## SUBSTITUTED 5/19/2015

FILE NO. 150461

ORDINANCE NO.

1		Moratorium on Certain New Residential Uses and Elimination of Production, Repair Uses in a Portion of the Mission Area Plan of the General Plan]
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3	<b>Urgency Ordina</b>	ance approving an interim zoning moratorium on the issuance of any
4	permits to dem	olish, convert, or construct housing projects that result in the gain or
5	loss of 5 or mo	re residential units, or to demolish, convert, or eliminate Production,
6	Distribution, an	d Repair (PDR), and to create an exception from the moratorium for the
7	issuance of per	mits for 100% affordable housing projects, and to allow the elimination
8	of PDR uses wh	nere necessary to permit 100% affordable housing projects, in a portion
9	of the Mission	Area Plan of the General Plan (comprising the area bounded by the
10	north side of Co	esar Chavez Street from the east side of Valencia Street to the west side
11	of Potrero Aver	nue; the west side of Potrero Avenue from the north side of Cesar
12	Chavez Street t	o the south side of 20th Street; the south side of 20th Street from the
13	west side of Po	trero Avenue to the west side of Bryant Street; the west side of Bryant
14	Street from the	south side of 20th Street to the south side of U.S. Route 101; the south
15	side of U.S. Ro	ute 101 from the west side of Bryant Street to the east side of Valencia
16	Street; the east	side of Valencia Street from the south side of U.S. Route 101 to the
17	north side of Co	esar Chavez Street); affirming the Planning Department's determination
18	under the Califo	ornia Environmental Quality Act; and making findings of consistency
19	with the eight p	riority policies of Planning Code, Section 101.1.
20	NOTE:	Unchanged Code text and uncodified text are in plain Arial font.
21		Additions to Codes are in <u>single-underline italics Times New Roman font</u> .  Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> .
22		Board amendment additions are in double-underlined Arial font.  Board amendment deletions are in strikethrough Arial font.
23		<b>Asterisks (* * * *)</b> indicate the omission of unchanged Code subsections or parts of tables.
24	Do :4 0 d-	ined by the Deeple of the City and County of Can Francisco.
25	be it ofda	ined by the People of the City and County of San Francisco:

Section 1. Findings.

(a) General Findings.

- (1) In 2008, the Board of Supervisors adopted the Eastern Neighborhoods Plan, including the Mission Area Plan, as part of the General Plan. The Eastern Neighborhoods Plan, specifically including the Mission Area Plan, must be revisited for the following reasons:
- (A) The economic projections that serve as the foundation for the Eastern Neighborhoods rezoning have changed, because the Great Recession and subsequent recovery created very different market conditions than could have been anticipated in 2006-07 when the projections were made.
- (B) Even though the economic projections could not have forecast the current escalation in housing prices, the Hausrath Economics Group, in a 2007 study entitled "San Francisco's Eastern Neighborhoods Rezoning Socioeconomic Impacts: A Report to Planning Department City and County of San Francisco," on file with the Clerk of the Board of Supervisors in File No. 150461(the "Socioeconomic Impacts Report"), made a statement about the need for systems and programs to ensure affordable housing: "[t]he socioeconomic analysis indicates that land use regulation alone is not adequate to address the wide range of community needs and planning goals. New financial resources, new programs, and interagency coordination to better target existing programs and resources are required to complement the proposed land use regulations."
- (C) The Board of Supervisors adopted the Mission Area Plan of the Eastern Neighborhoods in December 2008. The preface states: "[a]t their core, the Eastern Neighborhoods Plans try to accomplish two key policy goals: 1) they attempt to ensure a stable future for Production, Distribution and Repair (PDR) businesses in the City, mainly by reserving a certain amount of land for this purpose; and 2) they strive to provide a significant

amount of new housing affordable to low, moderate and middle income families and individuals, along with 'complete neighborhoods' that provide appropriate amenities for these new residents." Despite the fact that there was a conceptual framework for the Eastern Neighborhoods to provide "significant" affordable housing, there was not an adequate funding strategy for purchasing sites or building affordable housing.

(D) One of the products of the Eastern Neighborhoods Plan was a project of the San Francisco Department of Public Health to create the Eastern Neighborhoods Community Health Impact Assessment (ENCHIA) "to analyze how development in several San Francisco neighborhoods would affect attributes of social and physical environments that are most important to health." This became the Healthy Development Measurement Tool in 2007 and in 2012 transformed into the Sustainable Communities Index. The measurements for housing include: 1) Preserve and construct housing in proportion to demand with regards to size, affordability and tenure; 2) Protect residents from involuntary displacement; 3) Decrease concentrated poverty; 4) Assure access to healthy quality housing. But, since at least 2012, the City has not held the Eastern Neighborhoods Plan to account under these measures for ensuring development of healthy communities. The Sustainable Communities Index website states: "Intense development pressures in San Francisco throughout the mid-late 1990's and early 2000's generated a multitude of infrastructure, zoning, public safety and environmental impacts, most especially a shortage of affordable housing. Many communities called on public health officials to evaluate the health impacts of these development pressures and advocate for healthy environments." The website further states, "The [Healthy Development Measurement Tool] HDMT was subsequently applied to planning and development decisions in San Francisco between 2007 and 2012, leading to a number of refinement[s] in the data and application methods." The Healthy Development Measurement Tool is on file with the Clerk of the Board of Supervisors in File No. 150461.

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(E) The Impact Fees documented in the "San Francisco Eastern
Neighborhoods Nexus Study" published May 2008 by Seifel Consulting and on file with the
Clerk of the Board of Supervisors in File No. 150461 have been inadequate for mitigating the
impacts of market rate housing among other things. "Table A-2: Current and Future Need
(2025 - Option B Revised) Mission Neighborhood" details the needs, existing conditions,
current demand, existing need or surplus, the growth in need, the future conditions needed,
the net future conditions, and the need projection for a number of different community
infrastructure components such as open space, schools, libraries, police, fire, and affordable
housing. Page 31 of this report says "ABAG [Association of Bay Area Governments]
estimates that 64 percent of new housing production in San Francisco will need to be
affordable to very low, low and moderate income households as indicated in the
Socioeconomic Impacts Report. Within the Eastern Neighborhoods, this translates to 1,901
units affordable to very low income households, 771 to low income households and 2,044 to
moderate income households for a total of 4,716 of the 7,385 units anticipated" and the report
uses this same ratio of affordable to market rate to establish the needs for affordable housing
in each of the Eastern Neighborhoods Plan areas including the Mission.

(F) The Mission District in particular is losing its income diversity: Per census data, since 2000, the Mission has lost 3,000 households earning less than 100% of the Area Median Income (AMI) which is approximately 230 households per year. Since 2006, according to the Rent Stabilization Board, the Mission has lost roughly 80 rent-controlled units per year due to Ellis Act conversions, condo conversions and demolition. Also per Census data, 8,000 Latinos have been displaced from the Mission between 2000 and 2013.

According to the Socioeconomic Impacts Report, "The Eastern Neighborhoods have a greater racial and ethnic mix than the City overall, and the mix varies among neighborhoods. Almost 30 percent of the City's Latino residents live in the Eastern

Neighborhoods, almost all (90 percent) of them live in the Mission - an established Latino cultural hub for San Francisco and the entire Bay Area." (p. 18). The report continues, "The foreign-born in the Eastern Neighborhoods are less likely than the foreign-born elsewhere in the City to have attained citizenship status. One in eight foreign-born non-citizen residents of San Francisco lives in the Mission." (p. 18) And underscoring the vulnerability of immigrant Latinos, "A high percentage of the people living in the Eastern Neighborhoods do not speak English at home. One third of native Spanish speakers who have difficulty speaking English live in the Mission." (p. 18). This vulnerability is underscored by the census data cited above that shows the loss of Latinos from the Mission.

## (b) Findings Related to imposition of an interim moratorium.

- (1) California Government Code Section 65858 provides that local jurisdictions may adopt as an urgency measure an interim ordinance to protect the public, health, safety and welfare prohibiting any uses that may be in conflict with a contemplated zoning proposal. Planning Code Section 306.7 provides for the imposition of interim zoning controls to accomplish several objectives, including preservation of historic and architecturally significant buildings and areas; preservation of residential neighborhoods; preservation of neighborhoods and areas of mixed residential and commercial uses in order to preserve the existing character of such neighborhoods and areas; and development and conservation of the City's commerce and industry to maintain the City's economic vitality, provide its citizens with adequate jobs and business opportunities, and maintain adequate services for its residents, visitors, businesses and institutions.
- (2) These controls are intended and designed to ameliorate the problems and conditions associated with the overproduction of market rate housing resulting from the implementation of the Eastern Neighborhoods Plan and a period of economic growth, both of

- which have led to the under-production of affordable housing, particularly in the Mission Area
  Plan.
  - (3) In order to evaluate these impacts, the San Francisco Planning Department, in cooperation with the Mayor's Office, the Mayor's Office of Housing and Community Development, and the Office of Economic and Workforce Development, is currently engaged in a community-based planning effort for the Mission District called the "Mission Action Plan 2020." The purpose of the Mission Action Plan 2020 is to "stem displacement, to create more affordable housing options for all income levels, and to protect and promote small and locally-owned businesses and jobs that serve the community," according to the outreach flyer for the April 22, 2015 community meeting of the Mission Action Plan 2020.
  - (4) In November 2014, the voters passed Proposition K, establishing as City policy that at least 33% of all new housing be affordable to low and moderate income households, and that at least 50% of all new housing be affordable to low, moderate and middle income households.
  - (5) There is a current and immediate threat to the public health, safety, and welfare caused by continuing to issue permits under and comply with the current Mission Area Plan of the Eastern Neighborhoods Plan, specifically the approval of housing projects that are not affordable, and continuing to comply with the Mission Area Plan and its implementing zoning, harms the public health, safety and welfare for, among other reasons:
  - (A) The continued approval of market rate housing reduces options for securing sites for affordable housing production: The Socioeconomics Impacts Report, page 1, states that rezoning many of the former industrial lands of the Eastern Neighborhoods for residential development "would almost double the housing development potential in San Francisco." The report continues, "[w]ithout affirmative programs to preserve sites, one potential cost of

1	the proposed rezoning would be a reduction in options for securing sites for affordable
2	housing production."

- (B) There is very little affordable housing being produced in the Mission AreaPlan.
  - (i) The Planning Department published a report on housing production in the Mission Plan Area from 2006 2010, and annually it publishes a Housing Inventory report. These two documents show that market rate housing continues to be built but affordable housing does not. According to the "Mission Area Plan Monitoring Report: 2006 2010," and the annual "Housing Inventory Reports," from 2006 to 2014, the Mission gained 1,327 units total with only 165 of these (12.4%) being affordable which is far less than the 64% goal from the Association of Bay Area Governments (ABAG) as stated in the Socioeconomics Impacts Report "San Francisco's Eastern Neighborhoods Rezoning Socioeconomics Impacts: A Report to Planning Department City and County of San Francisco,"
    - (ii) In the past decade only 151 units of affordable housing have been built in the Mission, and none have been entitled since the adoption of the Mission Area Plan in December, 2008. The 2014 Housing Inventory reports in Section 3.3 that "At the time of the Mission Plan adoption and approval" the Mission had only "5% of the citywide total of affordable housing . . . . ," and no new affordable units, and no new affordable housing units were in the pipeline. According to the "Mission Area Plan Monitoring Report: 2006 2010" Section 3.4, the only net new affordable units were 151 units built at Mosaica on Alabama Street and first occupied in 2009. These reports are on file with the Clerk of the Board of Supervisors in File No. 150461.
    - (iii) There is very little future affordable housing development currently planned. The Council of Community Housing Organizations (CCHO) has compiled information from the Planning Department's list of every project that has received Planning Approval or is

- under construction including affordable housing developments, and a similar list published by
  the Mayor's Office of Housing for inclusionary units. CCHO combined these lists and it shows
  that the Mission has 478 total residential units in the pipeline, with none of these being
  affordable units produced by nonprofit affordable housing developers, and only 34 (7%) are
  Below Market Rate (BMR) units. These documents are on file with the Clerk of the Board of
  Supervisors in File No. 150461.
  - (iv) San Francisco has over-built market rate units and has under-built affordable units. The latest "Residential Pipeline: Entitled Housing Units 2007 to 2014 Q3" report, on file with the Clerk of the Board of Supervisors in File No. 150461, which "represents completed units and development project in the current residential pipeline" shows that San Francisco had built and entitled 202.2% of its RHNA allocation of housing for "above moderate income" households (above 120% AMI), only 30.4% of its RHNA allocation of housing for "moderate income" households (80 120% AMI), and only 55.7% of its RHNA allocation of housing for "low income" households (below 80% AMI).
  - (C) The lack of affordable housing leads to adverse impacts on the public health, safety and welfare:
  - (i) Many households in San Francisco are living in overcrowded conditions. According to the 2014 Housing Element, "A household is considered overcrowded when there is more than one person per room in the dwelling unit. The 2012 Census reported that 20,520 or 6% of all San Francisco households were overcrowded (Table I-43)." This section continues "Asian-American and Hispanic/ Latino households make up a disproportionate number of overcrowded households (14%) (Table I-44)." This section further explains "High housing costs also forces overcrowding. To afford the cost of housing, many low-income families crowd into smaller units." Overcrowding creates an adverse impact on the public health, safety, peace and general welfare by increasing the likelihood of food insecurity

1 (Children's Healthwatch Policy Action Brief "Overcrowding and Frequent Moves Undermine

2 Children's Health" from November 2011, on file with the Clerk of the Board of Supervisors in

3 File No. 150461). According to the Robert Wood Johnson Foundation's "Issue Brief #5:

4 Exploring the Social Determinants of Health" published in April, 2011, on file with the Clerk of

the Board of Supervisors in File No. 150461: "Residential overcrowding has been linked both

with physical illness, including infectious diseases such as tuberculosis and respiratory

infections, and with psychological distress among both adults and children; children who live

in crowded housing may have poorer cognitive and psychomotor development or be more

anxious, socially withdrawn, stressed or aggressive."

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(ii) The high cost of housing in the Mission is causing negative health impacts documented in such public health reports as the San Francisco Department of Public Health Research Report, dated June 2014: "Unaffordable Housing: the Costs to Public Health," on file with the Clerk of the Board of Supervisors in File No. 150461, and.

California Newsreel produced in 2008 a series of video documentaries with the National Association of County and City Health Officials called "Unnatural Causes: is inequality making us sick?" A number of the publications and documentary segments aggregated into their website <a href="www.unnaturalcauses.org">www.unnaturalcauses.org</a> clearly document the linkage between the lack of affordable housing and adverse health impacts. A recent research study by sociologists from Rice and Harvard Universities is "the first to examine the consequences of eviction from housing in a nationally representative dataset" according to Amy McCaig writing for Rice University News & Media in her article "Eviction can result in depression, poorer health and higher stress."

Specifically, in the Mission Area Plan, the Mission District has long been home to immigrants, many of whom depend on living in San Francisco, a Sanctuary City, in order to access public health and other services. Many immigrants come to San Francisco because in

- 1989, the "City and County of Refuge" Ordinance was passed, and in 2007 was reaffirmed by Mayoral Executive Order. This enables all City residents to safely access City services including Healthy San Francisco and enrollment in the public school system. For immigrants who are displaced from San Francisco, not only is their housing destabilized, and their commute to work likely much longer and more expensive, but they might not be able to keep their children in school, and also likely won't be able to access health services. The Mission District has for decades been an important neighborhood for immigrants, especially from Central and South America.
  - (6) There is a current and immediate threat to the public health, safety, and welfare caused by the continued approval of permits to demolish or eliminate Production, Distribution, and Repair facilities (PDR) and continuing to comply with the current zoning ordinance, specifically the Mission Area Plan and its implementing zoning, harms the public health, safety and welfare by eliminating PDR uses which, among other things leads to unemployment and job loss. "Unemployed people are twice as likely as employed people to suffer from psychological problems (34 percent to 16 percent), and blue-collar workers are more distressed by unemployment than those who've lost a white collar job," according to Healthline's "Depression After a Job Loss: Statistics & How to Cope" by Michael Kerr, 29 March 2012 and medically reviewed by George Krucik, MD. As stated in the Introduction to the Mission Area Plan, "Retail is a significant business type in the Mission. Mission and 24th Streets in particular offer a variety of shops and services including many small grocery stores, beauty shops and restaurants that serve the local neighborhood and reflect the Latino population. There are about 900 stores and restaurants in the Mission, employing nearly 5,000 people. Retail however, does not employ as many people as Production Distribution and Repair (PDR) activities. PDR businesses, concentrated in the northeast Mission, provide jobs for about 12,000 people, making PDR businesses the largest employers in the Mission.

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- These businesses support San Francisco's service and tourist industry and are comprised of everything from furniture makers, sound and video recording studios, wholesale distributors, auto repair shops, plumbing supply stores, lumber yards, and photography studios, to the large PG&E and Muni facilities."
  - (7) This Board has considered the impact on the public health, safety, peace, and general welfare if the interim controls proposed herein were not imposed.
  - (8) This Board has determined that the public interest will be best served by imposition of these interim controls at this time in order to ensure that the legislative scheme that may be ultimately adopted is not undermined during the planning and legislative process for permanent controls, which process shall be conducted within a reasonable time.
  - (9) In order to extend beyond the initial 45-day period an Interim Moratorium that has the effect of denying approvals needed for the development of projects with a significant component of multifamily housing, the Board of Supervisors must make the following written findings:
  - (A) The continued approval of the development of multifamily housing projects would have a specific, adverse impact upon the public health or safety. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date that the ordinance is adopted by the legislative body.
  - (B) The interim ordinance is necessary to mitigate or avoid the specific, adverse impact identified pursuant to paragraph (A).
  - (C) There is no feasible alternative to satisfactorily mitigate or avoid the specific, adverse impact identified pursuant to paragraph (A) as well or better, with a less burdensome or restrictive effect, than the adoption of the proposed interim ordinance.

## (c) Planning Code Section 101.1 Findings.

This interim zoning moratorium advances and is consistent with Priority Policy 2 of Planning Code Section 101.1 in that it attempts to conserve and protect existing housing and neighborhood character by preserving the cultural and economic diversity of the Mission Area Plan neighborhood. This interim zoning moratorium advances and is consistent with Priority Policy 3 of the Planning Code Section 101.1 in that it preserves and enhances the City's supply of affordable housing. This interim zoning moratorium advances and is consistent with Priority Policy 5 of the Planning Code Section 101.1 in that it preserves and enhances a diverse economic base by protecting our industrial sectors, specifically PDR, from displacement due to commercial office development, and thus enhances future opportunities for resident employment and ownership in these sectors. With respect to Priority Policies 1, 4, 6, 7, and 8, the Board finds that the interim zoning moratorium does not, at this time, have an effect upon these policies, and thus, will not conflict with said policies.

## (d) Environmental Findings.

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 150461 and is incorporated herein by reference. The Board of Supervisors hereby affirms this determination.

Section 2. The following interim zoning moratorium shall be adopted as an Urgency Ordinance:

(a) This Interim Moratorium shall apply in the geographic area that is a portion of the Mission Area Plan of the General Plan, comprising the area bounded by the north side of Cesar Chavez Street from the east side of Valencia Street to the west side of Potrero Avenue;

1	the west side of Potrero Avenue from the north side of Cesar Chavez Street to the south side
2	of 20th Street; the south side of 20th Street from the west side of Potrero Avenue to the west
3	side of Bryant Street; the west side of Bryant Street from the south side of 20th Street to the
4	south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant
5	Street to the east side of Valencia Street; the east side of Valencia Street from the south side
6	of U.S. Route 101 to the north side of Cesar Chavez Street.
7	(b) In the geographic area covered:
8	(1) No City department shall issue any permit for:
9	(A) any residential demolition in any housing project, resulting in the net
10	loss of five or more residential units.
11	(B) the construction of a housing project that results in the net addition of
12	5 or more residential units;
13	(C) any residential conversion resulting in the net loss of five or more
14	residential units.
15	(2) No City Department shall issue any permit to demolish, convert, or eliminate
16	Production, Distribution and Repair (PDR) use, as defined in Planning Code Section 102,
17	unless the elimination of the PDR use is necessary to construct a project that consists of
18	100% affordable housing, as defined in subsection (d), on the site.
19	(c) This Interim Moratorium shall not apply to the issuance of permits for:
20	(1) Any project for which the Department of Building inspection issued a First
21	Construction Document on or before May 19, 2015; or
22	(2) 100% affordable housing projects, as defined in subsection (d).
23	(d) For purposes of this urgency ordinance, the following definitions shall apply:
24	(1) "First construction document" shall be as defined in San Francisco Building
25	Code Section 107A.13.1.

(2) "Housing project" shall mean any development that includes residential use		
as defined in Planning Code Section 102, including but not limited to Dwellings, Group		
Housing, Single Room Occupancy Units, independent living units, live/work units, and other		
forms of development which are intended to provide long-term housing to individuals and		
households.		

- (3) "100% affordable housing project" shall mean a project where, except for a dedicated manager's unit, every unit in the residential portion of the project is: (1) affordable to a household at or below 120% of the Area Median Income (as published by HUD), including units that qualify as replacement Section 8 units under the HOPE SF program; (2) subsidized by the Mayor's Office of Housing and Community Development ("MOHCD"), the San Francisco Housing Authority, and/or the Office of Community Investment and Infrastructure ("OCII"); and (3) subsidized in a manner that maintains its affordability for a term no less than 55 years, whether it is a rental or ownership opportunity. Project sponsors must demonstrate to the Planning Department staff that a governmental agency will be enforcing the term of affordability and reviewing performance and service plans as necessary.
- (4) "Residential conversion," "residential demolition," and "residential unit," shall be as defined in Planning Code Section 317.
- (e) This interim zoning moratorium shall remain in effect for 45 days unless extended in accordance with California Government Code section 65858 or permanent controls are adopted to address changes in use that better conserve neighborhood character in the identified area, whichever first occurs.
- (f) Due to the urgency of establishing this interim zoning moratorium and notwithstanding the requirements of Planning Code Section 306.7(g), the Board of Supervisors finds that the standard public notice for Board of Supervisors hearings is adequate to inform the public of any hearing(s) on this ordinance.

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2		Section 3. Within 25 days of the Board's adoption of this ordinance, the Planning		
3	Depa	ortment shall submit to the Clerk of the Board a written report describing the measures		
4	taken	to alleviate the conditions that led to the adoption of the ordinance. Upon receipt of the		
5	report, the Clerk shall calendar a motion for the full Board to consider and approve said report.			
6	Said hearing and the action taken thereon shall be no later than 35 days after this ordinance			
7	is effe	ective.		
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9		Section 4. Effective Date. This urgency ordinance shall become effective immediately		
10	after	enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns		
11	the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the			
12	Board of Supervisors overrides the Mayor's veto of the ordinance by a 4/5ths vote.			
13	APPROVED AS TO FORM:			
14	DENI	NIS J. HERRERA, City Attorney		
15	By:	OLIOANI OLEVELAND KAIOWI EO		
16		SUSAN CLEVELAND-KNOWLES Deputy City Attorney		
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