based on the amount of time in which it took to adopt these plans, it is reasonable to assume that the efforts to reverse those plans also would also require significant amounts of time, particularly because a No Post-2004 Rezoning alternative would undo significant long-term planning efforts which received widespread community and official City support, including support by the Planning Commission and the Board of Supervisors. Because this alternative would not be capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental social, technological or legal factors, this alternative is infeasible, and therefore rejected.

A “No-Additional Rezoning” is rejected as infeasible and undesirable because it would preclude future development required to accommodate pipeline development, would not reduce any potentially significant impacts to transit, and could impact the City’s ability to meet the RHNA for all income groups because rezoning on a localized level is, at times, necessary and desirable to accommodate affordable housing developments. Moreover, the City currently complies with the State Density Bonus law (Government Code section 65915 et seq) by rezoning parcels to accommodate the various incentives and concessions required to be accommodated by that statute. Thus, the No-Additional Rezoning Alternative would not meet the Project’s Objectives, and would run afoul of the City’s legal obligation to grant density bonuses under the State Density Bonus law.

For the foregoing reasons as well as economic, legal, social, technological, policy, and other considerations set forth herein and elsewhere in the record and this document, including the reasons set forth in the Statement of Overriding Considerations in Section VII below, these alternatives are hereby rejected as infeasible

Although the Superior Court held that the EIR included a reasonable range of alternatives, additional alternatives were suggested by commenters on the Revision to the Chapter VII Alternatives Analysis. For the economic, legal, social, technological, policy, and other considerations set forth in the Responses to Comments on the Revision, and elsewhere in the record, including the reasons set forth in the Statement of Overriding Considerations in Section VII below, those additional alternatives are rejected as infeasible.

VII. Statement of Overriding Considerations.

Pursuant to Public Resources Section 21081 and CEQA Guidelines Section 15093, it is hereby found, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the 2009 housing Element as set forth below independently and collectively outweighs the significant and unavoidable impacts and is an overriding consideration warranting approval of the 2009 Housing Element. Any one of the reasons for approval cited below is sufficient to justify approval of the 2009 Housing Element. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, this determination is that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the FEIR and the preceding findings, which are incorporated by reference into this Section, and in the documents found in the administrative record, as described in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, it is specifically found that there are significant benefits of the 2009 Housing Element in spite of the unavoidable significant impact on transit. It is further found that, as part of the process of approving the 2009 Housing Element, all significant effects on the environment from implementation of the 2009 Housing Element have been eliminated or substantially lessened where feasible. The remaining significant effect on transit found to be unavoidable is found to be acceptable due to the following specific overriding economic, technical, legal, social, policy, and other considerations.

1. Approval of the 2009 Housing Element will help the City to fulfill its fair share housing obligations as provided by the Association of Bay Area Governments. The City's fair share of regional housing, or RHNA, has been determined to be 3,294 units affordable to households with extremely low incomes; 3,295 for very low income households; 5,535 for low income households; 6,754 for moderate income households; and 12,315 for above moderate income households. The 2009 Housing Element encourages the production of housing in areas that are better served by transit, allows the consideration of parking and open space reductions, and encourages the retention of existing housing, all strategies that encourage the production and retention of housing at lower income levels. By encouraging these strategies, the 2009 Housing Element encourages the production of lower cost housing and housing that does not require the need for public housing subsidies.

2. The adoption of the 2009 Housing Element will allow the City to have a Housing Element that complies with State Housing Element law as determined by HCD. HCD previously determined that the 2009 Housing Element substantially complies with State Housing Element law in 2011, and it is anticipated that HCD will continue to find that the 2009 Housing Element complies with State Housing Element Law. Therefore, adoption of the 2009 Housing Element will allow the City to continue to be eligible for state and federal funds that require a Housing Element approved by HCD. These funds include affordable housing funds, open space funds

and transit funds, including grants under the OneBayArea Grant program as adopted by the Metropolitan Transportation Commission. Under the OneBayArea Grant program, MTC will direct \$38.8 million dollars in federal transportation funds to San Francisco.

3. The 2009 Housing Element is consistent with state, region and Citywide plans and policies to reduce greenhouse gas emissions by encouraging the provision of housing near transit. By encouraging housing along major transit lines and in close proximity to jobs and other daily activities, the 2009 Housing Element facilitates a decrease in the number of vehicle trips by City residents and visitors, and an increase in the number of persons using other modes for transportation, such as transit, bicycle and walking. The decreased use of private automobiles and increased use of transit, bicycles and walking will help reduce use of vehicles, a major source of greenhouse gas emissions. These plans and policies include, but are not limited to:

a. San Francisco's "Climate Action Plan: Local Actions to Reduce Greenhouse Gas Emissions," adopted in September 2004, which affirms San Francisco's commitment to reducing greenhouse gas emissions by 20% below 1990 levels by 2012. Among other policies, the Climate Action Plan outlines policies to discourage trips by private automobile and increase trips by other modes.

b. San Francisco Department of the Environment's Strategic Plan 2009-2011, a annually updated mission statement by the Department of the Environment, which among other topics, outlines goals and actions to promote non-vehicle use, such as bicycles, in San Francisco in order to reduce greenhouse gas emissions from transportation by 963,000 tons per year by 2012.

c. the Global Warming Solutions Act of 2006, otherwise known as AB 32, a California state law that requires the state's greenhouse gas emissions be reduced to 1990 levels by 2020, and SB 375, the Sustainable Communities and Climate Protection Act of 2008. Under SB 375, which supports the goals of AB 32, each region's Metropolitan Planning Organization must develop a Sustainable Communities Strategy that integrates transportation, land-use and housing policies to plan for achievement of the emissions target for their region, which in the San Francisco Bay Area is a 16% per-capita reduction in greenhouse gas emissions from passenger vehicles.

d. United Nations Urban Environmental Accords, a series of implementable goals that can be adopted at a city level to achieve urban sustainability, promote healthy economies, advance social equity and protect the world's ecosystem. Adopted in 2005, and signed by San Francisco, the Accords, among other goals, advocates for policies to reduce the percentage of commute trips by single occupancy vehicles by ten percent in seven years.

4. The 2009 Housing Element is a compilation of housing objectives and policies that were formed with the input of a broad range of community stakeholders that respond to current global economic indicators and climate issues. As noted elsewhere in this document and in the record and incorporated into this Statement of Overriding Considerations, the Department worked closely with community leaders, housing advocates, neighborhood groups, City agencies, and community members starting in 2008. The Commission finds that the policies and objectives in the resulting 2009 Housing Element best balances the diverse, and sometimes competing, needs of all San Francisco residents, while providing a comprehensive vision for the City's future projected housing needs.

5. The Project is consistent with and will help support the policies and objectives of the San Francisco General Plan, including but not limited to:

COMMERCE AND INDUSTRY ELEMENT

Policy 6.1 Ensure and encourage the retention and provision of neighborhood-serving goods and services in the City's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

Policy 6.3 Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity

Policy 6.4 Encourage the location of neighborhood shopping areas throughout City so that essential retail goods and personal services are accessible to all residents.

Policy 6.6 Adopt specific zoning districts, which conform to a generalized neighborhood commercial land use and density plan.

The 2009 Housing Element is consistent with these policies in the Commerce and Industry Element in that it encourages housing in mixed use developments, and served by neighborhood commercial districts. Neighborhood serving goods and services requires that there be a ready supply of customers in nearby housing. The 2009 Housing Element continues to utilize zoning districts which conforms to a generalized residential land use and density plan the General Plan.

RECREATION AND OPEN SPACE ELEMENT

OBJECTIVE 4 PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

Policy 4.6 Assure the provision of adequate public open space to serve new residential development.

The 2009 Housing Element is consistent with and fulfills this policy by encouraging an equitable distribution of growth according to infrastructure, which includes public open space and parks; and by requiring that development of new housing considers the proximity of quality of life elements such as open space.

TRANSPORTATION ELEMENT

OBJECTIVE 2: USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AN IMPROVING THE ENVIRONMENT

OBJECTIVE 3: ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES

OBJECTIVE 11: ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

The 2009 Housing Element is consistent with and fulfills these policies by supporting sustainable land use patterns that integrate housing with transportation in order to increase transit mode share; ensuring that new housing is sustainably supported by the City's public infrastructure system, including transit; by supporting "smart" regional growth that locates new housing close to jobs and transit; and by promoting sustainable land use patterns that integrate housing with transportation to increase transit mode, pedestrian and bicycle mode share.

In addition, the 2009 Housing Element fulfills the following policies found in various elements and Area Plans of the General Plan

BALBOA PARK AREA PLAN

OBJECTIVE 4.2 STRENGTHEN THE OCEAN AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT BY PROVIDING AN APPROPRIATE MIX OF HOUSING

OBJECTIVE 4.3 ESTABLISH AN ACTIVE, MIXED USE NEIGHBORHOOD AROUND THE TRANSIT STATION THAT EMPHASIZES THE DEVELOPMENT OF HOUSING.

OBJECTIVE 4.4 CONSIDER HOUSING AS A PRIMARY COMPONENT TO ANY DEVELOPMENT ON THE RESERVOIR.

OBJECTIVE 5.5 PROVIDE INCREASED HOUSING OPPORTUNITIES AFFORDABLE TO A MIX OF HOUSEHOLDS AT VARYING INCOME LEVELS.

OBJECTIVE 4.6 ENHANCE AND PRESERVE THE EXISTING HOUSING STOCK.

The 2009 Housing Element is consistent with and promotes the objectives of the Balboa Park Area Plan listed above in that it supports the provision of new housing, particularly affordable housing, and promotes the retention of exiting housing units.

BAYVIEW AREA PLAN

OBJECTIVE 5 PRESERVE AND ENHANCE EXISTING RESIDENTIAL NEIGHBORHOODS.

OBJECTIVE 6 ENCOURAGE THE CONSTRUCTION OF NEW AFFORDABLE AND MARKET RATE HOUSING AT LOCATION AND DENSITY LEVELS THAT ENHANCE THE OVERALL RESIDENTIAL QUALITY OF BAYVIEW HUNTERS POINT.

The 2009 Housing Element is consistent with and promotes the objectives of the Bayview Area Plan in that it promotes the development of new housing, particularly affordable housing while supporting and respecting the diverse and distinct character of San Francisco's neighborhoods, while ensuring that growth is accommodated without substantially and adversely impacting existing neighborhood character.

CENTRAL WATERFRONT AREA PLAN

OBJECTIVE 1.1 ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOODS CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD

OBJECTIVE 1.2 IN AREAS OF THE CENTRAL WATERFRONT WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER

OBJECTIVE 2.1 ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE CENTRAL WATERFRONT IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES.

The 2009 Housing Element is consistent with the Central Waterfront Area Plan in that it supports new housing, particularly affordable housing and mixed use developments, while encouraging housing close to transit and other amenities and neighborhood services, while ensuring that

growth is accommodated without substantially and adversely impacting existing neighborhood character

CHINATOWN AREA PLAN

OBJECTIVE 3 STABILIZE AND WHERE POSSIBLE INCREASE THE SUPPLY OF HOUSING

OBJECTIVE 4 PRESERVE THE URBAN ROLE OF CHINATOWN AS A RESIDENTIAL NEIGHBORHOOD

The 2009 Housing Element is consistent with the Chinatown Area Plan in that it encourages the provision of new housing, and encourages the maintenance and retention of existing housing, while ensuring that growth is accommodated without substantially and adversely impacting existing neighborhood character.

DOWNTOWN PLAN

OBJECTIVE 7 EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN

OBJECTIVE 8 PROTECT RESIDENTIAL USES IN AN ADJACENT TO DOWNTOWN FROM ENCROACHMENT BY COMMERCIAL USES.

The 2009 Housing Element is consistent with the Downtown Plan in that it encourages the development of new housing in areas that can accommodate that housing with planned or existing infrastructure, and supports new housing projects where households can easily rely on public transportation.

MARKET AND OCTAVIA AREA PLAN

OBJECTIVE 1.1 CREATE A LAND USE PLAN THAT EMBRACES THE MARKET AND OCTAVIA NEIGHBORHOODS' POTENTIAL AS A MIXED-USE URBAN NEIGHBORHOOD

OBJECTIVE 1.2 ENCOURAGE URBAN FORM THAT REINFORCES THE PLAN AREAS UNIQUE PLACE IN THE CITY'S LARGER URBAN FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

OBJECTIVE 2.2 ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA

OBJECTIVE 2.3 PRESERVE AND ENHANCE EXISTING SOUND HOUSING STOCK.

The 2009 Housing Element is consistent with the Market and Octavia Area Plan because it promotes mix use developments, ensures that growth is accommodated without substantially and adversely impacting existing neighborhood character, and promotes the retention and maintenance of existing sound housing stock.

MISSION AREA PLAN

OBJECTIVE 2.1 ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE MISSION IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES.

The 2009 Housing Element promotes the Mission Area Plan in that it encourages that new housing be affordable to people with a wide range of incomes.

RINCON HILL AREA PLAN

OBJECTIVE 1.1 ENCOURAGE THE DEVELOPMENT OF A UNIQUE DYNAMIC, MIXED USE RESIDENTIAL NEIGHBORHOOD CLOSE TO DOWNTOWN, WHICH WILL CONTRIBUTE SIGNIFICANTLY TO THE CITY'S HOUSING SUPPLY.

OBJECTIVE 2.2 MAXIMIZE HOUSING GIN RINCON HILL TO CAPITALIZE ON RINCON HILLS CENTRAL LOCATION ADJACENT TO DOWNTOWN EMPLOYMENT AND TRANSIT SERVICE, WHILE STILL RETAINING THE DISTRICT'S LIVABILITY.

The 2009 Housing Element is consistent with the Rincon Hill Area Plan in that it encourages the development of new housing in areas that can accommodate that housing with planned or existing infrastructure, and supports new housing projects where households can easily rely on public transportation.

SHOWPLACE/POTRERO HILL AREA PLAN

OBJECTIVE 2.1 ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE SHOWPLACE/POTRERO IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES.

OBJECTIVE 2.2 RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

OBJECTIVE 2.1 LOWER THE COST OF THE PRODUCTION OF HOUSING

The 2009 Housing Element is consistent with the Showplace/Potrero Hill Area Plan in that it promotes the development of housing that is affordable to people of all incomes.

SOMA AREA PLAN

OBJECTIVE 2: PRESERVE EXISTING HOUSING

OBJECTIVE 3 ENCOURAGE THE DEVELOPMENT OF NEW HOUSING, PARTICULARLY AFFORDABLE HOUSING.

The 2009 Housing Element is consistent with the SOMA Area Plan in that it promotes the development of housing that is affordable to people of all incomes and supports the conservation and improvement of the existing housing stock.