



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: March 31, 2014
TO: Sarah Jones, Environmental Review Officer
FROM: Josh Switzky
Acting Director, Citywide Planning Division
RE: Comments and Responses, Housing Element

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Thank you for the opportunity to respond to some of the comments you have received during the public comment period on Chapter VII Alternatives (Revised), specifically comments regarding the proposed 2009 Housing Element and its relationship to, and effect on RH-1 and RH-2 zoning, middle-income housing, and family housing.

As part of the development of the 2009 Housing Element policies, the Department conducted a review of San Francisco's housing stock. Based on that review, the Department, with guidance from the Community Advisory Body and input from City agencies and community members, developed updated Housing Element policies to facilitate opportunities for the City to meet various Citywide housing policy objectives. The identified and articulated housing policy objectives include: maintaining the existing stock (Objective 2 and related policies), meeting affordable housing goals (Objectives 1, 2, 3, 7, 8, & 9 and related policies), and providing equal access to housing opportunities (Objectives 4 & 5 and related policies).

San Francisco has roughly ten¹ residential zoning districts, and 43² districts which allow residential uses. However, approximately 72³ percent of all existing land parcels, and 50⁴ percent of the City's developable acreage (meaning non-open space or land that is not federally owned) is zoned RH-1 or RH-2. Combined, these two districts regulate the vast majority of residential parcels. Although the majority of parcels are within these low-density districts, the purpose of the Housing Element is to provide guidance for residential districts throughout the City, from areas with detached single-family homes to areas with high-rise residential uses, such as in the Downtown.

¹ This includes RH, RM, and RTO – which are classified as residential districts.

² This includes RH, RM, RTO, NC, DTR, Mixed Use, and C districts which all allow residential uses and are projected to absorb future growth during the housing element planning period.

³ As of March 2014 there are 110,720 parcels zoned RH-1 or RH-2; There are 153,827 parcels in the city (this does not include multiple condos mapped to a single parcel). Source: SF Planning Department Zoning Map

⁴ As of March 2014 8113 acres of land is zoned RH-1 or RH-2; Less than 17,000 acres of land in San Francisco has other a zoning designation other than RH-1 or RH-2. Of the 17,000 some smaller parks, public lands, and zoning districts that do not allow housing have been included. For this reason, the ratio is presented as an approximate number to frame the relative ratio of land. Source: SF Planning Department Zoning Map

The City's housing policy is presented in two ways. In addition to the Citywide goals contained in the Housing Element, the City's General Plan includes numerous smaller area plans or specific plans. These area or specific plans are consistent with the overall General Plan's goals and objectives, but provide more detailed objectives and policies tailored to a specific area, including objectives and policies related to housing. Consistent with this approach, the 2004 and 2009 Housing Elements include a framework for including more detailed housing policies and objectives on a community or neighborhood level, where there is an opportunity for greater community input and more detailed analysis of the neighborhood context. The 2004 and 2009 Housing Elements both support community driven policy changes that include neighborhood input, and advise that proposed zoning changes refer to existing zoning regulations and built form.

Numerous comments on the Revised EIR claimed that the 2004 or 2009 Housing Element would eliminate RH-1 and RH-2 zoning. This is incorrect. If a community planning process is proposed for a specific area, neither the 2004 or the 2009 Housing Element would require changes to regulations for any residential districts, including RH-1 or RH-2 zoning districts. For example, recent community plans (Market and Octavia and Eastern Neighborhoods) did not make changes to parcels zoned RH-1 and RH-2 within the applicable study area. Those area plans – and the policy determinations imbedded in them, including the determination to not change RH-1 and RH-2 zoned parcels – were made through a multi-year collaborative planning process, which included community stakeholders in the specific neighborhoods. However, because RH-1 and RH-2 constitutes 72 percent of all parcels and 50 percent of developable acreage in San Francisco, changes to RH-1 and RH-2 are not precluded by the Housing Element.

Neither the 2004 or 2009 Housing Element, or any of the alternatives analyzed in the EIR Revision, 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 Housing Elements discuss 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, all versions of the Element call for changes only with neighborhood support or through a community planning process, and advise that changes must be consistent with the existing neighborhood character. The Department notes that Policy 11.4 of the 2009 Housing Element requires the City to “continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan” and that zoning amendments should conform generally to the existing zoning districts as noted on Map 6 “Generalized Permitted Housing Densities by Zoning District.” (See Part I Data and Needs Analysis). This policy, table and map are substantially similar to those found in the 1990 Residence Element, particularly with regard to RH-1 and RH-2 zoning.

The Department also notes that the 2004 Housing Element does not specifically reference RH-1 or RH-2 anywhere in the document. The 2009 Housing Element calls out 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 these 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 final draft was amended to instead refer to height and bulk patterns with language that mirrors the 1990 Residence Element. The 1990 Residence Element included a similar 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.”

The nuanced language in 2009 Housing Element Policy 1.6 and 11.5 was 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 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.

In sum, Housing Element policies do not eliminate RH-1 or RH-2 zoning districts (or existing single-family, low-density or “middle income” neighborhoods) or preclude the development of single-family or low-density projects in the future. Housing Elements are policy-level documents intended to guide future residential development throughout San Francisco. Adoption of the Housing Element would not directly result in any amendments to development controls that would lead to the changes in RH-1 or RH-2 zoning. Neither the 2004 nor the 2009 Housing Element includes any changes to zoning controls, changes in height limits, or revisions in policies that would directly result in new development. Moreover, any future proposals that may result in changes to development controls would require additional policy review, including environmental review.

Numerous comments were made regarding the need for policies supporting “middle income” housing. The Department shares this concern. Thus, the 2009 Housing Element includes Policy 7.7 “Support housing for middle income households, especially through programs that do not require a direct public subsidy”. That policy notes that “the City should support innovative market-based programs and practices that enable middle income housing opportunities. Creating smaller and less expensive units that are “affordable by design” can assist in providing units” to middle income households.

Similarly, Policy 7.8 also addresses middle income households: “Develop, promote, and improve ownership models which enable households to achieve homeownership within their means, such as down-payment assistance, and limited equity cooperatives.” That policy calls for the City to continue its homeownership assistance programs, including counseling, down payment assistance, silent second mortgages and programs that support teachers.

Numerous comments were made regarding the City's need for "family housing." The Housing Element also addresses "family housing" in Policy 4.1 "Develop new housing, and encourage the remodeling of existing housing for families with children." Policy 2.2: "Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing;" and Policy 11.3 "Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character" which ensures that existing neighborhoods with "family-housing" continue to attract and be suitable for families with children.

Numerous comments appear to equate "middle income housing" with housing found in RH-1 and RH-2 districts. However, the Department's analysis shows that RH-1 and RH-2 neighborhoods are not often affordable for middle income households. The Mayor's Office of Housing considers households (of 4) making \$77,700 to \$145,000 as middle income.⁵ Households in roughly this income bracket can afford (defined as spending roughly 30 percent of household income on housing) housing at \$316,000 to \$600,000 purchase price.⁶ Generally San Francisco's housing market does not deliver multi-bedroom units at this price point; on average there is an affordability gap of \$352,000 to \$68,000 for these households. Furthermore, the average cost of a single family dwelling in RH-1 zoning districts is generally much higher than in the more dense neighborhoods. For example, the 2011 State of the Housing Market found that households earning 80 percent of the AMI could only afford one quarter of the for sale units in only one neighborhood (the Bayview). Households at 120 percent of the AMI could afford to purchase homes in far more districts – however predominantly in the higher density districts. The single family construction type is generally at a premium in San Francisco and does not contribute to meeting the needs of new middle income households.

Finally, other comments appear to equate "family-housing" (meaning, households with children) with RH-1 and RH-2 neighborhoods. Although low-density neighborhoods may be desirable for families with children, the Department's analysis shows that many children also live in denser neighborhoods, such as the Tenderloin or Chinatown neighborhoods. In any event, as noted above, the policies in the Housing Elements do not call for the rezoning of any existing neighborhoods, and RH-1 and RH-2 neighborhoods constitute 72 percent of all parcels in San Francisco.

⁵ This range represents 80 to 120 percent of the Area Median Income (AMI); the exact incomes for these AMIs are updated annually. A consultant study commissioned by MOH in November 2011, called State of the Housing Market Study 2011, identified this range as the moderate income range.

⁶ A consultant study commissioned by MOH in November 2011, called State of the Housing Market Study 2011, identified this range as the moderate income range. Assumes 33% of income is spent on housing.