



SAN FRANCISCO PLANNING DEPARTMENT

November 16, 2012

Ms. Angela Calvillo, Clerk
Honorable Supervisor Wiener
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

**Re: Transmittal of Planning Department Case Number 2012.1322T:
Amendments to the Planning Code Regarding Efficiency Dwelling Units:
Numerical Cap and Common Space
Planning Commission Recommendation: Approval with Modifications**

Dear Ms. Calvillo and Supervisor Wiener,

On November 15, 2012, the San Francisco Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider a proposed Ordinance introduced by Supervisor Scott Wiener (Board File 12-0996).

The proposed Ordinance would amend the Planning Code by: (1) adding Section 318 to add a cap on the number of Efficiency Dwelling Units, as defined in the Building Code, that can be constructed with reduced square footage unless the units are group housing, affordable housing, or student housing; (2) amending Section 135(d), which outlines required open space; and (3) adding Section 135.4 to impose open space and common space requirements on Efficiency Dwelling Units with reduced square footage. At the hearing, the Planning Commission recommended approval with the following modifications:

1. Refine the concept of a cap on the number of efficiency dwelling units with living areas that measure less than 220 square feet that may be approved, and develop a rigorous reporting structure to provide feedback on approved units.
2. Do not add a new definition to the Planning Code. Rather, the new common and open space requirements should refer to the definition of Efficiency Dwelling Units used in the Building Code.
3. Replace the maximum requirement for interior common space with a minimum requirement of 10 square feet of common interior space per Efficiency Dwelling Unit.
4. Relocate the proposed new interior common space requirement to Planning Code Section 140, from 135.4 as drafted in the proposed Ordinance.

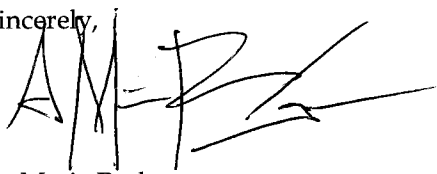
The proposed amendments have been determined to be covered under Case No. 2012. 0846E, and are exempt from environmental review under the General Rule Exclusion in the California Environmental Quality Act Section 15061(b)(3). Pursuant to San Francisco's Administrative Code

Section 8.12.5 "Electronic Distribution of Multi-page Documents", the Department is sending electronic documents and one hard copy. Additional hard copies may be requested by contacting Sophie Hayward at (415) 558-6372.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commissions.

Please find attached documents relating to the action of the Planning Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'AMR', with a long horizontal line extending to the right.

AnMarie Rodgers
Manager of Legislative Affairs

cc:

Supervisor Scott Wiener
Cheryl Adams, Deputy City Attorney
Judith Boyajian, Deputy City Attorney

Attachments (one copy of the following):
Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18747 HEARING DATE NOVEMBER 15, 2012

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Suite 400
San Francisco,
CA 94103-2479

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415.558.6378

Fax:
415.558.6409

Planning
Information:
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Project Name: Efficiency Dwelling Units: Numerical Cap and Open & Common Space Requirements
Case Number: 2012.1322T [Board File No. 12-0996]
Initiated by: Supervisor Wiener / Introduced October 9, 2012
Staff Contact: Sophie Hayward, Legislative Affairs
sophie.hayward@sfgov.org, 415-558-6372
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395
Recommendation: **Recommend Approval with Modifications.**

RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE WITH MODIFICATIONS A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE BY ADDING SECTION 318 TO PUT A CAP ON THE NUMBER OF EFFICIENCY DWELLING UNITS, AS DEFINED IN THE BUILDING CODE, THAT CAN BE CONSTRUCTED WITH REDUCED SQUARE FOOTAGE UNLESS THE UNITS ARE GROUP HOUSING, AFFORDABLE HOUSING, OR STUDENT HOUSING; AMENDING SECTION 135 (D) AND ADDING SECTION 135.4 TO IMPOSE OPEN SPACE AND COMMON SPACE REQUIREMENTS FOR EFFICIENCY DWELLING UNITS WITH REDUCED SQUARE FOOTAGE; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on October 9, 2012, Supervisors Wiener introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 12-0996, which would amend Sections 318 and 135 of the Planning Code regarding the efficiency dwelling units with reduced square feet;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on November 15, 2012; and,

WHEREAS, the proposed Ordinance has been determined to be exempt from environmental review under the General Rule Exclusion, California Environmental Quality Act Section 15061(b)(3); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors *approve the proposed Ordinance with modifications* and adopts the attached Resolution to that effect. The Planning Commission recommends the following modifications:

1. Refine the concept of a cap on the number of efficiency dwelling units with living areas that measure less than 220 square feet that may be approved, and develop a rigorous reporting structure to provide feedback on approved units.
2. Do not add a new definition to the Planning Code. Rather, the new common and open space requirements should refer to the definition of Efficiency Dwelling Units used in the Building Code.
3. Replace the maximum requirement for interior common space with a minimum requirement of 10 square feet of common interior space per Efficiency Dwelling Unit.
4. Relocate the proposed new interior common space requirement to Planning Code Section 140, from 135.4 as drafted in the proposed Ordinance.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The proposed Ordinance would amend the Planning Code by creating a new subcategory of dwelling unit called an "Efficiency Dwelling Unit with reduced square footage." The proposed Ordinance would then create a cap on the number of Efficiency Dwelling Units with reduced square footage that could be approved, as well as introduce a new reporting requirement and new common and open space requirements.
2. The "Housing Element" of the *San Francisco General Plan* notes that San Francisco must plan for the capacity for roughly 31,000 new residential units, 60% of which should be suitable housing for extremely low, very low, low and moderate income households in order to meet its share of the region's projected housing demand.
3. New construction that includes Efficiency Dwelling Units as small as 220 square feet may provide a form of housing that can help to satisfy the demand for moderate income housing, while freeing up space in larger, existing units (including rent controlled units) for family housing.
4. On June 28, 2012, the Planning Commission expressed unanimous support for a piece of companion legislation that is pending at the Board of Supervisors that would amend the San Francisco Building Code by lowering the minimum size of an Efficiency Dwelling Unit to provide a living room of at least 150 square feet, in addition to a required kitchen and bathroom.

5. The proposed Ordinance is applicable only to market-rate, small efficiency units, and exempts affordable and student housing units of the same size from the proposed cap and from the interior common and exterior open space requirements.
6. The proposal differentiates the appropriateness of housing based on affordability levels, and may be a step towards slowing or metering market rate housing production.
7. The Planning Commission's goal is to encourage the production of a range of housing typologies in order to address the production deficit for very low, low, and moderate income units; small efficiency dwelling units offered at market rate will both help satisfy the existing demand for moderate income housing, and generate funds for affordable housing through inclusionary housing fees.
8. The Planning Commission supports the concept of a numeric cap on the number of small efficiency dwelling units that may be approved in order to provide an opportunity to evaluate the demand, the quality, the population served, and the cost.
9. The Planning Commission recommends that the Board of Supervisors develops a clearly defined and rigorous reporting requirement associated with the proposed cap on the small efficiency dwelling units.
10. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

I. HOUSING ELEMENT

OBJECTIVE 3

PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS

POLICY 3.1

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

POLICY 3.4

Preserve "naturally affordable" housing types, such as smaller and older ownership units.

The proposed Ordinance is tied to a companion proposal that would amend the Building Code to reduce the size of Efficiency Dwelling Units. As proposed, only Efficiency Dwelling Units located in new construction may be reduced in size to 220 square feet including the living area, the separate bathroom, and closets. Existing units may not be reconfigured into the small sized units described in the proposed Ordinance, a restriction that will preserve the rent controlled status of existing rent controlled units.

The proposed Ordinance permits the construction of new units that are of a small size – thus creating a housing typology that is "affordable by design." While cost per square foot of the units may fluctuate, the total cost is limited by their overall small size.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTRE THAT SERVES THE CITY'S GROWING POPULATION

POLICY 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

The proposed Ordinance recognizes that common – rather than private – open space would provide the greatest benefit to residents of small efficiency dwelling units. Further, the proposed Ordinance sets forth a new requirement for common interior space in the form of reading or study rooms, a fitness room, or a shared kitchen or dining facility that would serve the needs of residents of small efficiency units.

11. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance will not have a negative impact on neighborhood serving retail uses and will not impact opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would only be applicable to new construction, and not existing housing; further, the proposal does not alter density limits or controls. The proposed small efficiency dwelling units will only be located in new construction in quantities supported by the underlying zoning districts.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance does not apply to affordable housing or to student housing, and applies only to new construction. The existing supply of affordable housing will not be impacted. New, market rate units will enhance the funding for new affordable housing through the inclusionary housing fees.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance will not negatively impact the City's preparedness against injury and loss of life in an earthquake. The proposed Ordinance will only apply to new construction, which would be subject to all current Building Code requirements.

7. That the landmarks and historic buildings be preserved;

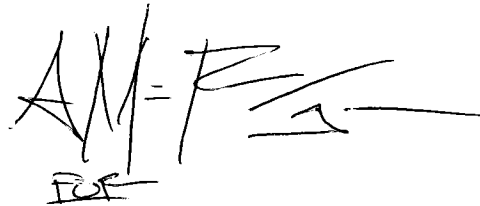
Landmarks and historic buildings would not be negatively impacted by the proposed Ordinance.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed Ordinance.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board APPROVE the proposed Ordinance with the modifications described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on November 15, 2012.



Jonas P. Ionin
Acting Commission Secretary

AYES: Commissioners Borden, Fong, Hillis, Moore, Sugaya, and Wu

NOES: Commissioner Antonini

ABSENT: None

ADOPTED: November 15, 2012

