



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

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Date: February 5, 2020

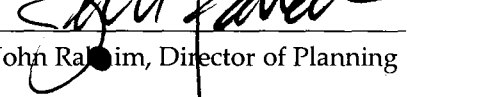
Case No. 2020-001270GPR
**South Park Scattered Sites – Acquisition and Preservation of
 Three Single Room Occupancy Buildings**

Block/Lot No.: 3775/048, 3775/057, 3775/058

Project Sponsor: Caroline McCormack
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Recommendation: Finding the proposed project, on balance, in conformity with the General Plan.

Recommended
By: 
 John Raim, Director of Planning

PROJECT DESCRIPTION

Mission Housing Development Corporation (MHDC) intends to use funding from the San Francisco Mayor's Office of Housing funds for the tax credit syndication and rehabilitation of three Single Room Occupancy (SRO) buildings located within a block of each other on South Park Street in SoMA—Hotel Madrid (22 S. Park), The Park View (102 S. Park) and the Gran Oriente (106 S. Park) (referred to as "South Park Scattered Sites"). In total, the buildings are comprised of 108 units and two commercial spaces (commercial space located at 22 and 102 South Park). Park View and Hotel Madrid house formerly homeless and very low-income single adults. MHDC acquired the Gran Oriente through the Small Sites Program (SSP) in June 2018 in order to prevent the imminent risk of displacement of the primarily low-income residents and preserve the building as permanently affordable housing.

By March 2020, MHDC intends to leverage tax credits and tax-exempt debt to begin a major rehabilitation of all three buildings; all three buildings will be a part of the same financing structure and are considered one "Project.". The proposed permanent financing also includes the use of MOHCD subsidy and the City's new Preservation and Seismic Safety Loan Program ("PASS"). The current scope of work for the proposed rehabilitation includes the following:

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- Adding ADA units at 106 S. Park Street
- Seismic strengthening
- Bringing fire alarm and protection systems up to code
- Upgrading mechanical, electrical, and plumbing systems
- Exterior and interior painting
- New roof and drainage system
- Replace roofs
- Evaluate stability of fire escapes, replace fire escape windows and window hardware
- Install energy efficient lighting

ENVIRONMENTAL REVIEW

The project was determined to be categorically exempt under CEQA Guidelines Section 15301 on January 21, 2020 (Planning Case No. 2020-000221PRJ).

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The proposal to use MOHCD funds for the tax credit syndication and rehabilitation of three Single Room Occupancy (SRO) buildings is, on balance, **in conformity** with the General Plan, as described in the body of this Report.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

Comment: The City's Acquisition and Preservation program was established to help stabilize buildings that are occupied by low to moderate income tenants throughout San Francisco that are particularly susceptible to market pressures, resulting in property sales, increased evictions, and rising tenant rents. The affordable deed restricted properties allows households to have incomes at or below 60% of the San Francisco Area Median Income ("SF AMI").

OBJECTIVE 2

RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

POLICY 2.4

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Promote improvements and continued maintenance to existing units to ensure long term habitation and safety.

POLICY 2.5

Encourage and support the seismic retrofitting of the existing housing stock.

Comment: The project will initiate rehabilitation of all three buildings, roof replacement, upgrading of mechanical, electrical, and plumbing systems, and bringing fire alarm and protection systems up to code. The project is using the City's new Preservation and Seismic Safety Loan Program ("PASS") to conduct seismic strengthening of the buildings.

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 3.2

Promote voluntary housing acquisition and rehabilitation to protect affordability for existing occupants.

POLICY 3.5

Retain permanently affordable residential hotels and single room occupancy (SRO) units.

Comment: The project is performing rehabilitation of three Single Room Occupancy buildings. Each of the three properties will have an affordable deed restriction and currently operate as housing for low-income individuals.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

POLICY 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

Comment: The goals of the City's Acquisition and Preservation are to permanently stabilize existing rental housing stock that is serving low- to moderate-income households, by acquiring and preserving "naturally affordable" units. The project will preserve these units as permanently affordable housing targeted at low- to moderate-income households.

OBJECTIVE 7

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

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POLICY 7.3

Recognize the importance of funds for operations, maintenance and services to the success of affordable housing programs

POLICY 7.6

Acquire and rehabilitate existing housing to maximize effective use of affordable housing resources.

Comment: The proposed project would provide funding to maintain and preserve existing affordable housing, including funding for operations and the necessary rehabilitation to bring projects up to current life safety and seismic standards.

OBJECTIVE 8

BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING

POLICY 8.1

Support the production and management of permanently affordable housing.

OBJECTIVE 9

PRESERVE UNITS SUBSIDIZED BY THE FEDERAL, STATE OR LOCAL SOURCES.

POLICY 9.2 Continue prioritization of preservation of existing affordable housing as the most effective means of providing affordable housing.

Comment: The program partners with nonprofit organizations to protect existing low- and moderate-income residents in rental housing developments, utilizing local funding sources.

COMMERCE & INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

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Comment: The project would preserve buildings that include existing retail spaces, ensuring they can continue to serve as spaces for neighborhood-serving businesses and provide employment opportunities for workers of different skill levels.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 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 project will not displace or restrict access to any existing neighborhood-serving retail or restrict future opportunities. The existing retail spaces at some of the sites will be preserved through the program.

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

The project will preserve the character of the buildings in conformance with relevant planning and preservation guidelines

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

The project will directly support the preservation and enhancement of the City's supply of affordable housing.

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

The proposed project will not impede Muni transit service, nor overburden our 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 residential employment and ownership in these sectors be enhanced.

The project will not displace any individual businesses.

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

The proposed project will not hinder earthquake preparedness efforts. Furthermore, the project will require the subject buildings to meet current seismic and safety codes and standards.

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7. That landmarks and historic buildings be preserved.

The project would not have an adverse effect on landmarks or historic buildings, and will ensure the buildings continue to preserve their historical significance.

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

The project will not impact parks and open spaces.

RECOMMENDATION:

**Finding the project, on balance,
in conformity with the General Plan**