

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
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TDD/TTY No. 554-5227

November 6, 2018

The Honorable Teri Jackson
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street, Department 206
San Francisco, CA 94102

RE: Civil Grand Jury Report - Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing

Dear Judge Jackson:

The Board of Supervisors' Government Audit and Oversight Committee conducted a public hearing on October 3, 2018, to review the findings and recommendations of the 2017-2018 Civil Grand Jury report, entitled "Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing."

Prior to the Committee meeting, the following City Departments submitted required responses to the Civil Grand Jury:

- Office of the Controller:
Received August 17, 2018 for
Recommendation No. R6.

- The Mayor's Office submitted a consolidated response for the following departments:
 - Office of the Mayor;
 - Mayor's Office of Housing and Community Development;
 - Department of Building Inspection;
 - Planning Department;
 - Office of Community Investment and Infrastructure;
 - Fire Department;
 - Department of Homelessness and Supportive Housing;
 - Public Utilities Commission; and
 - Public Works.Received September 3, 2018, for Finding Nos. F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13 and F14; and
Recommendation Nos. R1, R4, R5, R6, R7, R8, R9, R10, and R11.


Continues on next page

At the October 3, 2017 meeting, the Government Audit and Oversight Committee prepared a resolution responding to the requested findings and recommendations identified in the report. The response was prepared by Resolution No. 342-18, enacted on October 26, 2018.

By this message, the Office of the Clerk of the Board of Supervisors is transmitting Resolution No. 342-18 to your attention.

If you have any questions, please contact John Carroll, Government Audit and Oversight Committee Clerk at (415) 554-4445, or via email to john.carroll@sfgov.org.

Sincerely,


for Angela Calvillo
Clerk of the Board

c:

Honorable Teri L. Jackson, Presiding Judge
Kanishka Karunaratne Cheng, Mayor's Office
Mawuli Tugbenyoh, Mayor's Office
Andres Power, Mayor's Office
Marie Valdez, Mayor's Office
Kate Hartley, Director, Mayor's Office of Housing and
Community Development
Eugene Flannery, Mayor's Office of Housing and
Community Development
Amy Chan, Mayor's Office of Housing and Community
Development
John Rahaim, Director, Planning Department
Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
Devyani Jain, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Tom Hui, Director, Department of Building Inspection
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
Joanne Hayes-White, Chief, Fire Department
Kelly Alves, Fire Department
Mohammed Nuru, Director, Public Works
David Steinberg, Public Works
Jeremy Spitz, Public Works
Jennifer Blot, Public Works

John Thomas, Public Works
Lena Liu, Public Works
Harlan Kelly, General Manager, San Francisco Public
Utilities Commission
Juliet Ellis, San Francisco Public Utilities Commission
Donna Hood, San Francisco Public Utilities
Commission
John Scarpulla, San Francisco Public Utilities
Commission
Christopher Whitmore, San Francisco Public Utilities
Commission
Ben Rosenfield, Office of the Controller
Todd Rydstrom, Office of the Controller
Peg Stevenson, Office of the Controller
Tonia Lediju, Office of the Controller
Jeff Kositsky, Director, Department of Homelessness
and Supportive Housing
Emily Cohen, Department of Homelessness and
Supportive Housing
Nadia Sesay, Executive Director, Office of Community
Investment and Infrastructure
Jon Givner, Office of the City Attorney
Alisa Somera, Office of the Clerk of the Board
Debra Newman, Budget and Legislative Analyst
Severin Campbell, Budget and Legislative Analyst
Ashley Clark, Budget and Legislative Analyst
Lori Campbell, Foreperson, San Francisco Civil
Grand Jury



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Certified Copy

Resolution

180702

[Board Response - Civil Grand Jury Report - Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing]

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2017-2018 Civil Grand Jury Report, entitled "Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget. (Clerk of the Board)

10/16/2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

10/26/2018 Mayor - APPROVED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

November 05, 2018

Date



Angela Calvillo
Clerk of the Board

1 [Board Response - Civil Grand Jury Report - Mitigating the Housing Crisis: Accessory
2 Dwelling Units and Modular Housing]

3 **Resolution responding to the Presiding Judge of the Superior Court on the findings**
4 **and recommendations contained in the 2017-2018 Civil Grand Jury Report, entitled**
5 **“Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing;” and**
6 **urging the Mayor to cause the implementation of accepted findings and**
7 **recommendations through his/her department heads and through the development of**
8 **the annual budget.**

9
10 WHEREAS, Under California Penal Code, Section 933 et seq., the Board of
11 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
12 Court on the findings and recommendations contained in Civil Grand Jury Reports; and

13 WHEREAS, In accordance with California Penal Code, Section 933.05(c), if a finding or
14 recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a
15 county agency or a department headed by an elected officer, the agency or department head
16 and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the
17 response of the Board of Supervisors shall address only budgetary or personnel matters over
18 which it has some decision making authority; and

19 WHEREAS, Under San Francisco Administrative Code, Section 2.10(a), the Board of
20 Supervisors must conduct a public hearing by a committee to consider a final report of the
21 findings and recommendations submitted, and notify the current foreperson and immediate
22 past foreperson of the civil grand jury when such hearing is scheduled; and

23 WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b),
24 the Controller must report to the Board of Supervisors on the implementation of
25

1 recommendations that pertain to fiscal matters that were considered at a public hearing held
2 by a Board of Supervisors Committee; and

3 WHEREAS, The 2017-2018 Civil Grand Jury Report, entitled "Mitigating the Housing
4 Crisis: Accessory Dwelling Units and Modular Housing" ("Report") is on file with the Clerk of
5 the Board of Supervisors in File No. 180701, which is hereby declared to be a part of this
6 Resolution as if set forth fully herein; and

7 WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond
8 to Finding Nos. F2, F6, and F7, as well as Recommendation Nos. R2 and R3, contained in the
9 subject Report; and

10 WHEREAS, Finding No. F2 states: "Construction of ADUs can add a meaningful
11 number of moderately priced rental housing units in San Francisco, with no significant burden
12 on City finances. Therefore, encouraging ADU development is of value to San Francisco;" and

13 WHEREAS, Finding No. F6 states: "The City's ADU program acknowledges the value
14 to the City of increasing ADU construction. Homeowners who construct ADUs do so
15 voluntarily and at their own expense. The additional burden of heavy permit fees is
16 counterproductive to the City's goal of increasing the rate of ADU construction, in that it
17 represents an additional barrier to building ADUs for single family homeowners, and therefore
18 likely reduces the number of applications;" and

19 WHEREAS, Finding No. F7 states: "Cities that lower permitting fees for ADUs, as
20 Portland, Seattle and Vancouver, BC have done, see an increase in the number of permit
21 applications by single family homeowners; if San Francisco reduces permitting fees for that
22 type of ADU permit applications, they are likely to increase;" and

23 WHEREAS, Recommendation No. R2 states: "Recommends the Board of Supervisors
24 amend existing City codes and ordinances, before June 30, 2019, to waive or reduce ADU
25

1 permit fees, with the understanding that reduced departmental revenues would be made up
2 from the City's general fund;" and

3 WHEREAS, Recommendation No. R3 states: "Recommends the Board of Supervisors
4 structure fees separately for ADUs in single family residences and ADUs in multi-unit
5 buildings, specifically designed to ease the permitting costs for single family homeowners;"
6 and

7 WHEREAS, In accordance with California Penal Code, Section 933.05(c), the Board of
8 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
9 Court on Finding Nos. F2, F6, and F7, as well as Recommendation Nos. R2 and R3 contained
10 in the subject Report; now, therefore, be it

11 RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the
12 Superior Court that they agree with Finding No. F2 for reason as follows: San Francisco is
13 currently in an affordable housing crisis and the majority of the new accessory dwelling
14 housing stock will offer rent controlled units; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge
16 of the Superior Court that they disagree partially with Finding No. F6 for reason as follows:
17 making the ADU application more affordable may remove a barrier for homeowners interested
18 in building an ADU, but will require further analysis; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge
20 of the Superior Court that they agree with Finding No. F7 for reason as follows: making ADU
21 permitting more affordable for homeowners may incentivize them to build ADUs; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
23 No. R2 requires further analysis, the Budget and Legislative Analyst Office, the San Francisco
24 Planning Department, and the Office of the Controller should study the correlation between a
25 reduction in permitting fees and an increase in ADU construction; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
2 No. R3 further analysis, the Budget and Legislative Analyst Office, the San Francisco
3 Planning Department, and the Office of the Controller should study the correlation between a
4 reduction in permitting fees and an increase in ADU construction; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the
6 implementation of the accepted findings and recommendations through her department heads
7 and through the development of the annual budget.

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City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 180702

Date Passed: October 16, 2018

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2017-2018 Civil Grand Jury Report, entitled "Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget.

October 03, 2018 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 03, 2018 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

October 16, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

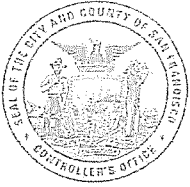
File No. 180702

I hereby certify that the foregoing Resolution was ADOPTED on 10/16/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

August 17, 2018

The Honorable Terri L. Jackson
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102

Dear Judge Jackson:

Pursuant to Penal Code sections 933 and 933.05, the following is in reply to the 2017-18 San Francisco Civil Grand Jury reports, *Open Source Voting in San Francisco* and *Accessory Dwelling Units and Modular Housing*. We would like to thank the Civil Grand Jury for their work.

The Civil Grand Jury's reports provided important findings and recommendations on each of the topics reported on in this session. We will use this work to inform future audit and project planning and communication with leadership, stakeholders, and the public on these issues.

If you have any questions about this response, please contact me or Deputy Controller Todd Rydstrom at 415-554-7500.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

Ben Rosenfield
Controller

cc: Todd Rydstrom

Civil Grand Jury Report: Accessory Dwelling Units and Modular Housing

Required Responses to Recommendation 6:

Recommendation 6. Recommends the Department of Building Inspection work with the Department of the Controller to develop meaningful, outcome-based performance metrics on ADU permit approval duration, to be reported on OpenData starting January 2019. (F3, F4)

Response: The recommendation has not been, but will be, implemented in the future.

We will work with the Department of Building Inspection to develop one or more metrics on permitting of ADUs by January 2019. Depending on the data sources, content or related factors, we may publish such metrics in the Performance Scorecard section of the Controller's website, or in another accessible format, to be determined in consultation with stakeholders.

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

September 3, 2018

The Honorable Teri L. Jackson
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102

Dear Judge Jackson:

Pursuant to Penal Code sections 933 and 933.05, the following is in reply to the 2017-18 Civil Grand Jury report, *Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing*. We would like to thank the members of the Civil Grand Jury for their efforts to promote innovative methods to alleviate the City's housing crisis.

We strongly agree with premise of the report: that the City must build significantly more housing to meet the needs of a growing City. We agree that non-traditional types of building, like Accessory Dwelling Units (ADUs) and modular housing, have tremendous potential to add to the City's housing supply while requiring less public subsidy, less time to build, and fewer of the impacts to neighborhood character that often generate opposition to new housing. We agree that for both ADUs and modular housing, the City needs to take concrete action to facilitate the adoption of the technology through smart public policy and comprehensive community outreach.

With regards to ADUs, we acknowledge that the lengthy permitting process and strict building codes are one reason more ADUs have not been built. Through better coordination between City departments, permitting times have already fallen significantly. We will continue to strive for more improvement. The City has already taken significant action to make the planning, building, and fire codes less of an obstacle for property owners who wish to build ADUs in their building. That is why the Mayor issued an Executive Directive on Thursday, August 30th to both speed up the process of approving new ADU applications and clear the backlog of older applications. From this point forward, it should only takes four months for the City to review a completed application to construct an ADU and only six months to clear the 900 unit backlog of permits. There exists significant potential to make the building codes less restrictive and more flexible – allowing easier and more affordable construction of ADUs with no diminished safety for residents. However, elements of the building and fire code that are governed by the State code do not allow the City to make our local code less restrictive. This remains a significant challenge.

With regards to modular housing, we are supportive of the establishment of a union-staffed modular housing factory in the City limits. This will ensure a sufficient supply of housing units to serve the City's affordable housing pipeline for formerly homeless individuals while guaranteeing quality control and code compliance. Furthermore, it will leverage the skills and capacity of our local building trades, protecting local jobs while delivering housing in a shorter time at a lower cost.

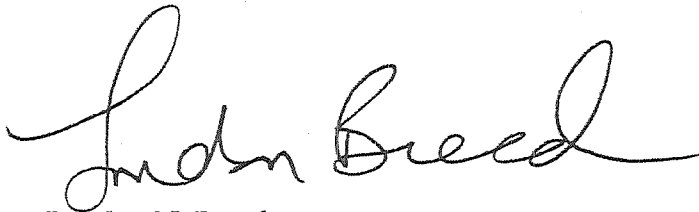
While we are not named as respondents to the report's Finding 1, we wanted to take this opportunity to respond to the Finding, which states that San Francisco "has produced more than the required market rate housing to satisfy demand, but not nearly enough below market rate housing." We agree that production of below market rate housing has not met minimum targets in the Regional Housing Needs Assessment

(RHNA) and has not met the needs of tens of thousands of low and moderate income households that are cost burdened or face other housing challenges. Regarding production of market rate housing, however, we believe that meeting minimum production targets in RHNA is not the same as meeting market demand and that there is ample evidence that demand from higher income households has exceeded production, placing greater pressures on the City's housing stock and residents with low to middle incomes. Therefore, the need to facilitate housing production highlighted in the report extends to housing for all income groups.

A detailed response from the Mayor's Office, Mayor's Office of Housing and Community Development, Department of Building Inspection, Department of City Planning, Department of Homelessness and Supportive Housing, Department of Public Works, Fire Department, Office of Community Investment and Infrastructure, and Public Utilities Commission to the Civil Grand Jury's findings and recommendations are attached.

Thank you again for the opportunity to comment on this Civil Grand Jury report.

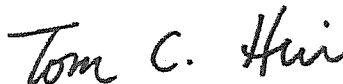
Sincerely,



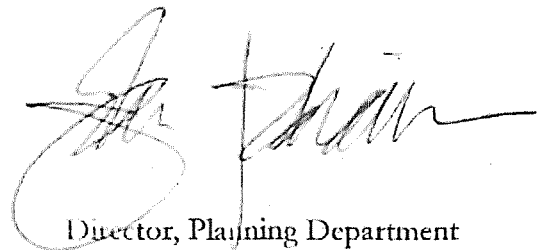
London N. Breed
Mayor



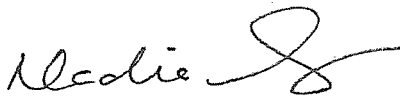
Director, Mayor's Office of
Housing and Community
Development



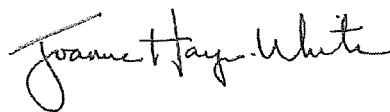
Director, Department of
Building Inspection



Director, Planning Department



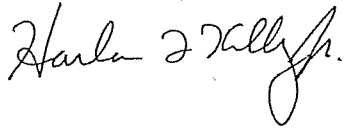
Executive Director, Office of
Community Investment and
Infrastructure



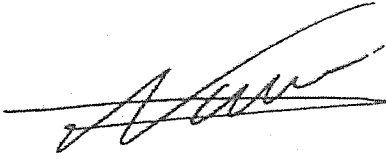
Chief, Fire Department



Director, Department of
Homelessness and Supportive
Housing



General Manager, Public Utilities
Commission



Director, Public Works

RESPONSES TO 2017-2018 CIVIL GRAND JURY FINDINGS AND RECOMMENDATIONS

| Finding (text may be duplicated due to spanning and multiple respondent effects) | Respondent Assigned by CGJ [Response Due Date] | Finding Response (Agree/Disagree) | Finding Response Text | R# [for F#] | Recommendation (text may be duplicated due to spanning and multiple respondent effects) | Respondent Assigned by CGJ [Response Due Date] | Recommendation Response (Implementation) | Recommendation Re |
|--|--|--------------------------------------|-----------------------|----------------|---|--|--|---|
| The City has produced more than the required market rate housing to satisfy market demand using traditional building practices, but not nearly enough below market rate housing. Taking better advantage of alternative construction methods can increase the City's ability to narrow the below-market housing gap. | | | | | | | | |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Planning Department [Response due: September 3, 2018] | Agree with the finding | | R1 [F2, F8] | Recommends the Planning Department and the Department of Building Inspection jointly review their codes and submit joint recommendations to the Board of Supervisors no later than April 1, 2019 for code amendments designed to encourage homeowners to build more ADUs. | Planning Department [Response due: September 3, 2018] | Will be implemented | Over the last six months, DBI, Planning and Board of Supervisors have been and develop recommendations to er Through this interagency working group preliminary checklists for each response requirements to expedite and stream rounds of amendments have increased owners to add units to their property Still, further analysis is warranted to further recommendations. Planning their codes and submit joint recommendations to the Board of Supervisors no later than April 1, 2019 designed to encourage homeowners |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Department of Building Inspection [Response due: September 3, 2018] | Agree with the finding | | R1 [F2, F8] | Recommends the Planning Department and the Department of Building Inspection jointly review their codes and submit joint recommendations to the Board of Supervisors no later than April 1, 2019 for code amendments designed to encourage homeowners to build more ADUs. | Department of Building Inspection [Response due: September 3, 2018] | Will be implemented | Over the last six months, DBI, Planning and Board of Supervisors have been and develop recommendations to er Through this interagency working group preliminary checklists for each response requirements to expedite and stream improvements to the ordinance, while approval process to include other city Works-BSM, Fire Department and Planning and DBI will jointly review recommendations to the Board of Supervisors April 1, 2019 for code amendments to encourage homeowners to build more ADU's. |

RESPONSES TO 2017-2018 CIVIL GRAND JURY FINDINGS AND RECOMMENDATIONS

| Finding (text may be duplicated due to spanning and multiple respondent effects) | Respondent Assigned by CGJ [Response Due Date] | Finding Response (Agree/Disagree) | Finding Response Text | R# [for F#] | Recommendation (text may be duplicated due to spanning and multiple respondent effects) | Respondent Assigned by CGJ [Response Due Date] | Recommendation Response (Implementation) | Recommendation Re |
|--|--|-----------------------------------|-----------------------|--------------------|--|--|--|---|
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Planning Department [Response due: September 3, 2018] | Agree with the finding | | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Planning Department [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a shared fifth floor at 1660 Mission Street to expedite approval process. |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Department of Building Inspection [Response due: September 3, 2018] | Agree with the finding | | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Department of Building Inspection [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a shared fifth floor at 1660 Mission Street to expedite approval process. |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Fire Department [Response due: September 3, 2018] | Agree with the finding | | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Fire Department [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a shared fifth floor at 1660 Mission Street to expedite approval process. |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Department of Public Works [Response due: September 3, 2018] | Agree with the finding | | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Department of Public Works [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a shared fifth floor at 1660 Mission Street to expedite approval process. |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Public Utilities Commission [Response due: September 3, 2018] | Agree with the finding | | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Public Utilities Commission [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a shared fifth floor at 1660 Mission Street to expedite approval process. |
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Planning Department [Response due: September 3, 2018] | Agree with the finding | | R9 [F2, F8] | Recommends the Planning Department waive parking space requirements for ADUs built in single-family residences. | Planning Department [Response due: September 3, 2018] | Has been implemented | The Planning Code does not require a unit to any building. This control was before the ADU program. The ADU program is not requiring parking for ADUs, even if proposed at one property. The Planning Code through the provision of bicycle parking through the granting of an administrative parking requirement per the ADU program made removing existing required parking provision was built into the ADU program in 2014. The Planning Code provision of bicycle parking at the property through the granting of an administrative exception requirement per the ADU program. |

RESPONSES TO 2017-2018 CIVIL GRAND JURY FINDINGS AND RECOMMENDATIONS

| Finding (text may be duplicated due to spanning and multiple respondent effects) | Respondent Assigned by CGJ [Response Due Date] | Finding Response (Agree/Disagree) | Finding Response Text | R# [for F#] | Recommendation (text may be duplicated due to spanning and multiple respondent effects) | Respondent Assigned by CGJ [Response Due Date] | Recommendation Response (Implementation) | Recommendation Re |
|--|--|--------------------------------------|-----------------------|--------------------|--|--|--|--|
| Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco. | Planning Department [Response due: September 3, 2018] | Agree with the finding | | R10 [F2, F9] | Recommends the Planning Department expand its public outreach on ADUs to increase homeowner awareness of ADU opportunities. | Planning Department [Response due: September 3, 2018] | Will be implemented | To date, the Planning Department has to market and publicize the ADU pro handbook that include six ADU prot video, created user friendly Fact She attended public events to present th common public questions. Moving f team received a grant for communit City Planning (FOCP) for \$29,000 to materials, and facilitate community is for contracting a consultant to upc updated prototypes to reflect Code updated financial analysis. Anticipat is late Fall of 2018*. This ADU Handb resource, and is used by design prof to learn about how an ADU could fit as used as a resource at outreach ev Furthermore, Planning will create a resource portal anticipated by end o be aimed to single family homeown unit homeowner audience. The community outreach (Planning timeline is as follows: o To design professionals fall 2018*. o To single-family homeowners Q4 2 *Predicated on DBI & Fire mutually |
| The City has provided a program to encourage ADU construction, and as a result, the number of ADU permit applications has been growing dramatically. Further improvements to this program will help ADU construction to continue on a successful trajectory. | Department of Building Inspection [Response due: September 3, 2018] | Agree with the finding | | R6 [F3, F4] | Recommends the Department of Building Inspection work with the Department of the Controller to develop meaningful, outcome-based performance metrics on ADU permit approval duration, to be reported on OpenData starting January 2019. | Department of Building Inspection [Response due: September 3, 2018] | Will be implemented | The Department of Building Inspecti Department of the Controller to dev based performance metrics on ADU to be reported on OpenData starting |
| The length of the permitting process for ADUs is a major factor in limiting the speed of bringing ADUs to market to help meet the housing shortage. Shortening the ADU permitting process both expedites and encourages ADU construction. | Planning Department [Response due: September 3, 2018] | Agree with the finding | | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Planning Department [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a share fifth floor at 1660 Mission Street to approval process. |
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| The Planning Department expects to establish a one-stop permit center in its new building, which would bring together all agencies involved in the permit process, and thereby expedite approvals, but the new building won't be ready until 2020; therefore, interim measures to expedite ADU approvals are needed. | Planning Department [Response due: September 3, 2018] | Disagree, partially | The Department is in agreement that interim measures to expedite ADU approvals are needed ahead of the opening of the one stop permit center in 2020. The Department disagrees with the characterization that the Planning Department will be the entity establishing the one stop permit center and the characterization that the new building will belong to the planning department. Rather, the one stop permit center will be established and run by the City Administrator. The building at 49 South Van Ness will belong to the City and will be managed by the Department of Real Estate. | R4 [F2, F4, F5] | Recommends the five agencies involved with ADU permitting establish a shared meeting space by January 1, 2019, and not wait for the completion of the new shared agency building. This space would be used by point persons from each of the five permitting agencies to expedite the ADU permit approval process. | Planning Department [Response due: September 3, 2018] | Has been implemented | DBI, Planning, SFFD, DPW, and PUC members located together at a shared fifth floor at 1660 Mission Street to expedite approval process. |
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| <p>The City's ADU program acknowledges the value to the City of increasing ADU construction. Homeowners who construct ADUs do so voluntarily and at their own expense. The additional burden of heavy permit fees is counterproductive to the City's goal of increasing the rate of ADU construction, in that it represents an additional barrier to building ADUs for single family homeowners, and therefore likely reduces the number of applications.</p> | <p>Department of Building Inspection [Response due: September 3, 2018]</p> | <p>Disagree, partially</p> | <p>More research is required on the reasons more single-family homeowners are not applying for ADUs in San Francisco, which may mirror larger state and national trends. In our experience, fees have not been noted as a key barrier. The cost of building materials and construction labor drive the cost of the ADU project, as these hard costs plus the soft costs such as designer fees and permit fees (which are often a percentage of the hard costs) form a bulk of project costs; other project fees may include water and power connection charges, development impact fees, school district fees, which are dependent on scope of project. Anecdotal reasons that are discussed frequently as barriers include: the lack of financing through existing mechanisms, the burden of construction loan payments, limited public outreach, and the duration of permit review.</p> | | | | | |
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| <p>Cities that lower permitting fees for ADUs, as Portland, Seattle and Vancouver, BC have done, see an increase in the number of permit applications by single family homeowners; if San Francisco reduces permitting fees for that type of ADU permit applications, they are likely to increase.</p> | <p>Department of Building Inspection [Response due: September 3, 2018]</p> | <p>Agree with the finding</p> | | | | | | |
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| The City's Building and related construction codes place limitations on what can be built, inhibiting some homeowners from building ADUs. Allowing exceptions from these requirements, when it can be done without compromising safety, helps homeowners add ADUs to their homes. | Planning Department [Response due: September 3, 2018] | Disagree, partially | The ADU program already includes much flexibility from the Planning Code requirements, which regulates quality of life in the unit. Basic health and safety requirements are regulated by the Building Code which is also constrained by the State Code. The City is exploring ways to ease Building and Fire Code standards within the limitations of the State Law. This is difficult, however, because the City's discretion to change these codes is limited to making those codes more-- not less-- restrictive. Local jurisdictions cannot waive or be less restrictive than State mandate. A homeowner/ADU applicant may request an alternative means of protection equal to or greater than prescribed requirements. | R1 [F2, F8] | Recommends the Planning Department and the Department of Building Inspection jointly review their codes and submit joint recommendations to the Board of Supervisors no later than April 1, 2019 for code amendments designed to encourage homeowners to build more ADUs. | Planning Department [Response due: September 3, 2018] | Will be implemented | Over the last six months, DBI, Planning and Public Works-BSM and representatives and Board of Supervisors have been and develop recommendations to er Through this interagency working group preliminary checklists for each response requirements to expedite and stream rounds of amendments have increased owners to add units to their property Still, further analysis is warranted to further recommendations. Planning their codes and submit joint recommendations to the Board of Supervisors no later than April 1, 2019 designed to encourage homeowners |
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| The Planning Department's current public outreach program is a good start, but the material needs to be updated, and it is not reaching enough people. Better outreach directed to more homeowners will likely lead to an increase in applications for construction of ADUs in single family homes. | Planning Department [Response due: September 3, 2018] | Agree with the finding | | R10 [F2, F9] | Recommends the Planning Department expand its public outreach on ADUs to increase homeowner awareness of ADU opportunities. | Planning Department [Response due: September 3, 2018] | Will be implemented | <p>To date, the Planning Department has to market and publicize the ADU pro handbook that include six ADU prot video, created user friendly Fact She attended public events to present th common public questions. Moving f team received a grant for communit City Planning (FOCP) for \$29,000 to materials, and facilitate community is for contracting a consultant to upc updated prototypes to reflect Code updated financial analysis. Anticipat is late Fall of 2018*. This ADU Handb resource, and is used by design prof to learn about how an ADU could fit as used as a resource at outreach ev</p> <p>Furthermore, Planning will create a resource portal anticipated by end o be aimed to single family homeown unit homeowner audience.</p> <p>The community outreach (Planning timeline is as follows: <ul style="list-style-type: none"> o To design professionals fall 2018*. o To single-family homeowners Q4 2 </p> <p>*Predicated on DBI & Fire mutually e</p> |
| Spaces at the 1068 Mission and possibly the Mission Bay Block 9 homeless housing projects may be suitable for construction trade "soft skills" training—preparatory training for construction work. This could be facilitated by DSHS as part of the CityBuild program. The end result could be a strengthened labor force. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Disagree, wholly | <p>While the idea to use the 1068 site for construction trades training for residents is a good one, the space has already been programmed to be used for the CHEF's program. The CHEF's program is currently in operation at other locations, replicable by ECS at the 1068 site, and has a proven track record regarding employment for formerly homeless persons. Additionally, restrictions bestowed on the site when transferred from the federal government mandate that the site be used only to serve formerly homeless individuals, which would limit participation in a construction training program.</p> <p>Mission Bay Block 9 is similarly not available for a construction training program because the demand for robust supportive services at Mission Bay South Block 9 requires the entirety of the project's ground floor space not otherwise used for mechanical and utility uses. The non-mechanical/utility ground floor uses include suites to accommodate supportive services, property management functions, exam rooms, community room and kitchen, and a lounge.</p> | R5 [F10] | Recommends that MOHCD and OCII require the managers of 1068 Mission Street and possibly Mission Bay Block 9 to reserve ground floor space for use in training construction workers, including training in ADU construction methods and modular unit construction work. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Will not be implemented because it is not warranted or reasonable | <p>While the idea to use the 1068 site for training for residents is a good one, it is programmed to be used for the CHEF's program is currently in operation at the 1068 site, and has a proven track record regarding employment for formerly homeless persons. Additionally, restrictions bestowed on the site when transferred from the federal government mandate that the site be used only to serve formerly homeless individuals, which would limit participation in a construction training program.</p> <p>Mission Bay Block 9 is similarly not available for a construction training program because the demand for robust supportive services at Mission Bay South Block 9 requires the entirety of the project's ground floor space not otherwise used for mechanical and utility uses. The non-mechanical/utility ground floor uses include suites to accommodate supportive services, property management functions, exam rooms, community room and kitchen, and a lounge.</p> |

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| 1 | When the City is building housing using factory-constructed modules from outside the City, the factory construction of those modules is subject to state building codes but not local building codes. If local building codes are not taken into account at the factory, there can be code compliance problems at the project site. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Disagree, partially | Factory-built housing is required to be certified and receive a State insignia of approval to show compliance with State building code requirements. The City's goal is to have fully code-compliant modular housing that is high quality and long lasting. To accomplish this, during production of housing modules bound for San Francisco, City codes will be adhered to at the factory to ensure there is no code compliance issue at the project site. | R8 [F11] | Recommends the Department of Building Inspection regularly inspect modular factories outside the City, if those factories are building housing for the City, to ensure construction is built to comply with City codes. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Will not be implemented because it is not warranted or reasonable | It is critical that housing units built in San Francisco comply with our local code that ensures safety and quality. How efficient to have DBI participate in plans and inspection procedures at manufacturing begins. |
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| 2 | Some current trade union contracts prevent the City from using modular construction for City-sponsored below market housing projects, and further slow progress on below market housing. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Disagree, partially | While opposition from some building trades has slowed adoption of modular housing technologies, no specific trade contracts exist that prevent the City's use of modular housing. | | | | | |
| 2 | Some current trade union contracts prevent the City from using modular construction for City-sponsored below market housing projects, and further slow progress on below market housing. | Mayor [Response due: September 3, 2018] | Disagree, partially | While opposition from some building trades has slowed adoption of modular housing technologies, no specific trade contracts exist that prevent the City's use of modular housing. | R11 [F12, F14] | Recommends the Mayor support the establishment of a union-staffed modular housing factory in San Francisco. | Mayor [Response due: September 3, 2018] | Has been implemented | In January 2018, Mayor Breed announced development of a plan to establish a within the City limits staffed by union consultant to review whether a modular union workers is feasible. The city expects work to conclude by the end of this year. |
| 3 | It may take as many as five residential modular construction projects for the City to accurately assess this alternate construction method, including an assessment of cost and time benefits. In addition to the 1068 Mission project, it will be helpful to this assessment if the pending homeless housing project at Mission Bay Block 9 is built using modular construction methods. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Agree with the finding | | | | | | |

RESPONSES TO 2017-2018 CIVIL GRAND JURY FINDINGS AND RECOMMENDATIONS

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| 3 It may take as many as five residential modular construction projects for the City to accurately assess this alternate construction method, including an assessment of cost and time benefits. In addition to the 1068 Mission project, it will be helpful to this assessment if the pending homeless housing project at Mission Bay Block 9 is built using modular construction methods. | Office of Community Investment and Infrastructure [Response due: September 3, 2018] | Agree with the finding | | R7 [F13] | Recommends the Office of Community Investment and Infrastructure make its best effort to encourage the developer to use modular construction for the Mission Bay Block 9 homeless housing project. | Office of Community Investment and Infrastructure [Response due: September 3, 2018] | Has been implemented | In OCII's Request for Proposals for M issued in 2017, OCII included a requi pursue alternative construction tech As a result, the selected developer tr designed the project for modular coi the RFP. |
| 4 The building trade unions are open to talks with the City to establish a factory for modular unit construction in San Francisco, staffed by union workers, and committed to best practices, and this is a promising start to trade union acceptance of modular construction technology. | Mayor's Office of Housing and Community Development [Response due: September 3, 2018] | Agree with the finding | | | | | | |
| 4 The building trade unions are open to talks with the City to establish a factory for modular unit construction in San Francisco, staffed by union workers, and committed to best practices, and this is a promising start to trade union acceptance of modular construction technology. | Mayor [Response due: September 3, 2018] | Agree with the finding | | R11 [F12, F14] | Recommends the Mayor support the establishment of a union-staffed modular housing factory in San Francisco. | Mayor [Response due: September 3, 2018] | Has been implemented | In January 2018, Mayor Breed annou development of a plan to establish a within the City limits staffed by unio consultant to review whether a mod union workers is feasible. The City e work to conclude by the end of this y |