



SAN FRANCISCO PLANNING DEPARTMENT

July 13, 2016

Ms. Angela Calvillo, Clerk
Honorable Supervisor Kim
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 Department Case Number 2016-004987PCA:
Housing Balance Report
Board File No. 160321
Planning Commission Recommendation: Approval with Modification**

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Dear Ms. Calvillo and Supervisor Kim,

On July 7, 2016, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance that would amend Planning Code Section 103, introduced by Supervisor Kim. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Include language about the loss of protected units in the definition of Housing Balance. Specifically, amend Section 103(c)(1) as follows:

(c)(1) For purposes of this Section 103, "Housing Balance" shall be defined as the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq., as such provisions may be amended from time to time, less units withdrawn from protected status including, but not limited to, evictions pursuant to Administrative Code Sections 37.9(a)(8)-(10) and (13), to the total number of all new housing units for a 10 year Housing Balance Period

- Amend the dates for publishing the Bi-annual Housing Balance Reports in Section 103(d) from March 1 and September 1 to April 1 and October 1 of each year. Amend the date for the annual hearing in Section 103(e) from April 1 to April 15 of each year

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



Aaron D. Starr
Manager of Legislative Affairs

cc:

Judith A. Boyajian, Deputy City Attorney
April Ang, Aide to Supervisor Kim
Andrea Ausberry, Office of the Clerk of the Board
Alisa Somera, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19690 HEARING DATE JULY 7, 2016

Project Name: Housing Balance Report
Case Number: 2016-004987PCA [Board File No. 160321]
Initiated by: Supervisor Kim / Introduced April 5, 2016
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org, 415-575-9082
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REQUIRE INCLUSION IN THE HOUSING BALANCE REPORT DATA ABOUT THE WITHDRAWAL OF HOUSING UNITS FROM THE RENTAL MARKET BY ALL MEANS, INCLUDING OWNER MOVE-INS; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC CONVENIENCE, NECESSITY, AND WELFARE UNDER PLANNING CODE SECTION 302.

WHEREAS, on April 5, 2016 Supervisor Kim introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 160321, which would amend the Planning Code to require inclusion in the housing balance report data about the withdrawal of housing units from the rental market by all means, including owner move-ins;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 7, 2016; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15060(c) and 15378; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve with modifications** the proposed ordinance.

The Commission recommended modifications are:

1. Include language about the loss of protected units in the definition of Housing Balance. Specifically, amend Section 103(c)(1) as follows:

(c)(1) For purposes of this Section 103, "Housing Balance" shall be defined as the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq., as such provisions may be amended from time to time, less units withdrawn from protected status including, but not limited to, evictions pursuant to Administrative Code Sections 37.9(a)(8)-(10) and (13), to the total number of all new housing units for a 10 year Housing Balance Period

2. Amend the dates for publishing the Bi-annual Housing Balance Reports Section 103(d) from March 1 and September 1 to April 1 and October 1 of each year. Amend the date for the annual hearing in Section 103(e) from April 1 to April 15 of each year.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. Rent controlled units are an integral part of the City's affordable housing stock. The stability they provide is indispensable to many San Franciscans, especially given the City's current housing shortage. Losing these units is of great concern. Replacing or creating new rent controlled units is particularly difficult given State regulations.
2. The Housing Balance Monitoring and Reporting Ordinance aims to report not only on the composition of recently produced housing but also on the quantity of affordable housing as a share of the City's existing housing stock. The Ordinance also aims to offset the withdrawal of units from rent stabilization and the loss of single room occupancy hotel units. An accurate accounting of the number of rent controlled units withdrawn from the rental market is therefore of utmost importance.
3. Explicitly requiring the inclusion of units withdrawn from rent stabilization as a result of owner move-in, in addition to those withdrawn by condominium conversion, demolition or Ellis Act, in the Housing Balance Report will help provide an accurate picture of the City's housing stock. It will also inform housing policy decisions relating to the production and preservation of the City's affordable housing supply.
4. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 2

RETAIN EXISTING HOUSING UNITS AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

Policy 2.1

Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

The proposed Ordinance will help track the loss of housing, including rent controlled or otherwise protected units and help inform policy decisions regarding the maintenance of this housing stock.

OBJECTIVE 3

PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS.

Policy 3.1

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

Policy 3.5

Retain permanently affordable residential hotels and single room occupancy (SRO) units.

By comprehensively collecting data on the loss of affordable housing units, the proposed Ordinance will help inform housing policies that work to preserve rental units, including residential hotels and SRO units.

5. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

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

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail as the proposed Ordinance deals with the collection of housing data.

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

The proposed Ordinance will have a beneficial effect on housing or neighborhood character as it seeks to track the loss of protected housing units. This information can help inform policies that strive to conserve and protect housing and neighborhood character.

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

The proposed Ordinance will have a beneficial effect on the City's supply of affordable housing as it proposes to comprehensively track the loss of protected units. This information may be use to craft policies that preserve and enhance the City's supply of affordable housing.

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

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking as it deals with reporting on the loss of protected housing units.

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 proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired as it deals with tracking the loss of protected housing units.

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

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake because it concerns the reporting on the loss of protected housing units.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings because the proposed Ordinance informs the City's reporting policies.

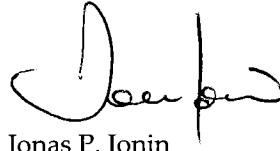
8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas as the proposed Ordinance concerns itself with the reporting on the loss of rent controlled housing units.

8. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with modifications as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 7, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Commissioners Antonini, Hillis, Johnson, Moore, Richards and Wu

NOES: None

ABSENT: Fong

ADOPTED: July 7, 2016



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Amendment

HEARING DATE: JULY 7, 2016
EXPIRATION DATE: JULY 12, 2016

Project Name: **Housing Balance Report**
Case Number: **2016-004987PCA** [Board File No. 160321]
Initiated by: Supervisor Kim / Introduced April 5, 2016
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org, 415-575-9082
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362
Recommendation: **Recommend Approval with Modifications**

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PLANNING CODE AMENDMENT

The proposed Ordinance would amend Planning Code Section 103, Housing Balance Monitoring and Reporting, to require inclusion in the Housing Balance Report of data about the withdrawal of housing units from the rental market by all means, including owner move-ins pursuant to Administrative Code Section 37.9(a)(8).

The Way It Is Now:

Planning Code Section 103 expresses the Housing Balance as the ratio of the cumulative total of affordable housing units minus lost protected units to the total number of net new housing units. Housing units withdrawn through owner move-in pursuant to Administrative Code Section 37.9(a)(8) are implied in the current requirements, but not explicitly included in the definition of protected units.

The Way It Would Be:

Planning Code Section 103 would be amended to explicitly consider housing units withdrawn through owner move-in pursuant to Administrative Code Section 37.9(a)(8) as a lost protected unit in the City's Housing Balance.

BACKGROUND

Proposition K: San Francisco's Housing Production Goals and Monitoring

In November 2014 San Francisco voters approved Proposition K.¹ This proposition affirmed the following policy goals:

¹ Proposition K Language

http://www.sfgov2.org/ftp/uploadedfiles/elections/ElectionsArchives/Meeting_Information/BSC/agendas/2014/November/14-B%20Housing%20DoP.pdf

- The City commits to construct or rehabilitate at least 30,000 units by 2020. At least 33% of these units will be affordable for low- and moderate-income households and more than half to middle class San Franciscans;
- The City shall implement strategies to finance rental and ownership housing affordable to low-, moderate- and middle-income households; to preserve the affordability of existing rental units; to acquire sites for affordable housing development; and to finance the rehabilitation of public housing in the City;
- The City will strive to ensure that 33% of housing in new Area Plans and Special Use Districts with increased residential development potential is affordable to low- and moderate-income households;
- The City will introduce legislation to develop an annual housing production calculation that reviews the cumulative ratio of affordable housing to market rate housing; and
- The Board of Supervisors will hold an annual hearing regarding progress made toward achieving the City's housing goals, including the goal of one-third affordable to low- and moderate-income households. If housing goals are not progressing, the Board of Supervisors will work with the Mayor to review strategies that achieve those housing goals.

Of note for the proposed Ordinance are the goals creating a housing production calculation and the annual hearing on progress made achieving housing goals. These goals lend themselves to relatively rapid implementation and were subsequently codified in the Planning Code as the Housing Balance Monitoring and Reporting requirement.

Housing Balance: Purposes, Definition, Calculation and Reporting

Purposes

On April 30, 2015 Mayor Edwin Lee signed the City Housing Balance Monitoring and Reporting Ordinance.² This Ordinance amended the Planning Code to add Section 103, Housing Balance Monitoring and Reporting. Section 103 responds to the last two policy goals in Proposition K and has the following stated purposes:

- To maintain a balance between new affordable and market rate housing City-wide and within neighborhoods;
- To make housing available for all income levels and housing need types;
- To preserve the mixed income character of the City and its neighborhoods;
- To offset the withdrawal of existing housing units from rent stabilization and the loss of single-room-occupancy hotel units;
- To ensure the availability of land and encourage the deployment of resources to provide sufficient housing affordable to households of very low, low, and moderate incomes;
- To ensure adequate housing for families, seniors and the disabled community;
- To ensure that data on meeting affordable housing targets City-wide and within neighborhoods informs the approval process for new housing development; and
- To enable public participation in determining the appropriate mix of new housing approvals.

² Ordinance 53-15

<https://sfgov.legistar.com/View.ashx?M=F&ID=3731491&GUID=55158A10-A58F-419E-A018-FE7842D22732>

Definition

The Planning Code defines the Housing Balance as the proportion of new housing units affordable to extremely low-, very low-, low- and moderate-income households to the total number of all new housing units for a 10 year Housing Balance Period. The Housing Balance Period is the ten year period preceding the quarter of the publication of the Housing Balance calculation.

The Planning Code states that the Housing Balance shall be expressed as a percentage. This percentage is arrived at by dividing the total of extremely low-, very low-, low- and moderate-income housing units, minus the lost protected units, by the total number of net new housing units within the Housing Balance Period. Protected units are generally defined in Section 103 as units withdrawn from rent control. Section 103 cites units lost pursuant to condominium conversion, demolition or Ellis Act as examples of withdrawn units.

Calculation

The Housing Balance Report requires two calculations, the Cumulative Housing Balance and the Projected Housing Balance, to arrive at that percentage. The Cumulative Housing Balance is also calculated in two ways. One, the expanded calculation, includes units gained through acquisition and rehabilitation of affordable units, HOPE SF units and RAD units.³ The other does not include those units. The Projected Housing Balance is calculated by dividing the cumulative total of entitled affordable units by the total net new units.

Reporting

Section 103 also contains reporting and hearing requirements, as sought by Proposition K. The Planning Department is required to biannually publish a report detailing the Citywide Housing Balance, as well as the Housing Balance by smaller geographic areas. The Department is also required to present the latest Housing Balance Report at an annual Housing Balance hearing held by the Board of Supervisors. At this hearing other City agencies also report to the Board of Supervisors regarding progress toward meeting the City's housing goals, as indicated by Proposition K.

ISSUES AND CONSIDERATIONS

Intention of the Housing Balance Monitoring and Reporting Ordinance

An aim of the Housing Balance Monitoring and Reporting Ordinance is to report on the composition of recently produced housing. However, an embedded concern of the Ordinance is the quantity of affordable housing, both deed restricted and rent controlled, as a share of the City's housing stock. The offsetting of the withdrawal of existing housing units from rent stabilization is also a listed purpose of the Ordinance. This is why the Housing Balance is expressed as a ratio of *net* affordable housing to all housing produced over the 10 year Housing Balance Period.

³The equation used for the expanded Cumulative Housing Balance calculation is:

$$\begin{aligned} \text{Expanded Cumulative Housing Balance} &= \\ &[(\text{Net New Affordable Units} + \text{Completed Acq/Rehabs} + \text{HOPE SF} + \text{RAD} + \text{Entitled \& Permitted} \\ &\text{Affordable Units}) - \text{Units Removed from Protected Status}] \\ &\div (\text{Net New Housing Built} + \text{Net Entitled \& Permitted Units}) \end{aligned}$$

To provide this figure, an accurate count of affordable housing units lost is necessary. The Ordinance outlines ways under the Administrative Code that these units are lost. The Ordinance explicitly lists, for illustrative purposes, three of the four most common ways (condominium conversion, demolition or Ellis Act) protected units are lost. It omits explicit mention of units lost through owner move-in.

No Fault Eviction Types

Administrative Code Section 37.9 lists more than a dozen ways in which a landlord may recover possession of a rental unit. Of these, some are considered “Fault” evictions. These occur when a tenant commits an act that serves as “just cause” for eviction. The others are “No Fault” evictions. Certain “No-Fault” evictions result in long term removal of rental units from the market. These include owner move-in, condominium conversion, demolition, Ellis Act or through development agreement.

The Rent Board provides quantitative data on the numbers of “No Fault” eviction notices that affect the supply of rent controlled units.⁴ Table 1 below summarizes this data for the 2011- 2015 period. It is important to note that while evictions notices are not equivalent to an eviction, they serve as a useful proxy for the loss of protected units. The data indicate that each year owner move-in eviction notices comprise a significant portion, if not most, of total eviction notices. Over this five year period the number of owner move-in eviction notices has steadily increased. Its share as a total of all eviction notices also shows an upward trend. In 2011 it comprised 57% of the listed eviction notice types. By 2015, it reached 65% of the listed eviction notice types. Withdrawal of rent controlled units pursuant to the Ellis Act are the only other eviction notice type that consistently approximates the significance of owner move-in eviction notices. In this context, it is crucial that the Housing Balance account for the loss of protected units as a result of owner move-in.

TABLE 1: EVICTION NOTICE TYPE BY YEAR, 2011-2015

Eviction Notice Type	2011	2012	2013	2014	2015
Owner Move In	124	174	275	318	423
Condominium Conversion	2	11	12	10	18
Demolition	37	43	129	48	61
Ellis Act	54	99	231	102	146
Development Agreement	0	232	0	0	1
TOTALS	217	559	647	478	649

⁴ <https://housing.datasf.org/data-browser/rent-control/eviction-notices-impacting-supply> Referenced June 19, 2016

Erosion of the City's Affordable Housing Stock

Past Housing Balance Reports consistently indicate the loss of protected units during the respective 10 year Housing Balance Periods at over 4,100 units.⁵ The Housing Balance Report from June 2015 showed the loss as high as 5,470 units.⁶ The Department is concerned about this loss for several reasons. First, the magnitude is significant in comparison to produced affordable housing. For example, the March 31, 2016 Housing Balance Report indicated that the cumulative total of produced affordable housing was 10,052 units.⁷ Losing 4,118 units of similarly affordable housing (41% of the total produced affordable housing units) in that same period is a significant loss. Second, once rent controlled units are eliminated, they are extraordinarily difficult to replace. California State law restricts a locality's ability to require rent controlled units in new developments. When new rent controlled units are created, they are a part of larger development agreements, which are far and few between, or created by adding Accessory Dwelling Units to buildings already under rent control. Third, rent controlled units often provide housing for those on fixed incomes. The stability that rent control affords is indispensable to many San Franciscans. Losing rent controlled units directly affects these San Franciscans and is in contrast to the City's housing policy.⁸

Synchronizing Reporting Deadlines

The Planning Department currently prepares the following five housing-related reports:

1. Annual Housing Element Progress Report;
2. Annual Housing Inventory Report;
3. Quarterly project pipeline reports;
4. Quarterly Housing Production Summary Reports; and
5. Housing Balance Monitoring and Reporting report.

⁵ <http://sf-planning.org/housing-balance-report> This is the Planning Department's webpage devoted to the Housing Balance Monitoring and Reporting and provides reports and presentation materials in accordance with Planning Code Section 103(e)(3).

⁶ Housing Balance Report, July 7, 2015.

http://default.sfplanning.org/publications_reports/HousingBalanceReport01-20150706.pdf

⁷ This is the sum of the following columns in Table 1B: Expanded Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4, page 5 of the March 31, 2016 Housing Balance Report: Net New Affordable Housing Built, Completed Acquisitions and Rehabs, RAD Program Units and Total Entitled Affordable Units Permitted

⁸ 2014 Housing Element, Objectives 2 and 3.

Objective 2: Retain Existing Housing Units and Promote Safety and Maintenance Standards, Without Jeopardizing Affordability; Policy 2.1: Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

Objective 3: Protect the Affordability of the Existing Housing Stock, Especially Rental Units; Policy 3.1: Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs; Policy 3.5: Retain permanently affordable residential hotels and single room occupancy (SRO) units.

http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf

The preparation of the Annual Housing Inventory Report and the Housing Balance report are closely linked. The data collected and analyzed in the Annual Housing Inventory Report forms the basis of the Housing Balance Report. For the Department to provide an accurate and thorough accounting in the Housing Balance Report, it is important that its publication date (March 1st of each year) coincide with, and not precede, that of the Annual Housing Inventory Report (published March 31st of each year).

IMPLEMENTATION

The Department has determined that this ordinance will not impact our current implementation procedures.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

The Department recommends that the Commission recommend *approval with modifications* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Include language about the loss of protected units in the definition of Housing Balance. Specifically, amend Section 103(c)(1) as follows:

(c)(1) For purposes of this Section 103, "Housing Balance" shall be defined as the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq., as such provisions may be amended from time to time, *less units withdrawn from protected status including, but not limited to, evictions pursuant to Administrative Code Sections 37.9(a)(8)-(10) and (13)*, to the total number of all new housing units for a 10 year Housing Balance Period

2. Amend the dates for publishing the Bi-annual Housing Balance Reports from March 1 and September 1 to April 1 and October 1 of each year. Amend the date for the annual hearing from April 1 to May 1 of each year.

BASIS FOR RECOMMENDATION

The Department supports the goal of the Ordinance, which is clarifying that the Housing Balance must account for the loss of protected housing units by owner move-in. An accurate accounting is necessary given the magnitude of lost protected units. While the Department already includes protected units lost by owner move-in in the Housing Balance Report, the Ordinance will codify existing Department practice. The proposed modifications will clarify the intent of the Ordinance and Department practices. The Department also believes the later reporting and presentation dates will prove beneficial to the

accurate and timely completion of the Housing Balance requirements and other Department published housing reports.

Recommendation 1: Amend Section 103(c)(1) to include language about the loss of protected units in the definition of Housing Balance.

As described on page three, Planning Code Section 103 defines and expresses the Housing Balance in two slightly different ways. The proposed modification would harmonize the definition of Housing Balance in subsection 103(c)(1) with how it is expressed in subsection 103(c)(4). This increases clarity about what is included in the Housing Balance.

One of the stated purposes of the Housing Balance Monitoring and Reporting Ordinance is to offset the withdrawal of existing housing units from rent stabilization. This requires a thorough accounting of the various ways that protected units are legally withdrawn from the rental market. The Administrative Code allows a landlord to recover possession or withdraw from rent or lease rented units in a number of ways. Four common ways to remove units for an extended time from the rental market are condominium conversion, demolition, Ellis Act withdrawal and owner move-in. It is imperative that the Housing Balance account for these ways given the magnitude of lost protected units. Failing to do so would provide an inaccurate picture of the City's affordable housing stock. It would also underestimate the gravity of the affordable housing crisis.

There is no language in Planning Code Section 103 indicating that protected units lost through owner move-in are to be excluded from the Housing Balance Calculation. The existing language is descriptive and open-ended. In fact, the omission of an explicit reference to owner move-in was an oversight and unintentional. The proposed Ordinance is the opportunity to correct this error.

Recommendation 2: Amend Sections 103(d) and 103(e) to adjust the reporting and presentation dates.

Planning Code Section 103 lists September 1st and March 1st as the publication dates for the bi-annual Housing Balance Reports. Extending the publication dates one month, to October 1st and April 1st, will ease the coordination between this report and the Annual Housing Inventory Report, which is published in April. This assures the Department is producing thorough and accurately detailed housing reports. It also avoids last minute data corrections or other untimely edits. Likewise, extending the presentation date one month, from April to May, also allows for an improved end-product. Taken together, these modifications result in improved information for housing policy makers and ultimately better housing outcomes for the City.

ENVIRONMENTAL REVIEW

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

RECOMMENDATION: Recommendation of Approval with Modification
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Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 160321