



RECOMMENDED REVISIONS TO GENERAL PLAN AMENDMENT AT ADOPTION

HEARING DATE: December 15, 2022

Project Name: Housing Element 2022 Update
Case Number: 2019-016230GPA
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Recommendation: Approval to Adopt with Recommended Revisions

Background

The Housing Element 2022 Update will be presented to the Planning Commission December 15th, 2022 for approval. A final draft of the 2022 Update was submitted for the Commission's review and approval on December 7th, 2022. Since the submittal of the draft, the Planning Department has received additional feedback from the California Department of Housing and Community Development (HCD), which must certify the plan, as well as feedback from advocates, members of the public, members of the Planning Commission, and members of the Board of Supervisors.

To address the suggestions raised by HCD and others, Planning staff are recommending the revisions and edits described in this memo. The contents of the memo include the following:

- Specific recommended revisions to the Implementing Programs and actions to address suggestions raised by HCD and others;
- Specific recommended revisions to supporting analysis to address suggestions raised by HCD; and
- Specific recommended revisions and changes to submitted documents to correct errors in those documents.

Recommendation

Planning staff recommends that the Commission adopt the December 7th draft as revised by the specific revisions presented in this memo; make findings related to CEQA, conformance with the General Plan, and the Priority Policies; and recommend adoption of the Housing Element 2022 Update and conforming amendments

to the Air Quality, Commerce & Industry, Environmental Protection, and Urban Design Elements of the General Plan to the Board of Supervisors.

Required Commission Action

The Commission is being asked to: 1) recommend adoption to the Board of Supervisors of the proposed amendments to the General Plan for the Housing Element 2022 Update submitted on December 7, 2022 and as revised with the amendments outlined in this memorandum; and the conforming amendments to the Air Quality, Commerce & Industry, Environmental Protection, and Urban Design Elements of the General Plan; 2) adopt findings in connection to the Housing Element 2022 Update related to CEQA and consistency with the General Plan and Priority Policies; and 3) initiate possible additional amendments to the Housing Element and conforming amendments to Air Quality, Commerce & Industry, Environmental Protection, and Urban Design Elements of the General Plan necessary to address any final direction from HCD.

Recommended Revisions

Recommended revisions and edits below are shown in relation to the 12/7/22 draft with ~~strikethroughs~~ for deletions and underlined text for additions.

Specific Revisions to Implementing Programs and Actions

1.2.6 is revised to read:

Continue and expand the City's Public Land for Housing Program through public-private partnerships and use City resources to support the maximum number of permanently affordable housing units on underutilized publicly owned and surplus sites, balancing the financial needs of enterprise agencies, and ensuring adequate space and resources to address the gaps in community infrastructure, services, and amenities. As part of this program, continue to implement the City's Surplus Public Lands Ordinance codified in Administrative Code Chapter 23A, ~~which establishes the City's in~~ compliance with the state Surplus Lands Act (Government Code 54220-~~54234~~).

The Public Lands Program shallshould include, but not be limited to:

- Annual outreach and marketing of these sites to developers, especially non-profit developers;
- Coordination across agencies, including the Mayor's office;
- Continue negotiations and completion of any necessary rezoning efforts on identified publicly owned sites that will accommodate the RHNA;
- Facilitation and streamlining of any approvals and subsequent entitlements for proposed projects on publicly identified sites;
- Development and implementation of site-specific incentives including but not limited to financial assistance, streamlined approvals, and reduced fees, to encourage and facilitate affordable housing development on publicly owned sites; and
- Issuance of RFPs for sites ready for development annually.
- The City will target 500 to 2000 units in the RHNA planning period. Revisit strategies as appropriate.

Timeline: Short, Ongoing

1.2.11 is revised to read:

Work with geographically impacted communities, Cultural Districts, and the State, including Caltrans, to identify and study freeway removal-related opportunities throughout the city as a means of redressing cultural and environmental harm to American Indian, Black and other communities of color through the use of state-owned public land, for potential neighborhood fabric repair and new housing, prioritizing affordable housing and land dedication (as referenced in Actions 1.2.3 and 1.6.1). Focus on freeway segments that need replacement most urgently; contribute the highest air pollution impacts, particularly to persons in Priority Equity Geographies that overlap with Environmental Justice Communities; and offer the greatest multi-benefit potential for transforming neighborhoods and producing new housing.

1.2.12 is revised to read:

Collaborate with geographically impacted communities and Cultural Districts to study ~~Study~~ the removal of the Central Freeway stub between Interstate 80 and Octavia Boulevard as a means of making new parcels available for housing uses, especially for affordable housing.

1.3.3 is revised to read:

~~Simplify and modify~~ Assess inclusionary tiers and requirements to address constraints on housing development including financial feasibility, increase certainty for housing projects, ensure that inclusionary requirements do not impede or undermine use of State Density Bonus Law, and reduce staff time and need for specific expertise. Changes to inclusionary tiers and requirements must improve or maintain the current affordability of inclusionary units and retain or expand the number of units, including with consideration to rents, purchase prices, and HOA fees.

1.4.5 is revised to read:

Continue to monitor at-risk affordable housing units on a regular basis to track status, continue to outreach with owners and non-profits to negotiate preservation agreements for properties with expiring affordability restrictions, and fund and enforce noticing requirements within three years, twelve months, and six months of the affordability expiration date, ~~outreach, education, counseling and other services~~ Provide education, counseling, and other services for tenants in affected properties to ensure permanent affordability for all units and housing stability for tenants. Services, education, and resources include but may not be limited to actions referenced under Action 2.1 and 2.2.

2.3.6 is a new action and now reads:

To achieve the objective of over 1,000 units, the city will pursue acquiring affordability and preserving at-risk units pursuant to Government Code 65583.1 as follows:

- Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

- Indicate the number of units that will be provided to both low- and very low-income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

At-risk units to meet the following requirements:

- Demonstrate that the units will meet the following requirements:
 - long-term affordability covenants and restrictions for occupancy of at least 55 years;
 - located within an “assisted housing development”;
 - found (via a public hearing) eligible for preservation, with a reasonable expectation that the units will change from affordable to another use during the next eight years;
 - At the time of occupancy, the unit is in decent, safe, and sanitary condition; and
 - At the time of identification, the unit is available at affordable cost to persons or families of low- or very low-income.

Or for acquisition and conversion to ~~ring~~ affordable rental housing, including permanent supportive housing, the City shall meet the following requirements:

- The unit will be ~~is~~ made available for rent at a cost affordable to low- or very low-income households.
- At the time the unit is identified for acquisition, the unit is not available at an affordable housing cost to either of the following:
 - Low-income households, if the unit will be made affordable to low-income households.
 - Very low-income households, if the unit will be made affordable to very low income households.
 - At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households or if the acquired unit is occupied, the local government has committed to provide relocation assistance prior to displacement, if any, pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants displaced by the conversion, or the relocation is otherwise provided prior to displacement; provided the assistance includes not less than the equivalent of four months’ rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260.
 - The unit is in decent, safe, and sanitary condition at the time of occupancy.
 - The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low- or very low income for not less than 55 years.
 - For units located in multifamily ownership housing complexes with three or more units, or on or after January 1, 2015, on foreclosed properties, at least an equal

number of new-construction multifamily rental units affordable to lower income households have been constructed in the city or county within the same planning period as the number of ownership units to be converted.

Existing programs: (NEW)

2.4.9 added timeline to read:

Short, Ongoing

3.1.3 is revised to read:

Redesign the Coordinated Entry System for housing placement and services for unhoused residents to reflect the evaluation recently completed by HSH, to house the most vulnerable populations and to ensure vacant units are filled in a timely manner. Consider a system that is inclusive of self-referrals by unhoused people to case managers in our communities and streamline the process for case managers to refer unhoused people to community-based shelter beds and vacant units in PSH sites.

4.1.4 first sentence is revised to read:

“By ~~March~~ January 31, 2023, establish an interagency Housing Element implementation committee...”

4.2.5 is revised to read:

Support the development and implementation of community-led plans in the Tenderloin, the Fillmore, the Mission, Sunset, and all Cultural Districts through their CHHESS reports. These community plans, reports, and boards will guide priorities and investments in their neighborhoods.

Existing programs: Tenderloin Plan; Cultural Districts; Community Equity Strategies; Sunset Forward

4.4.3 is revised to read:

In Cultural Districts, reduce conditional use authorizations or other entitlement barriers for mixed-use buildings that can commit via deed restriction or other legal agreement to the inclusion of businesses, institutions, public realm improvements, public art, or services that support Cultural District needs and identify a minimum term based on consultation with Cultural District boards, for a minimum of ten years.

6.3.10 is revised to read:

Timeline: Short

7.1.2 is revised to read:

Increase staff allocation within Planning to engage with communities living in Well-resourced Neighborhoods to inform existing residents how locating new housing and permanently affordable housing in every neighborhood can address historic inequity and injustice and expand housing opportunities for local residents and their families while strengthening neighborhood vitality. Use

Sunset Forward Strategies as a reference for community engagement and development of housing strategies.

7.2.6 is revised to read:

Modify the definition of “dwelling unit” to comply with Health and Safety Code 17021.5. Evaluate and amend the definition of “family” to ensure that it provides zoning code occupancy standards specific to unrelated adults and complies with fair housing law. Permit group housing broadly throughout the city, including all particularly in zones allowing single-family uses, increase group housing density permitted in these districts, and remove Conditional Use Authorizations or other entitlement barriers to group housing. Changes should focus on special needs groups, including those with disabilities, by ensuring that intermediate care facilities or congregate living health facilities, with six or fewer residents are treated no differently than other by-right single-family housing uses as required in Health and Safety Code sections 1267.8, 1566.3, and 1568.08.

8.1.3 is revised to read:

Modify requirement to collect impact fees upon issuance of a Certificate of Final Completion and Occupancy instead of issuance of building permit, in order to support small and mid-size multifamily housing projects.

8.1.4 is revised to read:

Assess modification of ~~Modify~~ Article 12C of the San Francisco Health Code Non-Potable Water Ordinance as it relates to housing projects, with specific consideration of increasing square footage requirement for housing projects from “at or over 100,000 square feet,” to be required only for housing projects at or over 250,000 gross square feet, with projects “at or over 100,000 250,000 gross square feet” providing water budget calculations.

8.1.5 is revised and reformatted for clarity. It now reads:

If the City issues building permits¹ for fewer than 29,407~~29,049~~ new units² by January 31, 2027, then the City shall enact and implement:

- additional rezoning outside of Priority Equity Geographies and areas vulnerable to displacement, and
- additional constraints reductions for housing projects, including existing projects in the development pipeline.

This additional rezoning and additional constraints reductions shall accommodate 115% of the shortfall, minus any capacity created by the rezoning(s) in Action 7.1.1 in excess of 35,600~~36,282~~ units.³
The scope of this additional rezoning and additional constraint reduction:

- shall reasonably account for sites’ likelihood of development during the RHNA planning period, and affirmatively incorporate the results of informed by an analytical model and the

cumulative constraints analysis described in Action 8.1.8 to increase supply choice and affordability and accommodate the RHNA in the planning period, and, -

- shall not impose any new governmental constraints not already in effect on January 31, 2027 to the development of housing unless that constraint is offset by the repeal or mitigation of another constraint.
- -shall consider progress and implement strategies toward meeting the RHNA goals by income group and AFFH objectives, including strategies considered under 8.1.10.-
- consider outreach with areas that may be disproportionately impacted with displacement risk beyond Priority Equity Geographies.

The City shall complete this effort, if needed, by July 31, 2028-. The City will implement this program in consultation with HCD, including HCD approval.

Footnotes to 8.1.5:

1 - "Issues building permits" in this action refers to issuance of building permit to construct a building, which is subsequent to any planning entitlements.

2 - This number is 50% of the existing capacity for housing in the Sites Inventory, which is 50% of 58,813 units (see Appendix B, Fig. 3).

3 - This number is the RHNA shortfall (plus 15%) identified in the Sites Inventory that is the minimum target required for rezoning per Action 7.1.1.

[Staff note (not included in the Implementing Programs): The Planning Department substantially re-wrote and clarified the language in action 8.1.5 as shown above. To help explain how the mechanics of 8.1.5 would work, the following hypothetical scenario illustrates how the number of units required by action 8.1.5 would be calculated. This hypothetical example assumes that permits for 15,000 new units are issued in the first four years of the RHNA period, i.e. between January 31, 2023 and January 31, 2027, and that the rezoning actions completed before then pursuant to Action 7.1.1 increase zoned capacity by 42,000 units, which is 5,718 more than the minimum rezoning target per the Sites Inventory.

29,049 units = 50% of the existing capacity for housing in the Sites Inventory, which is 50% of 58,097 units

15,000 units = new building permits issued between January 31, 2023 and January 31, 2027

14,049 units = shortfall between 29,049 units and 15,000 units

16,156 units = 115% of 14,049 units (A)

36,282 units = RHNA shortfall identified in the Sites Inventory

42,000 units = capacity created by the rezonings in Action 7.1.1

5,718 units = capacity above 36,282 units (B)

10,438 units = 16,156 units (A) minus 5,718 units (B), or the amount of "additional" rezoning and "additional" constraints reduction needed. "Additional" in this action refers to rezoning in addition to that required to meet the Sites Inventory shortfall per 7.1.1. and constraints reductions in addition to those that have been implemented as of 2027 per the Implementation Program.]

8.1.6 is revised to read:

8.1.6. In alignment with the provisions and purpose of the Housing Crisis Act of 2019 (Government Code 66300 et seq.), any City-adopted rezoning or development controls shall not ~~increase~~ impose any new governmental constraints to the development of housing unless those increased constraints are offset by the removal or ~~mitigation~~ reduction of other constraints. A “new governmental constraint” is a city-imposed requirement that increases the cost of development not in effect on January 31, 2023, not including mitigation measures adopted in compliance with CEQA or a requirement adopted to specifically protect against a threat to health or safety.

8.1.7 is revised to read:

Explore increasing General Fund support for non-regulatory and non-permit review activities of the Planning Department to support the implementing actions of this plan, including community engagement, Cultural Districts strategies, funding strategies for affordable housing, and community plans for services and infrastructure needed for additional housing, Housing Sustainability Districts, rezoning, and overall revisions to the Planning Code.

8.1.8 is revised to read:

Conduct a pro-forma-based study of cumulative governmental constraints on housing development in relation to the socio-economic needs to the city. The study shall quantify the net number of economically feasible housing units that could be built in the City under the regulatory status quo and conduct a sensitivity analysis to determine the amount of constraint reduction necessary to ensure that the majority of typical code-compliant housing projects are economically feasible, including quantification of the hypothetical increase in the net number of economically feasible units that would be realized under a range of constraint-removal scenarios. The study shall consider the effects of economic cycles, considering feasibility under both current economic conditions as well as feasibility under average prevailing conditions over the preceding decade, and sensitivity analysis to variations in construction costs and market rents and sales prices. It should also consider the cost of housing in relation to the population needs. The study shall be updated triennially in tandem with the required Controller’s study of the Inclusionary Program required by Planning Code Section 415.10, with the first such study completed in tandem with the first Controller’s study completed on or after January 31, 2025, but in no case later than January 31, 2027.

The results of the cumulative constraints study shall also inform Action 8.1.5 with the goal of ensuring the economic feasibility of achieving the city’s RHNA targets during the planning period.

8.1.9 is revised to read:

Create a Monitoring Program to track progress against Affirmatively Furthering Fair Housing goals and metrics and evaluate the effectiveness of AFFH programs, including but not limited to displacement and place-based strategies that address community preservation and revitalization. The evaluation should

also seek to harmonize the multiple goals of housing supply, choice, affordability, and conservation. ~~•~~
~~E~~Evaluate reductions to project approval timelines through constraints reduction programs; and monitor housing production from a variety of sources, including pipeline projects, the rezoning described in Program 7.1.1, SB 9, and ADUs. This team shall provide a mid-term evaluation of progress against these metrics and make adjustments to improve performance through additional programs, increased constraints reduction, and additional rezoning, as necessary. This Monitoring Program will be led by the Interagency Housing Element Implementation committee in consultation with community organizations described in Action 4.1.4

Timeline: Short, Ongoing

8.1.10 is a new action and now reads:

By January 2026, the Interagency Housing Element Implementation committee (see Action 4.1.4) will assess if the City has approved the appropriate housing units by income level to meet the RHNA goals. If the City is behind the pro rata affordable housing production goals the Interagency Housing Element Implementation committee should trigger:

- Increase of additional City funding for affordable housing and pursuit of additional State funding
- Increase the land banking strategy to accommodate 50 percent more affordable housing units

The City will implement these actions in consultation with HCD.

Existing programs: (NEW)

Timeline: Medium

8.3.11 is revised to read:

Remove terminology of “neighborhood character” and “neighborhood compatibility” in the Urban Design Element. Replace such concepts with policies that promote objectivity and certainty and that avoid severe changes to building scale and architectural expressions that dehumanize the experience of the built environment, while supporting the need for physical evolution of neighborhoods in accommodating new housing. Explore implications with Proposition M.

8.4.2 is revised to read:

Establish local non-discretionary ministerial approval ~~for~~ for housing applications in Well-resourced Neighborhoods outside of areas vulnerable to displacement that net two or more housing units, do not demolish existing rent-controlled units, and meet tenant protection, relocation, and replacement standards as recognized in the Housing Crisis Act of 2019, by Board of Supervisors or voter approval of a City Charter amendment. Planning staff will use the Rent Board’s Housing Inventory data as verified by tenant organizations.

8.4.9 is revised to read:

Remove Conditional Use Authorization requirement for demolition of single-family or multi-unit buildings that (1) are not tenant occupied and without history of tenant evictions, recent buyouts, no-fault, Ellis, or OMI Evictions; that (2) net two or more housing units in the case of projects that construct less than 4 units or that net an increase of at least 50% in the number of existing units for projects that construct 4 or more units, (3) do not demolish existing rent-controlled units, and (4) meet tenant protection, relocation, and replacement standards as recognized in [Housing Crisis Act of 2019](#) by January 31, 2025. Continue to apply Conditional Use requirements to demolition of tenant occupied buildings. Review "protected unit" standards in the Housing Crisis Act, and strengthen definitions for local use as necessary, to ensure that properties with a history of no-fault evictions, such as Ellis Act or Owner-Move-Ins, continue to require heightened scrutiny or prohibition of demolition. Planning staff will use the Rent Board's Housing Inventory data and seek input from as tenants organizations.

8.4.18 is revised to read:

Prioritize Department staffing and resources to review Discretionary Review applications that are filed within [Priority Equity Geographies](#) in a timely manner and reallocate the Planning Department's staff resources from other Discretionary Review applications to support low-income homeowners with technical assistance as identified under Action 8.2.2, using the Department's Racial and Social Equity Assessment tool. Consider Commission action to limit Discretionary Review heard by Commission for projects that do not affect the size or number of dwelling units on a parcel, for example, changes to decks or other similar exterior modifications.

8.4.19 is revised to read:

Timeline: Medium, Ongoing

8.5.8 is revised to read:

Timeline: ~~Long~~ Medium

8.5.12 is revised to read:

Timeline: Short, Ongoing

8.6.18 is revised to read:

Ensure compliance with SB 1087 requirements, including immediately delivering the adopted housing element to water and sewer service providers, that sewer and water providers have policies and procedures that grant priority for service allocations to proposed developments that include housing units affordable to lower-income households.

Timeline: Short

9.3.2 is revised to read:

Prioritize investments in [Priority Equity Geographies](#) that overlap with Environmental Justice Communities related to improving transit service, pedestrian safety, schools, child development centers, parks, streetscape, and other neighborhood amenities, in coordination with the investments referenced under Action 9.3.7.

9.4.3 is revised to read:

Develop or adopt certification programs for community-serving businesses, such as grocery stores, ~~childcare centers~~ child development centers, healthcare clinics, and laundromats, starting in Priority Equity Geographies so that there is a way to resource or plan for them via other actions.

9.4.6 is revised to read:

Create and implement a long-range community facilities plan, and update every 5-10 years, for public facilities including parks, recreation centers, schools, child development centers, libraries, to accommodate a thirty-year projected population growth, informed by equity metrics in a manner that secures equitable access in Priority Equity Geographies, Environmental Justice Communities, and Well-resourced Neighborhoods that are targeted for increased housing capacity, building on processes such as the Community Facilities Framework, and in collaboration with Interagency Plan Implementation Committee.

“Quantified Objectives” table is edited to remove a row counting the preservation of 716 at-risk affordable housing units towards the total housing units shortfall.

“Key Constraints Reduction Actions” table is updated to match edits to action language.

“Affirmatively Furthering Fair Housing Actions” table is updated to match edits to action language. Edits are also made to metrics to read:

9.4.6: **Metric:** Complete community facilities plan by 2026; include an analysis of estimated investment required to implement it. The plan should prioritize the Tenderloin, Western Addition, Chinatown, Bayview-Hunters Point, Visitation Valley, Sunnydale and Excelsior, as these were identified as R/ECAPs and TCAC Areas of High Segregation and Poverty concentration; the plan should include strategies to prevent displacement from these investments. The plan should also include facilities identified as top priority in the Sunset Forward community plan, which include affordable health services and daycares child development centers, community spaces, and multiuse spaces. Secure initial funding through the General Fund, bonds, and state and federal grants by 2028.

Text is also edited:

- For punctuation and typos on Implementing Program 1 introduction, 1.2.6, 1.5.4, 2.2.5, 2.3.2, 2.3.5, 2.4.3,

- 3.3.6, 4.2.5, 4.2.6, 4.3.8, 4.4.4, 5.1.2, 6.3.2, 7.2.9, 7.3.5, 7.4.2, and 8.4.4.
- For minor syntax on 1.7.9, Implementing Program 2 introduction, Implementing Program 3 introduction, 3.1.4., 3.1.6, 3.2.1, 3.2.2., 3.3.2, 4.2.1, 4.2.2, 4.3.2, 4.5.8, Implementing Program 7 introduction, 7.1.1, 7.3.2, and 7.3.4.

Specific Revisions to Supporting Analysis

Appendix A: Housing Needs Assessment and Assessment of Fair Housing

Affirmatively Furthering Fair Housing Actions table was updated to match edits to action language in the Implementing Programs section.

Contributing Factors and Actions Matrix in Appendix A, the Housing Needs Assessment and Assessment of Fair Housing report, was updated to match edits to action language in the Implementing Programs section and to match the actions identified in the Affirmatively Furthering Fair Housing Actions table.

Appendix B: Site Inventory Analysis and Rezoning Program

The Sites Inventory has been revised to remove preservation of 716 at-risk affordable housing units in 9 buildings. While San Francisco remains committed to use all available tools to preserve these units over the Housing Element period, the units do not appear to meet the adequate sites alternative requirements. As a result, the Sites Inventory shortfall has increased to -36,282 units that the city must rezone to accommodate. These changes also affect actions associated with rezoning, 7.1.1, and the mid-cycle response to pipeline permitting, 8.1.5, which have been updated to reflect these numbers in the Implementing Programs document. Changes to the Sites Inventory related to changes to preservation units counted are found on pages 8, 12, and 13 of the Sites Inventory document. In addition, references to the updated -36,282 units shortfall have been made throughout the document.

The list of parcels included in the rezoning scenarios will also be added.