



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Adoption of General Plan-2014 Housing Element Memo to the Planning Commission

HEARING DATE: FEBRUARY 5, 2015

*Date:* February 5, 2015  
*Case No.:* 2014.1327M  
*Project:* **2014 Housing Element Update**  
*Adoption Hearing*  
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*Recommendation:* **Adopt the 2014 Housing Element**

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### BACKGROUND

State law requires that every jurisdiction in California adopt a General Plan with seven mandatory elements, including a Housing Element. The General Plan's Housing Element must be updated approximately every 5 years, on a schedule set forth by the State's Department of Housing and Community Development (HCD). Many state funds for infrastructure and community development are tied to an adopted Housing Element that complies with state law.

The Housing Element provides the overarching policy framework and vision for the City's housing strategy. Future policy work will be evaluated for consistency with the Housing Element; however, adoption of the Housing Element does not of and within itself change City law or practice.

The 2014 Housing Element consists of:

Part 1: Data and Needs Analysis, which contains a description and analysis of San Francisco's population, household and employment trends, as well as an assessment of existing housing characteristics, and housing needs;

Part 2: Objectives and Policies, defines the City's policies and goals related to housing;

Implementing Programs includes a number implementation measures that result in specific actions to help implement the City's housing-related objectives and policies.

## **SINCE THE INITIATION HEARING**

At the January 8 initiation hearing, staff presented a detailed description of the updates to the 2014 Housing Element. In general, staff focused efforts on updated Part 1 (Data and Needs Analysis) and the implementing programs.

Please see Attachment 1 for minor changes proposed to Draft 2 of the 2014 Housing Element (which was included as part of the Planning Commission's materials at the January 8, 2015 initiation hearing). The proposed changes are not substantive in nature, and mostly consist of minor typographical corrections. Attachment 1 also includes a new implementation measure related to the proposed policy on short term rentals.

## **2014 HOUSING ELEMENT OVERVIEW**

The Housing Element provides a policy framework for housing in each municipality. The State requires periodic updates to ensure that localities evaluate the goals, objectives, and policies of the housing element in contributing to the state housing goal; to review the effectiveness of the housing element in attainment of the community's housing goals and objectives; and to review the progress of the jurisdiction in implementing the housing element. ABAG has determined that San Francisco's allocation of the regional housing need ("RHNA") for the period covering January 2015 through 2022 is 28,869 new units. The 28,869 new units are targeted to be comprised of 6,234 new units affordable to households with incomes less than 50% of the area median income (AMI), 4,639 new units affordable to households with incomes between 51% to 80% AMI, 5,460 new units affordable to households with income between 81% to 120% AMI, and 12,536 new units affordable to households with incomes above 120% AMI. As of the end of September 2014, approximately 38,162 units were in the pipeline, consisting of housing projects at various stages of development—from applications filed to entitlements secured to authorize construction. These units will help the City meet the RHNA targets set by ABAG. Our analysis indicates that the City's current zoning would more than accommodate the City's projected housing needs.

The 2014 Housing Element speaks directly to the local needs of San Franciscans – addressing both state mandated issues and concerns specific to San Francisco - - such as maintaining the character of neighborhoods, balancing housing construction with community infrastructure, and sustainability (see Key Issues of Housing Element).

The proposed 2014 Housing Element Update includes a major update to the data and needs analysis (Part I), minor updates to the Housing Element policies and implementation measures to reflect changes since 2013, and five new policies and related implementation measures to reflect the ongoing conversations about affordable housing in the City.

As required by state law, staff reviewed the existing Housing Element policies, particularly in light of the ongoing policy work around housing affordability. The existing Housing Element policies support and enable the City to pursue the policies and program ideas generated over the past few years of discussion. Since the adoption of the existing Housing Element, San Francisco has convened a number of working groups and task forces around housing policy, especially affordable housing. These efforts were largely focused on implementing the Objectives, Policies, and Implementation Measures of the existing Housing

Element. Some amendments to the existing Housing Element were proposed to reflect detailed ideas or new ideas generated through these committees.

Since the adoption of the existing Housing Element, the City has directed considerable attention to affordable housing needs and related strategies. The 2014 Housing Element Update includes five additional policies<sup>1</sup> to reflect the ongoing policy work on these issues, which include policies on short term rentals (Policy 2.6) displacement (Policy 5.5 and 5.6), and homelessness (Policy 6.1, 6.3, and 6.4). A discussion of the changes in Part 1 and the additional policies found in Part 2 can be found in the Commission's January 8, 2015 packet initiating amendments.

## **PUBLIC COMMENT**

The Planning Department has received two written public comments from the Council of Community Housing Organization (CCHO) related to the draft 2014 Housing Element. In both instances staff reviewed the comments, incorporated some requested changes, and responded in writing to CCHO (CCHO comments are available on the Housing Element website).

Since the initiation hearing, staff has not received any additional public comment.

## **OUTREACH OVERVIEW – 2014 HOUSING ELEMENT**

The draft 2014 Housing Element was developed and updated through the hard work of many community and staff working groups including:

- A two year outreach process (2008-2010) for the existing Housing Element -first adopted in 2011
  - A Community Advisory Body (CAB)
  - Over 30 Community Workshops
- The Mayor's Working Group that developed the Housing Trust Fund in 2012.
- Housing Element 2014: Key Stakeholder outreach in 2013 and 2014
- The Mayor's Housing Working Group established in 2014 addressing the Mayor's Executive Directive- *Accelerate Housing Production and Protect Existing Housing Stock.*

## **ENVIRONMENTAL REVIEW**

On April 24, 2013, the San Francisco Planning Commission, in Resolution No. 19121, certified the 2004 and 2009 Housing Element Final Environmental Impact Report ("Final EIR") prepared in compliance with the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 et seq. In Resolution 19122, the Planning Commission adopted the findings and conclusions required by CEQA

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<sup>1</sup> Staff at Environmental Planning has determined that the changes included in Policy 6.1, which adds the term "service-enriched solutions" to the 2009 Housing Element Policy 6.1 such that it reads "Prioritize permanent housing and service-enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness," is not a new policy for purposes of environmental review. Thus, the Addendum prepared under CEQA for the 2014 Housing Element identifies only 5 "new" policies.

regarding alternatives, mitigation measures and significant environmental impacts analyzed in the Final EIR, and adopted a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations as part of its approval of the 2009 Housing Element.

On January 22, 2015, in response to the proposed 2014 Housing Element, the San Francisco Planning Department prepared an Addendum to the 2004 and 2009 Housing Element Final EIR under CEQA Guidelines section 15164 (“the Addendum”).

## **REQUIRED COMMISSION ACTION**

Adopt amendments to the General Plan by adopting the 2014 Housing Element as the Housing Element of the San Francisco General Plan.

## **BASIS FOR RECOMMENDATION**

The 2014 Housing Element reflects the City’s core housing values, including prioritization of permanently affordable housing; recognition and preservation of neighborhood character; integration of planning for housing, jobs, transportation and infrastructure; and our City’s role as sustainable model of development.

A timely adoption will confirm our continued dedication towards meeting the State of California’s objectives towards housing and community development, and continue our eligibility for state housing, community development and infrastructure funds. The 2014 Housing Element also builds on the work of the Housing Working Group and the Mayor’s Executive Directive 13-01, which requests that City Departments prioritize the construction of affordable housing.

- The project continues to implement successful programs and policies
- The project provides a vision for the City’s housing future.
- The project is required by State law, with links to infrastructure and housing funds.
- The project supports sustainable growth in the City and the region.

<b>RECOMMENDATION:</b> <b>Adopt amendments General Plan by adopting the 2014 Housing Element.</b>
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### **Attachments:**

- 1. Errata sheet noting changes from the 2014 Housing Element submitted at the 1/8/2015 hearing**
- 2. Resolution adopting the 2014 Housing Element**
- 3. Ordinance adopting 2014 Housing Element**
- 4. January 22, 2015 Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report**