



SAN FRANCISCO PLANNING DEPARTMENT

March 30, 2011

Ms. Angela Calvillo, Clerk
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Case Number 2007.1275EM
2009 Housing Element Update

Recommendation: Approval

Dear Supervisors and Ms. Calvillo,

On March 24, 2011, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearings at a regularly scheduled meeting to certify the 2009 Housing Element EIR, adopt CEQA findings for the proposed 2009 Housing Element Update and adopt the proposed Ordinance amending the General Plan to adopt the 2009 Housing Element Update.

At the March 24th Hearing, the Commission voted 7-0 to recommend approval of the proposed Ordinance which would amend the General Plan to update the Housing Element. The attached resolutions and exhibits provides more detail about the Commission's action, including the proposed 2009 Housing Element Update. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

John Rahaim
Planning Director

Cc: City Attorneys Audrey Pearson

Attachments (one copy of the following):

1. Planning Commission Resolution No. 18307, 18308, and 18309.
2. FEIR for the 2009 Housing Element Update
3. CEQA Findings for the 2009 Housing Element Update
4. Draft Ordinance and 2009 Housing Element
5. Memo from the Planning Department

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SAN FRANCISCO PLANNING DEPARTMENT

To: Honorable San Francisco Board of Supervisors,
Angela Calvillo, Clerk of the Board

Date: March 30, 2011

Re: 2009 Housing Element Update
--Commission Adopted CEQA Findings and draft Ordinance

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On March 24, 2011, the San Francisco Planning Commission adopted the 2009 Update of the Housing Element of the General Plan, and certified a full Environmental Impact Report on the project. The 2009 update of the Housing Element includes Part 1: Data and Needs Analysis, which contains a description and analysis of San Francisco's population, household and employment trends, existing housing characteristics, and housing needs; Part 2: Objectives & Policies, which sets forth the policy framework to address the needs identified in Part 1; and a series of Appendices including implementing programs as actionable steps towards addressing housing issues.

This update, required by the State, has been the product of a comprehensive community-based planning effort, led by the Planning Department, in cooperation with the Mayor's Office of Housing and in consultation with a roundtable of other City agencies. Work began in September 2008 when staff convened a 15 member Community Advisory Body (CAB) made up of representatives nominated by each Supervisor to assist staff on draft development. In the two years that followed, the Department also hosted 14 stakeholder sessions focusing on the needs and policy interests of special interest housing groups and organizations; facilitated over 30 public workshops and presentations throughout the City, with several in each supervisorial district; invited community members to provide input at monthly office hours, through an online and written survey, or through written comments; and hosted two "Director's Forums" which enabled the Planning Director to hear directly from the public.

The 2009 update of the Housing Element is required by State Law. Without full approval by our local governing bodies, San Francisco is listed as "out of compliance" by the Department of Housing and Community Development (HCD). This impacts the City's eligibility for state housing, community development and infrastructure funding programs. Full approval, including adoption by the Board of Supervisors, will confirm our continued dedication towards meeting the State of California's objectives towards housing and community development, and will reinstate our eligibility for these funds.

As adopted by the Planning Commission, the 2009 Housing Element begins with four principles:

1. prioritization of permanently affordable housing;
2. recognition and preservation of neighborhood character;
3. integration of planning for housing with jobs, transportation and infrastructure; and
4. development of housing that facilitates our City as a model of sustainability.

The majority of the policies represent these core values and were, in themselves, not the subject of debate. However, the diversity of opinion in San Francisco means that not every policy represents consensus. At the heart of the controversy that remained at the Planning Commission hearing on March 24th were the seemingly opposite goals of enabling growth to address housing needs and preserving established neighborhood character.

This dichotomy of viewpoints is not unique to San Francisco - municipalities throughout the nation are plagued by this conflict: supporting growth in areas well-served by transit to promote a more sustainable future; and the desire to minimize change in established neighborhoods. The 2009 Housing Element attempts to provide a path forward on both issues, by mandating a clear, inclusive, community-driven process for any changes that will enable growth, and by providing policy considerations that are intended to protect what is most valuable about each individual neighborhood.

- **Supporting growth through community plans:** The Planning Department has in recent years planned for growth through community plans such as the Better Neighborhoods and Eastern Neighborhoods Plans. These plans direct development to areas well-served by transit, to ensure "complete neighborhoods" with supportive infrastructure and other improvements, and to relieve pressure on neighborhoods less able to accommodate growth. This process has provided a way for stakeholders to help direct the future of their area. Participants have been vocal about their support of the practice.

To provide certainty to citizens who feared that the Housing Element would cause increases in density to their neighborhoods without input, the document mandates that this process must continue to be used in the event of proposed changes to land use controls, such as increased housing density or height. It also dictates that any such changes must be generated through a community based planning processes initiated in partnership with the neighborhood, initiated by the Board of Supervisors. It states that any changes to land use policies and controls that result from the community planning process may be proposed only after an open and publicly noticed process, after review of a draft plan and environmental review, and with comprehensive opportunity for community input.

- **Preserving neighborhood character:** Protection of neighborhood character became a major issue for neighborhoods in the wake of the 2004 Housing Element, which promoted a number of one-size-fits-all strategies that might not be appropriate for some neighborhoods, such as encouraging higher residential density in neighborhood commercial districts, allowing flexibility in the number and size of units (density controls), and considering legalization of secondary units.

The 2009 Housing Element removed these policies, directed that all such changes should only be considered as a part of community planning processes as described above, and included numerous new policies intended to further reinforce the City's support of each neighborhood's individual character. It clarifies support for individual community efforts that support good planning principles, provides a process for Department adoption of neighborhood-specific design standards, acknowledges neighborhood Covenants Conditions and Restrictions (while clarifying that the Planning Department cannot legally enforce CC&Rs), and states that densities in established residential areas should promote compatibility with prevailing

neighborhood character, specifying that existing height and bulk patterns should be maintained in RH-1 and RH-2 areas.

CONTINUED ISSUES FOR CLARIFICATION

Despite continued outreach and discussion over the past two and a half years, there remain numerous misconceptions about the document, particularly that the document will enable change in established neighborhoods. Despite policies enabling growth only through a community planning process, and numerous policies preserving neighborhood character, a repeated misunderstanding is that the document contains recommendations for increased growth and density in the neighborhoods. In fact 2009 Housing Element does not contain any recommendations for increased density, height or changes in zoning, nor does it modify land use or the Planning Code. Furthermore, it mandates that consideration of such changes should only happen through a community planning process, as described above.

To further clarify, the Element provides policy background for housing programs and decisions; and to provide broad direction towards meeting the City's housing goals. It helps to guide discretionary decisions made by the City's Planning Commission and other decisionmakers, and helps them prioritize approval of certain kinds of housing projects over others. It does not enable change at the risk of neighborhood character, and instead provides numerous new policies to help preserve that character.