



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19123

HEARING DATE APRIL 24, 2014

Date: April 17, 2014
Case No.: 2007.1275EM
Project: **2009 Housing Element Update**
Adoption Hearing
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Reviewed by: Kearstin Dischinger and Teresa Ojeda

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

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE RESCINDING ORDINANCE 108-11 AND AMENDING THE GENERAL PLAN BY ADOPTING THE 2009 HOUSING ELEMENT UPDATE AS THE HOUSING ELEMENT OF THE SAN FRANCISCO GENERAL PLAN, AND ADOPTING ENVIRONMENTAL FINDINGS AND FINDINGS OF CONSISTENCY WITH THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1 AND THE GENERAL PLAN.

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco mandates that the Planning Department shall periodically recommend to the Board of Supervisors for approval or rejection proposed amendments to the General Plan. In compliance with State law, the San Francisco Planning Department is seeking to update the Housing Element of the General Plan, and recommends the approval of an amendment to the General Plan to adopt the 2009 Housing Element Update as the City's Housing Element.

WHEREAS, On March 24, 2011, the Planning Commission certified an environmental impact report (EIR) on the 2004 and 2009 Housing Element (in Motion 18307) and recommended to the Board of Supervisors the adoption of an ordinance amending the General Plan by adopting the 2009 Housing Element Update (in Resolution 18309) and made findings pursuant to the California Environmental Quality Act (in Motion 18308). The Board of Supervisors adopted Ordinance 108-11, amending the General Plan by adopting the 2009 Housing Element Update as the Housing Element of the General Plan on June 2011.

Subsequent to the Board's approval, San Franciscans for Livable Neighborhoods, an unincorporated association of neighborhood groups challenged the 2004 and 2009 Housing Element EIR in the 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.

The Department's Environmental Planning ("EP") division prepared a Revised Chapter VII Alternative Analysis ("the Revision"), which was circulated for public comment from December 18, 2013 until February 18, 2014. The Commission held a hearing to receive comments on the Revision on January 23, 2014. EP responded to comments received on the Revision in a Responses to Comments document published on April 10, 2014.

WHEREAS, After review of the EIR, including the Revision, Staff continues to recommend adoption of the 2009 Housing Element Update as it was previously adopted by the San Francisco Board of Supervisors in Ordinance 108-11. The 2009 Housing Element Update includes "Draft 3" of the Element, published by the Department in February 2011, together with certain amendments adopted by the Planning Commission and Board of Supervisors in March and June 2011. Staff continues to recommend adoption of the 2009 Housing Element Update for the reasons set forth below, and as discussed in Resolution No. 19122, adopted April 24, 2014 (CEQA Findings).

The policies and objectives in the 2009 Housing Element Update resulted from significant public outreach and comment. 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 starting in September of 2008. 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. Based on this collaborative process with the public, the 2009 Housing Element Update best reflects the City's current housing objectives and balances the divergent housing needs and opportunities in San Francisco.

The Commission has reviewed the Revised Chapter VII Alternatives. The Alternatives analyzed in the Revision do not meet the City's current housing needs. Alternative A, the No Project Alternative, could have a significant impact on 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 contain policies which reflect the City's increased protections for historic resources or for 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 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, 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 reduced parking requirements as a strategy to reduce the cost of housing to the same degree as the 2009 Housing Element, and the cost of housing is a significant issue facing San Francisco and a significant component of meeting the City's Regional Housing Needs Allocation 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 trips to transit lines.

The additional policies found in Alternative C to aggressively encourage housing in new commercial and institutional projects and housing near transit lines do not reflect an appropriate balance between new housing and the need to maintain existing neighborhood character.

The 2009 Housing Element Update is consistent with the Priority Policies of Planning Code Section 101.1(b). Planning Code Section 101.1(b) establishes eight priority policies and is the basis by which differences between competing policies in the General Plan are resolved. The project is consistent with the eight priority policies, in that:

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

The 2009 Housing Element update includes policies that call for building and enhancing the existing neighborhood serving retail uses, including building housing near neighborhood commercial districts and encouraging neighborhood commercial services adequate to serve residents. A central goal of the Housing Element is to plan for housing to support our existing and future workforce and projected population.

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

The 2009 Housing Element Update includes objectives and policies that support existing housing and neighborhood character, and aim to preserve the cultural and economic diversity of San Francisco's neighborhoods. There are two objectives and ten policies that address preserving the existing housing stock, including Objective 2 "Retain existing housing units and promote safety and maintenance standards, without jeopardizing affordability," and Policy 2.4 "Promote improvements and continued maintenance to

existing units to ensure long term habitation and safety;" and Objective 3, "Protect the affordability of the existing housing stock, especially rental units" and Policy 3.5 "Retain permanently affordable residential hotels and single room occupancy units"; there is also a separate objective, objective 11 "Support and respect the diverse and distinct character of San Francisco's neighborhoods," and nine supporting policies that address neighborhood character.

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

A central goal of the 2009 Housing Element Update, and perhaps the most salient issue facing San Francisco today, is to preserve and enhance the City's affordable housing supply. Nearly every Objective and policy included in the 2009 Housing Element Update can be considered as addressing the affordable housing supply, but most clearly there are three Objectives, including Objective 3 "Protect the affordability of housing stock, especially rental units;" Objective 7 "Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital;" and Objective 8 "Build public and private sector capacity to support, facilitate, provide and maintain affordable housing," that directly address affordable housing; and several objectives and policies, including Objective 10 "Ensure a streamlines, yet thorough, and transparent decision-making process that intend to reduce the overall costs of housing construction, which results in greater affordability.

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

The land use patterns and growth projections supported by the 2009 Housing Element Update are the basis of current short- and long-term transportation planning for the City and County of San Francisco. Ultimately, a continuation of the dense urban fabric in places with greater transit options like San Francisco will allow the regions' projected population to work closer to their jobs, resulting in reduced commuter traffic, and reduced regional transportation burdens and costs, including pollution, congestion, and increased infrastructure demands.

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 2009 Housing Element Update would not adversely affect the industrial or service sectors or impede future opportunities for resident employment and ownership in the industrial or service sectors.

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

The 2009 Housing Element Update includes policies and implementation measures that encourage seismic sustainability of existing and new housing units, including Policy 2.5 "Encourage and support the seismic retrofitting of the existing housing stock."

7. That landmarks and historic buildings be preserved.

The 2009 Housing Element Update would not have a negative effect on the preservation of landmarks and historic buildings. The Housing Element includes policies that recognize landmarks and historic buildings

should be preserved, such as Policy 11.7 "Respect San Francisco's historic fabric by preserving landmark buildings and ensuring consistency with historic districts."

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

The 2009 Housing Element Update will not have an impact on open space and related sunlight issues. Individual buildings reviewed according to procedures described in Planning Code Section 295 are evaluated to identify the impacts of projects and buildings. Project permits can't be approved if the impacts are found to be significant.

In addition, the 2009 Housing Element was developed in coordination with existing General Plan policies. Analysis of applicable General Plan Objectives and Policies has determined that the proposed action is, on balance, consistent with the General Plan. Below are specific policies and objectives that support the proposed actions.

COMMERCE AND INDUSTRY ELEMENT

- POLICY 6.1:** Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.
- POLICY 6.3:** Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity.
- POLICY 6.4:** Encourage the location of neighborhood shopping areas throughout the city so that essential retail goods and personal services are accessible to all residents.
- POLICY 6.6:** Adopt specific zoning districts, which conform to a generalized neighborhood commercial land use and density plan.

The 2009 Housing Element is consistent with these policies in the Commerce and Industry Element in that it encourages housing in mixed use developments, and served by neighborhood commercial districts. Neighborhood serving goods and services requires that there be a ready supply of customers in nearby housing. The 2009 Housing Element continues to utilize zoning districts which conforms to a generalized residential land use and density plan the General Plan.

RECREATION AND OPEN SPACE ELEMENT

- OBJECTIVE 4:** PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.
- POLICY 4.6:** Assure the provision of adequate public open space to serve new residential development.

The 2009 Housing Element is consistent with this objective and policy because it encourages an equitable distribution of growth according to infrastructure, which includes public open space and parks; and by requiring that development of new housing considers the proximity of quality of life elements such as open space.

TRANSPORTATION ELEMENT

OBJECTIVE 2 USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

OBJECTIVE 11: ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

OBJECTIVE 3: ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

The 2009 Housing Element is consistent with these policies because it supports sustainable land use patterns that integrate housing with transportation in order to increase transit mode share; ensuring that new housing is sustainably supported by the City's public infrastructure system, including transit; by supporting "smart" regional growth that locates new housing close to jobs and transit; and by promoting sustainable land use patterns that integrate housing with transportation to increase transit mode, pedestrian and bicycle mode share.

BALBOA PARK AREA PLAN

OBJECTIVE 4.2: STRENGTHEN THE OCEAN AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT BY PROVIDING AN APPROPRIATE MIX OF HOUSING.

OBJECTIVE 4.3: ESTABLISH AN ACTIVE, MIXED-USE NEIGHBORHOOD AROUND THE TRANSIT STATION THAT EMPHASIZES THE DEVELOPMENT OF HOUSING.

OBJECTIVE 4.4: CONSIDER HOUSING AS A PRIMARY COMPONENT TO ANY DEVELOPMENT ON THE RESERVOIR.

OBJECTIVE 4.5: PROVIDE INCREASED HOUSING OPPORTUNITIES AFFORDABLE TO A MIX OF HOUSEHOLDS AT VARYING INCOME LEVELS.

OBJECTIVE 4.6: ENHANCE AND PRESERVE THE EXISTING HOUSING STOCK

The 2009 Housing Element is consistent with and promotes the objectives of the Balboa Park Area Plan listed above in that it supports the provision of new housing, particularly affordable housing, and promotes the retention of exiting housing units.

BAYVIEW AREA PLAN

OBJECTIVE 5: PRESERVE AND ENHANCE EXISTING RESIDENTIAL NEIGHBORHOODS.

OBJECTIVE 6: ENCOURAGE THE CONSTRUCTION OF NEW AFFORDABLE AND MARKET RATE HOUSING AT LOCATIONS AND DENSITY LEVELS THAT ENHANCE THE OVERALL RESIDENTIAL QUALITY OF BAYVIEW HUNTERS POINT.

The 2009 Housing Element is consistent with and promotes the objectives of the Bayview Area Plan listed above in that it supports the provision of new housing, particularly affordable housing, and promotes the retention of exiting housing units.

CENTRAL WATERFRONT AREA PLAN

OBJECTIVE 1.1: ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOOD'S CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD

OBJECTIVE 1.2: IN AREAS OF THE CENTRAL WATERFRONT WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER

OBJECTIVE 2.1: ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE CENTRAL WATERFRONT IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

The 2009 Housing Element is consistent with the Central Waterfront Area Plan because it supports new housing, particularly affordable housing and mixed use developments, while encouraging housing close to transit and other amenities and neighborhood services, and ensuring that growth is accommodated without substantially and adversely impacting existing neighborhood character.

CHINATOWN AREA PLAN

OBJECTIVE 3: STABILIZE AND WHERE POSSIBLE INCREASE THE SUPPLY OF HOUSING

OBJECTIVE 4: PRESERVE THE URBAN ROLE OF CHINATOWN AS A RESIDENTIAL NEIGHBORHOOD.

The 2009 Housing Element is consistent with the Chinatown Area Plan because it encourages the provision of new housing, and encourages the maintenance and retention of existing housing, while ensuring that growth is accommodated without substantially and adversely impacting existing neighborhood character.

DOWNTOWN PLAN

OBJECTIVE 7: EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

OBJECTIVE 8: PROTECT RESIDENTIAL USES IN AND ADJACENT TO DOWNTOWN FROM ENCROACHMENT BY COMMERCIAL USES.

The 2009 Housing Element is consistent with the Downtown Plan because it encourages the development of new housing in areas that can accommodate that housing with planned or existing infrastructure, and supports new housing projects where households can easily rely on public transportation.

MARKET AND OCTAVIA AREA PLAN

OBJECTIVE 1.1: CREATE A LAND USE PLAN THAT EMBRACES THE MARKET AND OCTAVIA NEIGHBORHOOD'S POTENTIAL AS A MIXED-USE URBAN NEIGHBORHOOD.

OBJECTIVE 1.2 ENCOURAGE URBAN FORM THAT REINFORCES THE PLAN AREA'S UNIQUE PLACE IN THE CITY'S LARGER URBAN FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

OBJECTIVE 2.2 ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

OBJECTIVE 2.3 PRESERVE AND ENHANCE EXISTING SOUND HOUSING STOCK.

The 2009 Housing Element is consistent with the Market and Octavia Area Plan because it promotes mixed-use developments, ensures that growth is accommodated without substantially and adversely impacting existing neighborhood character, and promotes the retention and maintenance of existing sound housing stock.

MISSION AREA PLAN

OBJECTIVE 2.1 ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE MISSION IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

The 2009 Housing Element promotes the Mission Area Plan because it encourages new housing be affordable to people with a wide range of incomes.

RINCON HILL AREA PLAN

OBJECTIVE 1.1 ENCOURAGE THE DEVELOPMENT OF A UNIQUE DYNAMIC, MIXED-USE RESIDENTIAL NEIGHBORHOOD CLOSE TO DOWNTOWN, WHICH WILL CONTRIBUTE SIGNIFICANTLY TO THE CITY'S HOUSING SUPPLY.

OBJECTIVE 1.2 MAXIMIZE HOUSING IN RINCON HILL TO CAPITALIZE ON RINCON HILL'S CENTRAL LOCATION ADJACENT TO DOWNTOWN EMPLOYMENT AND TRANSIT SERVICE, WHILE STILL RETAINING THE DISTRICT'S LIVABILITY.

The 2009 Housing Element is consistent with the Rincon Hill Area Plan because it encourages the development of new housing in areas that can accommodate that housing with planned or existing infrastructure, and supports new housing projects where households can easily rely on public transportation. Rincon Hill has existing infrastructure and contains numerous public transportation options including MUNI, Bart and Caltrain.

SHOWPLACE/POTRERO HILL AREA PLAN

OBJECTIVE 2.1 ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE SHOWPLACE / POTRERO IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

OBJECTIVE 2.2 RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

OBJECTIVE 2.4 LOWER THE COST OF THE PRODUCTION OF HOUSING

The 2009 Housing Element is consistent with the Showplace/Potrero Hill Area Plan because it promotes the development of housing that is affordable to people of all incomes.

SOMA AREA PLAN

OBJECTIVE 2 PRESERVE EXISTING HOUSING.

OBJECTIVE 3 ENCOURAGE THE DEVELOPMENT OF NEW HOUSING, PARTICULARLY AFFORDABLE HOUSING.

The 2009 Housing Element is consistent with the SOMA Area Plan in that it promotes the development of housing that is affordable to people of all incomes and supports the conservation and improvement of the existing housing stock.

WHEREAS, Pursuant to Planning Code Section 340, on March 27, 2014, the Planning Commission adopted Resolution No. R-19108 a Resolution of Intention to initiate amendments to the General Plan of the City and County of San Francisco by adopting the 2009 Housing Element as the Housing Element of the San Francisco General Plan. Said Resolution is incorporated herein by reference; and,

WHEREAS, Prior to considering this relevant amendment to the General Plan, the Planning Commission adopted Motion No. 19121. In that action, the Commission certified the San Francisco 2004 and 2009 Housing Element Environmental Impact Report. On this same date, at a duly noticed public hearing, the Planning Commission also adopted Resolution 19122, adopting findings under the California Environmental Quality Act related to the 2009 Housing Element. Said Motions are incorporated herein by reference; and

WHEREAS, That on April 24, 2014, the Planning Commission held a duly noticed public hearing on the proposed amendment to the General Plan, and considered the written and oral testimony of Planning Department staff, representatives of other City Departments and members of the public concerning the proposed adoption of the 2009 Housing Element.

NOW THEREFORE BE IT RESOLVED, That pursuant to the Superior Court's direction, the Commission hereby rescinds Motion 18308, adopted on March 24, 2011 adopting findings pursuant to CEQA; and

BE IT FURTHER RESOLVED, That pursuant to the Superior Court's direction, that the Commission hereby rescinds Resolution 18309 adopted on March 24, 2011, recommending the adoption of the 2009 Housing Element as the Housing Element of the General Plan.

BE IT FURTHER RESOLVED, That the Commission amends the 2009 Housing Element Policy 1.2 to strike Japantown from the underlying text, chart and map of this policy.

BE IT FURTHER RESOLVED, That the Commission for the purposes of this action relies on the CEQA Findings in Resolution No. 19122 ; and

BE IT FURTHER RESOLVED, That the Commission for the reasons set forth herein, finds that the proposed 2009 Housing Element is, on balance, consistent with the General Plan and the priority policies of Planning Code Section 101.1; and

BE IT FURTHER RESOLVED, That on April 24, 2014, the Planning Commission held a public hearing on the 2009 Housing Element Update and considered the written and oral testimony of Planning Department staff, representatives of other City Departments and members of the public concerning the proposed General Plan Amendment; and

BE IT FURTHER RESOLVED, That pursuant to Planning Code Section 340, the Planning Commission does hereby find that the public necessity, convenience and general welfare require the approval of the attached ordinance, approved as to form by the City Attorney, and directs staff to make corresponding updates to the Land Use Index of the General Plan, and recommends the adoption of the 2009 Housing Element as it was adopted by the Board of Supervisors in Ordinance 108-11 to wit, "Draft 3" published in February 2011 together with amendments incorporated by the Planning Commission on March 24, 2011 in Resolution 18309, and deleting references to Japantown in Policy 1.2.

I hereby certify that the foregoing Resolution was ADOPTED by the Planning Commission on April 24, 2014.

Jonas Ionin

Commission Secretary

AYES: Moore, Wu, Fong, Borden, Hillis,

NOES: Antonini

ABSENT: Sugaya

ADOPTED: 5-1