

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#)
Cc: [Major, Erica \(BOS\)](#); [Calvillo, Angela \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Entezari, Mehran \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Somera, Alisa \(BOS\)](#)
Subject: FW: San Francisco 4-plex bill feasibility and housing element
Date: Tuesday, October 18, 2022 11:18:29 AM
Attachments: [image.png](#)

Hello,

The below message is about item No. 27 File No. 210866 on today's Board agenda 101822 .

File No. 210866:

Ordinance amending the Planning Code to provide a density limit exception to permit up to four dwelling units per lot, and up to six dwelling units per lot in Corner Lots, in all RH (Residential, House) zoning districts, subject to certain requirements, including among others the replacement of protected units; amending the Administrative Code to require new dwelling units constructed pursuant to the density limit exception to be subject to the rent increase limitations of the Rent Ordinance; amending the Subdivision Code to authorize a subdivider that is constructing new dwelling units pursuant to the density exception to submit an application for condominium conversion or a condominium map that includes the existing dwelling units and the new dwelling units that constitute the project; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

..Version
(Version 9)

..Amendment
(10/03/2022 - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE)

From: chuong vu <chuongv@gmail.com>
Sent: Monday, October 17, 2022 10:40 PM
To: housingelements@hcd.ca.gov; Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>
Subject: San Francisco 4-plex bill feasibility and housing element

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hello HCD,

cc: San Francisco Board of Supervisors.

San Francisco is planning to pass its own 4-plex bill that will allow owners to turn their single family home into 4 units or 6 units if it's on a corner lot.

The planning commission hired a consultant to do a feasibility study on this. Even assuming market rate rents, this legislation will likely produce little to no housing. San Francisco plans to add additional restrictions such as rent control, no condos and a 1 year lookback for ownership.

This is going to result in little or no housing. And their housing element assumes that 2% of these lots will be upzoned. SB 9 is already more meaningful yet they had only 30 or so applications in a year. We should make the assumption that 4-plex legislation should not yield as much as the SB 9 applications.

Please see item #28 on the attachment for the full feasibility report.

<https://sfgov.legistar.com/LegislationDetail.aspx?ID=5072893&GUID=C27DBDB3-DB6A-4A94-9A34-A6B056990468>

Low Financial Feasibility of Triplex and Fourplex Developments Makes Requiring Affordability Difficult

Some recent local legislative proposals to allow up to four units in areas currently restricted to fewer units would impose affordability requirements on at least one newly added unit, targeting rents and prices to a specific income level relative to the Area Median Income (AMI). Studies and data indicate that there are substantial unmet needs for housing affordable to moderate- and middle- income households, particularly for homeownership opportunities. Unfortunately, mandating units at 100%, 110%, or 140% of AMI appears to worsen already challenged financial feasibility. Given that prototype projects are far from feasible when assuming market rents and sale prices, requiring additional affordability simply increases the feasibility gap and further reduces the likelihood of new housing being built in triplexes or fourplexes. Affordability requirements could also inadvertently encourage development or expansion of single-family homes rather than triplexes or fourplexes by making single-family homes more financially appealing. Producing units that are affordable to middle income households, given the current market conditions, would require significant subsidy. Additionally, since the income generated by the new units would be fixed or reduced, it would create a burden on the project owner to repay a construction loan, potentially even making it difficult to obtain one in the first place.