From:	Thomas Schuttish
To:	<u>Major, Erica (BOS)</u>
Subject:	LUT June 12, 2024 Item No. 6 Family Housing Opportunity SUD Case Number 2023-000413PCAMAP (Board File No. 230026)
Date:	Sunday, June 11, 2023 4:11:53 PM
Attachments:	<u>#2021-012246PCA.pdf</u>

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Dear Ms. Major:

Attached are my comments (a pdf and the email below) for the LUT hearing on Monday June 12th for Board File No. 230026, Item No. 6.

This is what I sent in to the Planning Commission when this File was heard on June 1st.

Also do you think this Item will be heard as scheduled or do you think it will be continued?

Thanks much and take good care. Sincerely, Georgia Schuttish

Begin forwarded message:

Dear Commissioners:

Attached are the comments I submitted last year for Supervisor Safai's proposed legislation which I think are also applicable to Supervisor Melgar's legislation that will be before you on June 1, 2023. Some of the comments submitted also concern SB 9.

While her legislation is both broader and more specific than his, the points raised in the attached pdf apply. Particularly the point regarding the concern raised by Planning Department Staff about low income home owners "cashing out" under SB 9 (See page 14 of Executive Summary, October 21, 2021). There are probably many low income home owners in the Well Resourced Neighborhoods.

# I also want to add a few more points:

1. If there is no 311 Notification, does that mean there will be no PreApp Notice? The PreApp Notice is linked with the 311 Notification criteria. Will the only

Notice to immediately adjacent neighbors be a form letter from DBI about a Demolition?

What if the project is a major Alteration? Without any appeal process to the Board of Appeals how will adjacent property owners have any leverage to protect their property from damage, particularly the undermining of foundations which is a real issue where there are zero lot lines. It seems like developers will have no incentive to "be kind and considerate" to the neighboring property owners.

2. A year is too short of a time for ownership. It is not uncommon for developers to hold onto properties for longer than that. One year will encourage and allow for speculative development. And the Staff Report's **Recommendation 4** on page 12, to eliminate the one year ownership requirement will only turbo-charge speculation by developers. [See Finding (o) on page 6 of the proposed Ordinance].

3. Finally. According to a May 23, 2023 SF Chronicle article Supervisor Melgar and the Mayor are proposing legislation to allow for "*denser housing*" along many commercial corridors. I think the general public awareness of the 2024 <u>Housing Element</u> is that is where — *on the commercial corridors* — development would occur on the Westside — not on the neighboring Avenues. It is highly unlikely the existing housing in St. Francis Wood or Balboa Terrace or Ingleside Terrace or West Portal or Seacliff or the Marina will be demolished to create multi-unit housing. But there are blocks and blocks of sound housing in the Richmond and the Sunset that will be vulnerable to speculation and demolition.

The legislation proposing housing on the commercial corridors — that are also transit corridors — should be considered and approved first before transforming half the City into an SUD.

Thank you. Georgia Schuttish

## **QUESTION #1**

Sometimes overlooked in all the discussions about increasing density in the RHD's is the statement on page 14 (attached) of the Staff's October 21, 2021 analysis of SB 9. This is true for this PCA as well. *How can this bad outcome be prevented?* Here is the statement:

"Without City investment in programs that support owner-occupied development, such as construction loans or funding prioritized for owners of color or low-income owners, the more straightforward option would be for existing owners to sell their property, or "cash out," and leave San Francisco for areas with lower home costs".

# **QUESTION #2**

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This PCA proposes getting rid of 311 Notification, Discretionary Review and Section 317. All three allow for transparency and full participation of the public whether tenants or property owners.

The published Century Urban Feasibility Studies do not explicitly analyze getting rid of these in the analyses with the Staff Reports. According to the May 6, 2022 Staff Report it states that the assumption is one year for the project to be completed. And also, that the fees will be limited to no more than \$10K. In fact in some of the emails between Staff last year, it was stated that Century Urban was reluctant to factor in ministerial review into their analysis. <u>Is this so?</u>

## Here are some more questions:

- 1. On average how much does 311 Notification cost a developer?
- 2. How many 311 Notifications lead to Discretionary Review?
- 3. How many Discretionary Reviews are withdrawn before the hearing?
- 4. How often does Discretionary Review either find or correct "errors" in a project?
- 5. What is the housing policy rationale for Section 317?
- 6. What is the intent of the conditions in Conditional Use regarding the outcome of a project?

Attached is an article from the San Francisco Chronicle which offers conflicting statements about densification. On the one hand the problem is the physical constraints of building four units, but on the other hand, regardless of the physical limitations in designing a four-plex on the typical San Francisco lot, the real problem is is too much process! <u>How can it be both?</u>

Also attached are annotated printouts of five multi-unit projects with entitlements that are now for sale. This illustrates the speculative fever (or commodification) in housing and the issue raised in <u>Question #1</u> above. Please note the asking price for these entitlements. <u>Is this now</u> <u>the market?</u> Four of the five could have been "refreshed" to provide housing these past years.

## **QUESTION #3**

Century Urban writes that the most financially feasible outcome may be to preserve, and not demolish, an existing SFH and add a unit creating a duplex in an SB9 scenario. (Again this has ramifications for the "cashing out" issue in **Question #1**). See the Century Urban studies for January 31st (page 4) and May 6th (page 3) attached to the Staff Reports in the agenda packet. *Has the Commission had an update on the details of the project applications under SB 9 and should such an update also include an update on the Residential Flat Policy and any mergers of dwelling units per Section 317 (b) (7)?* 

# Executive Summary Hearing Date: October 21, 2021

SB 9 does not produce below-market-rate (BMR) units, without a substantial increase in supply, it will not realistically assist moderate, low, or extremely low income households (below 120% AMI) obtain housing.

Many areas of the city with lower land values, high percentages of households of color, and/or with lower outcomes in health, wealth, and life expectancy also have high rates of owner-occupied single family housing, for example, the Bayview (73%), Visitation Valley (70%), and Outer Mission (75%). SB 9 may offer these homeowners the opportunity to add units for extended families or to generate rental income, or gain wealth through lot splits. However, there are significant hurdles to realize these gains. Acquiring financing for project development, navigating a complex permitting process, and having the resiliency to manage the significant disruption and take financial risks of construction are major barriers facing existing homeowners in communities of color and low-income communities. Without City investment in programs that support owner-occupied development, such as construction loans or funding prioritized for owners of color or low-income owners, the more straightforward option would be for existing owners to sell their property, or "cash out," and leave San Francisco for areas with lower home costs. While the bill includes a provision that the applicant of an SB 9 lot split is required to occupy one of the housing units as their principal residence for a minimum of three years from the date of the lot split approval, it does not apply to SB 9 project without the lot split. And while selling may financially benefit an individual household, this practice has been incrementally devastating to communities of color. Cultural Districts, and areas of the city where residents have a common sense of cultural identity, and a historic and major loss to San Francisco as a whole.

# Additional Considerations

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Beyond the issues addressed above, there are unintended consequences for any legislation and these conditions can be difficult to study and anticipate. Some property owners or developers may use SB 9 to streamline the redevelopment of smaller, existing homes into larger, more expensive single family homes with a small additional unit that may never be rented, undermining the intent of creating more housing stock. Renters are protected by SB 9, but may be vulnerable to unscrupulous landlords due to a variety of circumstances, like being undocumented, in a dire financial state, or otherwise exploited. While the city must implement projects that meet the requirements of SB 9, and other state requirements such as SB 330, the Housing Accountability Act, and others, it may also consider allowable measures to tailor SB 9 through local implementation such as creating owner-occupied development programs that prioritize households of color and low income households, unit parity requirements that balance housing unit size, or others new programs.

# SB 10 Summary

Senate Bill 10 (Wiener)<sup>7</sup> authorizes a local government to adopt an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified in the ordinance if the parcel is located in a transit-rich area or an urban infill site. Specifically, this bill:

<sup>- #</sup> 

<sup>&</sup>lt;sup>7</sup> The legislative history and full text of the bill is available at <u>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=202120220SB10</u>

SFCHRONICLE.COM | Sunday, F

# unlikely Effort ousing c to add

#### Zoning from page A1

2,700 square feet - which doesn't allow much room to shoehorn four units. And

vacant lots are rare, as are "tear downs," small and outdated homes that don't have much value.

Sean Kieghran, president of San Francisco's Residential Builders Association, said he supports getting rid of singlefamily only zoning but doesn't think it will result in many new units. Kieghran said that building fourplexes requires either two staircases or a staircase and an elevator, which takes up too much of the site.

And, unless the city streamlined the process of building a fourplex on a single-family lot, builders would run into too many bureaucratic obstacles, Kieghran said. "With how long it takes to get through planning and fire and DPW and all the other red tape it's not likely we are going to see anybody building fourplexes anytime soon," he said.

Before the late 1960s, San Francisco developers regularly built two-, three-, and fourunit buildings. Stacked flats were the bread and butter of San Francisco's housing stock. But in the late 1960s and 1970s

- a series of laws changed that. and the majority of the city, especially the west side, was rezoned to prohibit anything but single-family homes.

One of the few architects to design fourplexes on singlefamily sized lots in the last few decades is Daniel Solomon, who has worked on three such projects. One of those is at 247 27th Ave., a

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apartmen unlikely to end "These Bay Area crisis ects, but tl

big dent in By J.K. Dineen Solomon sa

The national movement duction is a to eliminate exclusionary completely f single-family zoning is because som picking up steam in the ted doesn't n Bay Area as cities explore It's very hard the benefits of getting rid of lot or tear doi a land use policy designed would work." to keep people of color and

He said the working class families out designed and of certain neighborhoods. Last week, the city countook as much t cils in Berkeley and South and execute as San Francisco took steps to complexes his f end single-family zoning, with Berkeley promising to known for.

"You would ne get rid of it within a year developer willing and South City initiating a risk on a second se risk on a minusci study as part of its general an architect who  $\epsilon$  plan update. After the damage," he said. Berkeley vote, Council complicated site. complicated little p Member Terry Taplin, one the absolute opposi of the authors of the resolution, called it a "historical While lots are big moment for us in Berkeley." omy of scale."

Anthony, a veteran C ings in zones previously builder. Land is expe limited to single-family neighbors unreceptive homes is being embraced quirements - 12-foot criminatory policies sible unless it's a large

expensive - four 1,250-

But while the movement of obstacles, accordin to allow multifamily buildvelopment, and curre, as a correction of past disways, open space requ Sacramento, Oregon and ments, parking minim Minneapolis have passed would make four units such laws - the question of whether it will actually And the projects wor increase housing production is a lot more complicated, according to builders

and architects. In particular, building "fourplexes" — the fourunit building type that has been promoted as a more democratic, sustainable and affordable alternative to the single-family homes challenging in fully built conters such as



c of 247 27th Ave. in San Francisco. The Most single-family lots in the city are t



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affordable housing. "I am fearful that t houses to be gobbled developers might be

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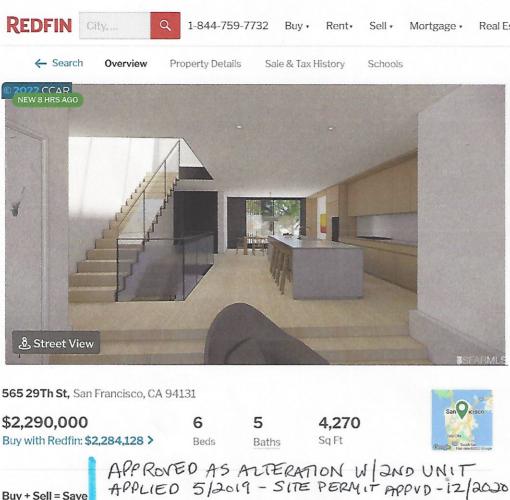
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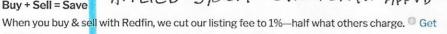
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#### **Home Facts**

started

Status	New	Time on Redfin
Property Type	Single Family Residential	Baths
Year Built	1910	Community
Lot Size	2,850 Sq. Ft.	MLS#
Price Insights		
List Price	\$2,290,000	Est. Mo. Payment
Redfin Estimate	\$2,399,762	Price/Sq.Ft.

Ask a Question (415) 843-7542 5010 2018 - \$1.365 M 8 hours PENDING SALE 2020- \$ 1.895 M 4 full, 2 partial "ACTUALLY" Noe Valley SULD 2021 - \$1.788 M 41001360 \$12,758

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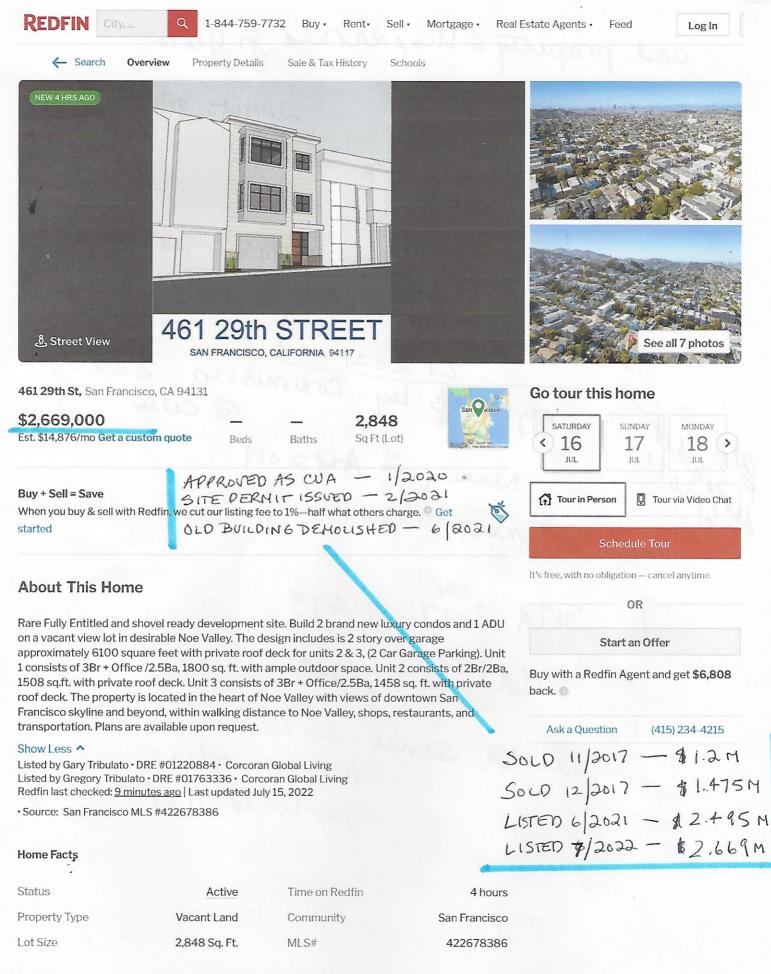
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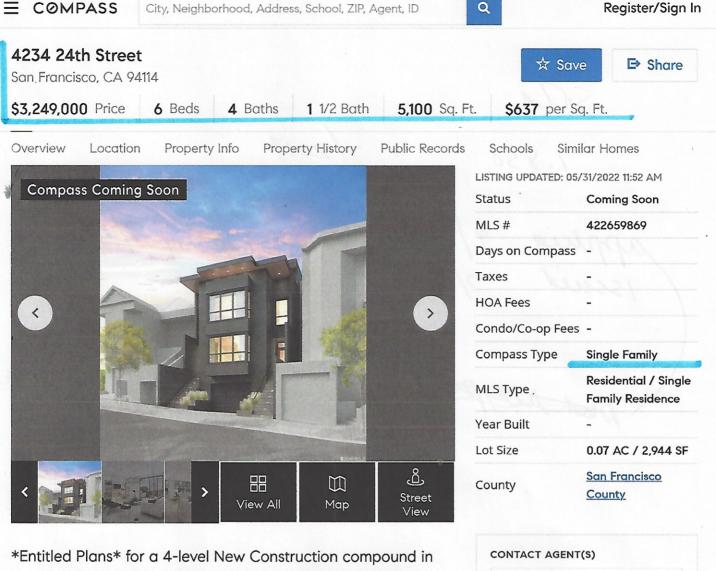
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the best Noe Valley location. A flexible floor plan featuring sophisticated modern interiors, iconic hillside views, flat walkout yard, and stately kitchens designed for indoor/outdoor entertaining. Warm natural light fills the voluminous living spaces through oversized windows, with each level enjoying access to the outdoors. Complete with an elevator, this home will provide generous possibilities to exceed the needs of individuals, couples, families, and entertainers alike. The 2nd dwelling allows for flexibility of use while providing privacy for each family member or occupant. Neighborhood staples at your doorstep include the Noe Playground with hoops and tennis, Philz Coffee, Firefly Restaurant, + Rin's Thai, along with Whole Foods and popular cafes and eateries. \*Photos are architectural renderings.

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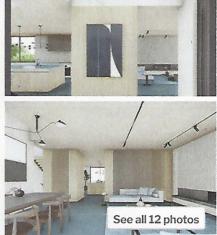
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# About This Home

Nestled in the heart of San Francisco's Noe Valley is an unparalleled development opportunity. This collaborative project culminates four years of design planning, architectural development and neighborhood outreach. 4250 26th Street is a rare extra wide lot (40 feet), single family home and ADU with unobstructed panoramic views designed by award winning, EDMONDS + LEE Architects. The plans include 4 stories, 6 bedroom, 6.5 bathrooms, 2 car garage, elevator, access yard, several decks, and 6000 sq ft. All of the levels have been designed to have high ceiling heights with large rear over-sized windows. The new house and ADU has been approved by the Planning

Department. 4250 26th Street is a remarkable and special building opportunity rarely found in The City. This makes 4250 26th Street a unique property that is ready to start building with a team that will support your vision. Noe Valley is one the best neighborhoods to live in. Close to Douglass Park and Downtown.

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### **Home Facts**

Status **Property Type** 

Active **Single Family** 

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Year Built

Time on Redfin

31 days 1929

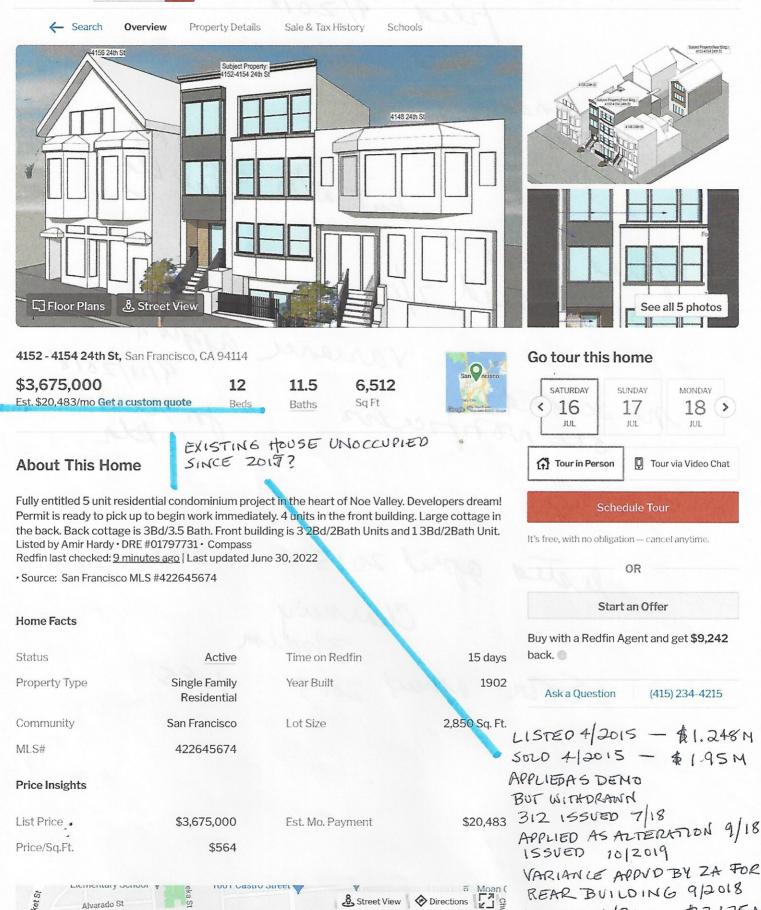
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