FILE NO. 180702

[Board Response - Civil Grand Jury Report - Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing]

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2017-2018 Civil Grand Jury Report, entitled "Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget.

WHEREAS, Under California Penal Code, Section 933 et seq., the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on the findings and recommendations contained in Civil Grand Jury Reports; and

WHEREAS, In accordance with California Penal Code, Section 933.05(c), if a finding or recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a county agency or a department headed by an elected officer, the agency or department head and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the response of the Board of Supervisors shall address only budgetary or personnel matters over which it has some decision making authority; and

WHEREAS, Under San Francisco Administrative Code, Section 2.10(a), the Board of Supervisors must conduct a public hearing by a committee to consider a final report of the findings and recommendations submitted, and notify the current foreperson and immediate past foreperson of the civil grand jury when such hearing is scheduled; and

WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b), the Controller must report to the Board of Supervisors on the implementation of

recommendations that pertain to fiscal matters that were considered at a public hearing held by a Board of Supervisors Committee; and

WHEREAS, The 2017-2018 Civil Grand Jury Report, entitled "Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing" ("Report") is on file with the Clerk of the Board of Supervisors in File No. 180701, which is hereby declared to be a part of this Resolution as if set forth fully herein; and

WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond to Finding Nos. F2, F6, and F7, as well as Recommendation Nos. R2 and R3, contained in the subject Report; and

WHEREAS, Finding No. F2 states: "Construction of ADUs can add a meaningful number of moderately priced rental housing units in San Francisco, with no significant burden on City finances. Therefore, encouraging ADU development is of value to San Francisco;" and

WHEREAS, Finding No. F6 states: "The City's ADU program acknowledges the value to the City of increasing ADU construction. Homeowners who construct ADUs do so voluntarily and at their own expense. The additional burden of heavy permit fees is counterproductive to the City's goal of increasing the rate of ADU construction, in that it represents an additional barrier to building ADUs for single family homeowners, and therefore likely reduces the number of applications;" and

WHEREAS, Finding No. F7 states: "Cities that lower permitting fees for ADUs, as Portland, Seattle and Vancouver, BC have done, see an increase in the number of permit applications by single family homeowners; if San Francisco reduces permitting fees for that type of ADU permit applications, they are likely to increase;" and

WHEREAS, Recommendation No. R2 states: "Recommends the Board of Supervisors amend existing City codes and ordinances, before June 30, 2019, to waive or reduce ADU

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Clerk of the Board BOARD OF SUPERVISORS permit fees, with the understanding that reduced departmental revenues would be made up from the City's general fund;" and

WHEREAS, Recommendation No. R3 states: "Recommends the Board of Supervisors structure fees separately for ADUs in single family residences and ADUs in multi-unit buildings, specifically designed to ease the permitting costs for single family homeowners;" and

WHEREAS, In accordance with California Penal Code, Section 933.05(c), the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on Finding Nos. F2, F6, and F7, as well as Recommendation Nos. R2 and R3 contained in the subject Report; now, therefore, be it

RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F2 for reason as follows: San Francisco is currently in an affordable housing crisis and the majority of the new accessory dwelling housing stock will offer rent controlled units; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree partially with Finding No. F6 for reason as follows: making the ADU application more affordable may remove a barrier for homeowners interested in building an ADU, but will require further analysis; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F7 for reason as follows: making ADU permitting more affordable for homeowners may incentivize them to build ADUs; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R2 requires further analysis, the Budget and Legislative Analyst Office, the San Francisco Planning Department, and the Office of the Controller should study the correlation between a reduction in permitting fees and an increase in ADU construction; and, be it

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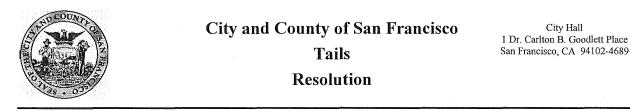
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FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R3 further analysis, the Budget and Legislative Analyst Office, the San Francisco Planning Department, and the Office of the Controller should study the correlation between a reduction in permitting fees and an increase in ADU construction; and, be it

FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the implementation of the accepted findings and recommendations through her department heads and through the development of the annual budget.



File Number: 180702

Date Passed: October 16, 2018

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2017-2018 Civil Grand Jury Report, entitled "Mitigating the Housing Crisis: Accessory Dwelling Units and Modular Housing;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget.

October 03, 2018 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 03, 2018 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

October 16, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 180702

I hereby certify that the foregoing Resolution was ADOPTED on 10/16/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

London N. Breed Mayor

Date Approved