



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary

HEARING DATE: APRIL 24, 2014

Date: April 17, 2014
Case No.: 2007.1275EM
Project: **2009 Housing Element Update**
Adoption Hearing
Staff Contact: Menaka Mohan – (415) 575-9141
Menaka.Mohan@sfgov.org
Reviewed by: Sue Exline and Teresa Ojeda

Recommendation: **Adopt the 2009 Housing Element Update**

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

Background:

The Housing Element is a State law mandated element of the San Francisco General Plan. Many state funds for infrastructure and community development are tied to an adopted Housing Element that has been found in substantial compliance with state law by the California Department of Housing and Community Development ("HCD"). Housing Elements are required to be updated periodically, generally every five years and according to a schedule set forth by HCD, and must include several mandatory components. Among these mandatory components are an identification and analysis of "existing and projected housing needs" at various income levels, and "a statement of goals, policies, quantified objectives, financial resources and scheduled programs" for the preservation, improvement and development of housing. The City's "existing and projected housing need" – known as its Regional Housing Needs Allocation (RHNA) - is determined by HCD and the Association of Bay Area Governments (ABAG). For the period 2007-2014, the City's projected need totaled 31,193 new units, 18,880 (or 61%) of which must be affordable to households making 120% of the area median income, or less.

Beginning in 2008, the Planning Department, in cooperation with the Mayor's Office of Housing and in consultation with other City agencies, developed the 2009 Update of the Housing Element of the General Plan ("the 2009 Housing Element") through a comprehensive community-based planning effort. The Department worked closely with community leaders, stakeholders, City agencies, and community members. A 15 member Community Advisory Body (CAB) was convened to assist staff on the development and refinement of a draft version of objectives, policies and implementation programs. The Department also hosted fourteen stakeholder sessions focusing on the needs and policy interests of special interest housing groups and organizations, and over 30 workshops, some in each supervisorial district of the City. The Planning Commission hosted several informational hearings on the 2009 Housing Element.

Ultimately, the Department published three drafts of the proposed 2009 Housing Element, each of which was presented to the Commission for comment. Each of the drafts reflected several core housing ideas:

- Prioritization of permanently affordable housing;
- Recognition and preservation of neighborhood character;
- Integration of planning for housing, jobs, transportation and infrastructure; and
- San Francisco's role as sustainable model of development.

The Planning Commission recommended the adoption of the 2009 Housing Element to the Board of Supervisors in March 2011, in Resolution 18309. In addition, the Commission certified an environmental impact report (EIR) prepared on the 2004 and 2009 Housing Element, and adopted findings required by CEQA (in Resolution 18307 and Motion 18308). The Board of Supervisors affirmed the certification of the 2009 Housing Element EIR on May 10, 2011 and adopted the 2009 Housing Element as the City's Housing Element on June 21, 2011. HCD found the 2009 Housing Element in substantial compliance with state Housing Element law on July 29, 2011.

CEQA Challenge:

Subsequent to the adoption of the 2009 Housing Element, an association of neighborhood groups challenged the EIR in San Francisco Superior Court in *San Franciscans for Livable Neighborhoods v. City and County of San Francisco*, San Francisco Superior Court case number 513-077. On December 19, 2013, the trial court found that the EIR complied with CEQA in all respects, except for its analysis regarding alternatives. In addition, the court found the City's findings under CEQA conclusory. On January 15, 2014, the Court ordered the City to set aside and void its certification of the 2004 and 2009 Housing Element EIR, and its approval of the 2009 Housing Element. The Court ordered the City to revise the EIR to address the deficiencies in the alternatives analysis, and remanded the approvals of the EIR and the 2009 Housing Element update to the Planning Commission for reconsideration.

In response to the Court's determination, the Department's Environmental Planning ("EP") division has prepared a Revised Alternative Analysis ("the Revision"), which was circulated for public comment from December 18, 2013 until February 18, 2014. Environmental Planning published a Comments and Responses document on the comments received on the Revision on April 10, 2014, and will present its findings for the certification of the EIR in a separate Commission action.

Current Recommendation:

The Department continues to recommend the adoption of the 2009 Housing Element as the Housing Element for the City's General Plan. The policies and objectives in the 2009 Housing Element Update resulted from significant public outreach and comment. The Department has reviewed the Revised Chapter VII Alternatives, and determined that the various Alternatives analyzed in the Revision and the 2004 Housing Element, do not meet the City's current housing needs or reflect a balanced approach to accommodating the City RHNA at all income levels, while still maintaining the character of the diverse San Francisco neighborhoods.

For example, Alternative A, the No Project Alternative, could have a significant impact on historic resources because it does not contain policies which reflect the City's increased protections for historic resources. Alternative A also does not limit the areas in which housing should be encouraged, which could result in more or denser housing located in areas where it is inappropriate. Alternative A does not contain policies or objectives which actively encourage housing in transit rich areas which could result in housing located away from transit lines. Housing near transit reduces vehicle trips, which in turn reduces greenhouse gas emissions. Alternative A does not encourage the use of alternative modes of travel, such as walking or biking. Alternative A also does not contain policies which promote density or the use of

modified parking requirements as a strategy to reduce the cost of housing, a significant issue facing San Francisco.

Alternative B, which consists of the remaining policies and objectives from the 2004 Housing Element which were not enjoined by the Superior Court in a previous lawsuit, is not a Housing Element which was vetted in a public process, unlike Alternative A, the 2004 or the 2009 Housing Elements or the additional policies found in Alternative C, all of which went through public review and discussion. Alternative B does not encourage density or allow for reduced parking requirements as a strategy to reduce the cost of housing to the same degree as the 2009 Housing Element. The cost of new housing is a significant issue facing San Francisco and a significant component of meeting the City's RHNA at all income levels. In addition, Alternative B would not reduce the significant impact on transit because it encourages housing in mixed use districts and in industrial and commercial districts where locating housing could shift total person-trips to transit lines. Thus, Alternative B would not reduce the significant impact, and would not meet the project's objectives.

At the same time, the additional policies found in Alternative C which aggressively encourages housing near transit lines, and require the building of housing to the allowable building envelopes and allow for easier relief from parking requirements and height, bulk and density requirements, do not reflect an appropriate balance between new housing and the need to maintain existing neighborhood character.

In addition, the Department continues to recommend the 2009 Housing Element Update because it is consistent with the Priority Policies of Planning Code Section 101.1(b), and the other policies and objectives of the General Plan, as set forth in the attached Resolution.

On March 27, 2014, the Planning Department initiated adoption proceedings for the 2009 Housing Element.

PUBLIC COMMENT

As noted above, in developing the 2009 Housing Element, the Department worked closely with community leaders, stakeholders, City agencies, and community members starting in September of 2008 (see Appendix B for complete listing). Highlights of the public outreach included a Community Advisory Board that worked with staff to develop and refine the policies, objectives, and implementation measures. Additionally several stakeholder meetings and nearly 30 public meetings were held with neighborhoods groups and community residents. The Department also held "drop-in" hours with two of the sessions serving as informal sit-downs with the Planning Director.

Citywide has not received any additional public comment specifically on the 2009 Housing Element Update.

The Department acknowledges that EP received numerous comments on the Revised EIR which addressed the merits of the 2009 Housing Element, particularly as the Housing Element relates to RH-1 and RH-2 zoning (72% of all existing land parcels in San Francisco). The Department provided EP with a general response in a memorandum dated March 31, 2014.

The memo notes that contrary to numerous comments on the Revised EIR, the 2009 Housing Element would not eliminate RH-1 and RH-2 zoning. If a community planning process is proposed for a specific

area, the 2009 Housing Element would not require changes to regulations for any residential districts, including RH-1 or RH-2 zoning districts.

Further, the 2009 Housing Element does not call for changes to the density of RH-1 and RH-2 districts, either on a neighborhood or Citywide level. Instead, various policies in the 2009 Housing Element discusses specific planning tools that can be used in future community or area planning efforts to address residential regulations such as those regarding secondary units, density limits, and parking maximums. However, the policies call for changes only with neighborhood support or through a community planning process and other policies advise that changes must be consistent with the existing neighborhood character.

The Department notes that the 2009 Housing Element explicitly references RH-1 and RH-2 districts in the discussion of certain policies (e.g. Policy 1.6 and 11.5), but those discussions relate to the need to respect and maintain existing elements of RH-1 and RH-2 districts, particularly the height and bulk patterns. Although previous drafts of the 2009 Housing Element did reference the *density* in RH-1 and RH-2 districts, the determination to refer instead to height and bulk patterns mirrors similar language in the 1990 Residence Element. The 1990 Residence Element included Policy 12.5 which stated: "Relate land use controls to the appropriate scale for new and existing residential areas." The interpretive text for that policy refers not to density, but to the *zoning envelope*: "In recognition of the special character of single family and two family neighborhoods, *zoning envelopes* should be tailored to the prevailing built pattern to maintain the low density character. In all other new and existing residential areas, the *zoning envelope* should be of an appropriate scale and form to encourage residential development and diversity of housing choice." (Emphasis added). Thus, the 2009 Housing Element's discussion of RH-1 and RH-2 is substantially similar to previous policies in the 1990 Residence Element.

The language eventually recommended (and ultimately adopted) for the 2009 Housing Element's Policies 1.6 and 11.5 were developed in response to multiple community comments. On the one hand, some community members asserted that the Housing Element should not suggest special considerations for any districts, including the RH-1 and RH-2 districts. Other community members, however, asserted that the Housing Element should strongly direct that community planning processes should not consider any changes to RH-1 and RH-2 districts. The Department believed, and continues to believe, that the proposed language in Policy 1.6 and 11.5 melds these two concerns, allowing for changes through the community planning process for all residential districts, but requiring special consideration to the existing building envelope for RH-1 and RH-2 districts.

ENVIRONMENTAL REVIEW

With the Revised EIR and the Responses to Comments thereto, the Planning Department has prepared environmental impact report (EIR) on the 2009 Housing Element update. The 2004 and 2009 Housing Element Final EIR is proposed for certification under separate Commission action.

REQUIRED COMMISSION ACTION

Adopt amendments to the General Plan by adopting the 2009 Housing Element as the Housing Element of the San Francisco General Plan.

BASIS FOR RECOMMENDATION

- The project provides a community based 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.

RECOMMENDATION: **Adopt amendments General Plan by adopting the 2009 Housing Element.**

Attachments:

1. **Comments and Responses to Housing Element Citywide to Environmental Planning Memo**
2. **Draft Resolution to adopt the 2009 Housing Element**
3. **Draft Ordinance for the 2009 Housing Element Update**
 - a. **Draft 2009 Housing Element Part 1, Part 2, and Appendices**
 - b. *please note the Draft Ordinance and Draft Housing Element are unchanged from the version adopted by the Commission and Board in 2011, and reviewed by the Commission at the March 27, 2014 hearing*

The complete 2009 Housing Element was included in the March 27, 2014 Planning Commission Hearing and are available online.

Part 1 and Appendices:

http://www.sf-planning.org/ftp/general_plan/Housing_Element_Part_I_Data_Needs_Assmt_CPC_Adopted.pdf

Part 2: Objectives and Policies:

http://www.sf-planning.org/ftp/general_plan/I1_Housing.html

Implementing Programs: http://www.sf-planning.org/ftp/general_plan/I1_Housing_Implementing_Programs.html

http://www.sf-planning.org/ftp/general_plan/I1_Housing_Implementing_Programs.html