



SAN FRANCISCO PLANNING DEPARTMENT

Discretionary Review Analysis

Dwelling Unit Merger

HEARING DATE JULY 24, 2014

Date: July 17, 2014
Case No.: **2014.0186D**
Project Address: **344 3RD AVENUE**
Permit Application: **2014.02.04.7793**
Zoning: RM-1 (Residential, Mixed, Low Density)
40-X Height and Bulk District
Block/Lot: 1434/031
Project Sponsor: Jennifer Johnson and Aaron Miller
344 3rd Avenue
San Francisco, CA 94118
Staff Contact: Sharon Lai – (415) 575-9087
sharon.w.lai@sfgov.org
Recommendation: **Take DR and Disapprove Project**

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

The project proposes to merge the two existing dwelling units (units 344 and 344A) into a single-family home by reconfiguring the interior and making minor exterior modifications. The project proposes to replace the front entry door for 344A with a window. All work proposed is within the existing building envelope. The project will combine the two (approximately 822 square foot) units into a single 1,644 square foot home. The proposed merger would result in the loss of one dwelling unit and is therefore subject to Planning Code Section 317(e) for a Mandatory Discretionary Review.

SITE DESCRIPTION AND PRESENT USE

Constructed circa 1900 as a single-family home, 344-344A 3rd Avenue is currently a legal three-story, two-unit building. The building is located on a mid-block rectangular lot, measuring approximately 25 feet by 120 feet, on the east side of 3rd Avenue between Clement Street and Geary Boulevard. The existing building is set back approximately 12 feet, 6 inches, from the front property line with a building depth of approximately 40 feet and a second floor rear deck measuring approximately 13 feet, 6 inches deep. The remaining rear yard is approximately 54 feet deep, where approximately 48 feet 6 inches would be required. The ground level is occupied by a two car tandem garage and laundry area, level one is occupied by unit 344, and level two is occupied by unit 344A. This property is located within the Inner Richmond neighborhood, and RM-1 (Residential, Mixed, Low Density) Zoning District with a 40-X Height and Bulk Limit. The subject building has a shallow depth of approximately 40 feet.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The Subject Property is located in the Inner Richmond neighborhood, north of Geary Boulevard and south of the Clement Street commercial corridor. The Subject Property is located within the RM-1 Zoning District in a block containing other zoning districts (Inner Clement NCD and NC-3). The subject block contains a predominantly three- and four-story building pattern. The mid-block lots are zoned RM-1 and contain a mix of one-, two-, three-, four-, six-, eight- and ten-unit buildings.

The subject property and the vast majority of the other mid-block lots on the subject block are all 25 feet wide by 120 feet deep. The adjacent property to the north is a three-unit building, and the adjacent building to the south is a two-unit building.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Posted Notice	10 days	July 14, 2014	July 14, 2014	10 days
Mailed Notice	10 days	July 14, 2014	July 14, 2014	10 days

PUBLIC COMMENT

	SUPPORT	OPPOSED	NO POSITION
Adjacent neighbor(s)	2	N/A	N/A
Other neighbors on the block or directly across the street	4	N/A	N/A
Neighborhood groups	N/A	N/A	N/A

Five additional letters of support were submitted by other San Francisco residents and family members.

PROJECT ANALYSIS

DWELLING UNIT MERGER CRITERIA

Per Planning Code Section 317(e)(2), the Planning Commission shall consider the following criteria in the review of applications to merge residential units:

- A. whether removal of the unit(s) would eliminate only owner occupied housing, and if so, for how long the unit(s) proposed to be removed have been owner occupied;

According to the Project Sponsor, the two dwelling units are owner-occupied. The property owners purchased the subject property in October 2007, and currently occupy both units. The lower habitable level is utilized as common space and the upper habitable level is utilized as bedrooms.

- B. whether removal of the unit(s) and the merger with another is intended for owner occupancy;

According to the Project Sponsor, the resulting single-family home is intended for owner occupancy.

- C. whether the removal of the unit(s) will remove an affordable housing unit as defined in Section 415 of this Code or housing subject to the Rent Stabilization and Arbitration Ordinance;

Currently, the two dwelling units are not considered to be affordable housing as defined in Planning Code section 415, but are however, considered to be "naturally affordable" described in Policy 3.4 of the General Plan's Housing Element as being smaller dwelling units. The two dwelling units are subject to the Rent Stabilization and Arbitration Ordinance, as the building was constructed prior to 1979, and is not a condominium.

- D. whether removal of the unit(s) will bring the building closer into conformance with prescribed zoning;

The proposed dwelling unit removal (from two to one dwelling units) will not bring the building closer into conformance with the prescribed zoning. The subject property is zoned RM-1 (Residential Mixed, Low Density), which permits one dwelling unit per 800 square feet of lot area. The 3,000 Square foot subject lot could contain three units.

- E. if removal of the unit(s) removes an affordable housing unit as defined in Section 401 of this Code or units subject to the Rent Stabilization and Arbitration Ordinance, whether replacement housing will be provided which is equal or greater in size, number of bedrooms, affordability, and suitability to households with children to the units being removed;

Both existing dwelling units are subject to the Rent Stabilization and Arbitration Ordinance and no replacement housing will be provided. The proposed project would eliminate two "naturally affordable" units that are subject to rent control and replace them with a larger single-family home that would not be subject to the Rent Stabilization and Arbitration Ordinance, which is counter to the policy intent from the Mayor's Directive to address the City's housing crisis.

- F. whether the number of bedrooms provided in the merged unit will be equal to or greater than the number of bedrooms in the separate units;

The assessor's report indicates the subject building contains three bedrooms and two bathrooms. The plans submitted by the Sponsor indicate that unit 344 (lower level) contains one bedroom; and unit 344A (upper level) contains one bedroom and one living room with a closet, which is currently utilized as a bedroom. The proposed new single-family home will contain three bedrooms, which is the same bedroom count as reported by the assessor's office.

- G. Whether removal of the unit(s) is necessary to correct design or functional deficiencies that cannot be corrected through interior alterations.

The proposed dwelling unit merger is not necessary to correct design or functional deficiencies.

GENERAL PLAN COMPLIANCE:

The Project is, inconsistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 3: PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS.

POLICY 3.3

Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.

POLICY 3.4

Preserve “naturally affordable” housing types, such as smaller and older ownership units.

The two existing dwelling units do not contain design deficiencies and are sound housing units. The project proposes to eliminate two “naturally affordable” dwelling units that are smaller (one to two bedrooms), to be replaced with a less affordable three bedroom single-family home. The elimination of two functional “naturally affordable” dwelling units is contrary to the General Plan as well as the Department’s and the City’s priority to preserve existing sound housing and to protect naturally affordable dwelling units.

OBJECTIVE 11: SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO’S NEIGHBORHOODS.

POLICY 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

POLICY 11.4

Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

The subject block is located between two neighborhood commercial corridors (Inner Clement NCD and the Geary Boulevard NC-3 district). The subject zoning is appropriately designed to encourage a mixed residential density and allows the subject lot to be developed with three dwelling units (1 dwelling unit per 800 square feet of lot area). The proposed dwelling unit merger is inconsistent with the prescribed zoning, General Plan and the City’s policy to address the current housing crisis.

SECTION 101.1 PRIORITY POLICIES

Planning Code Section 101.1 establishes eight priority policies and requires review of permits for consistency, on balance, with these policies. The Project does not comply with all of these policies as described below:

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

The project will not affect existing retail uses as the site is occupied by a residential use.

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

The project will not preserve the existing housing units and will detrimentally affect the diversity of the neighborhood.

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

The project will not affect the City's supply of affordable housing, since there are no designated affordable housing units on the project site. The project will, however, remove two "naturally affordable" dwelling units and replace them with a less affordable single-family house.

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

The proposed project would not impact the traffic patterns of the neighborhood.

5. 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 project will not displace any service or industry establishment.

6. The City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

This proposal will not affect the property's ability to withstand an earthquake.

7. Landmarks and historic buildings be preserved.

This proposal will not affect any Landmarks or historic buildings.

8. Parks and open space and their access to sunlight and vistas be protected from development.

This proposal will not affect the parks and open space.

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

BASIS FOR RECOMMENDATION

- The Project will result in a net loss of one dwelling unit.
- The Project will eliminate two existing sound, smaller dwelling-units to create one larger, less affordable home, which is inconsistent with the General Plan.
- The RM-1 Zoning District allows three dwelling-units on this lot. This District is intended to accommodate a greater density than what currently exists, and several of the surrounding properties reflect this ability to accommodate the maximum density.
- The proposed loss of a dwelling unit is counter to the Mayor's Executive Directive, which calls for the protection of existing housing stock. The Mayor has directed the Department to adopt policy practices that encourage the preservation of existing housing stock. The proposed dwelling unit removal and replacement of "naturally affordable" units is contrary to the priority principle of housing unit retention.
- The current housing affordability crisis creates an "exceptional and extraordinary" circumstance such that the Commission should deny the project and preserve the existing dwelling units.

RECOMMENDATION: Take Discretionary Review and Disapprove
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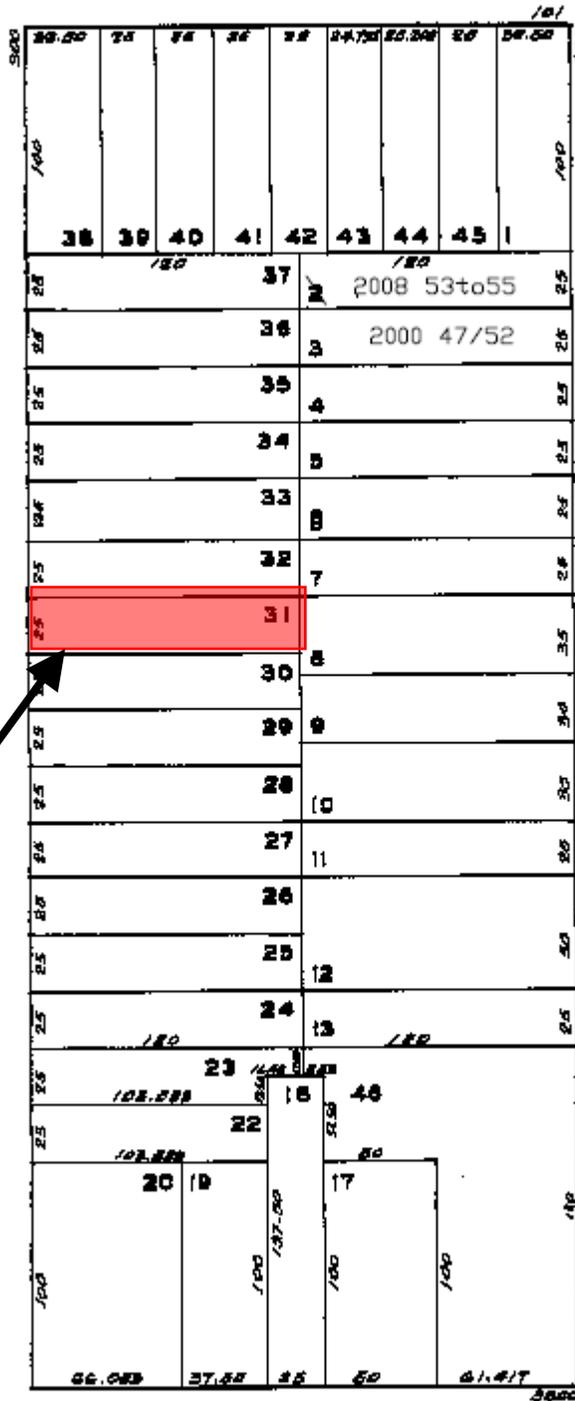
Attachments:

Parcel Map
Sanborn/Dwelling Unit Map
Zoning Map
Aerial Photographs
Section 311 Notice
Reduced Plans
Sponsor's Brief
Letters of Support

SL: G:\DOCUMENTS\DRs\344 3rd Ave\2014.0186D\344 3rd Ave - DR Analysis for DUM.doc

Parcel Map

CLEMENT



SUBJECT PROPERTY

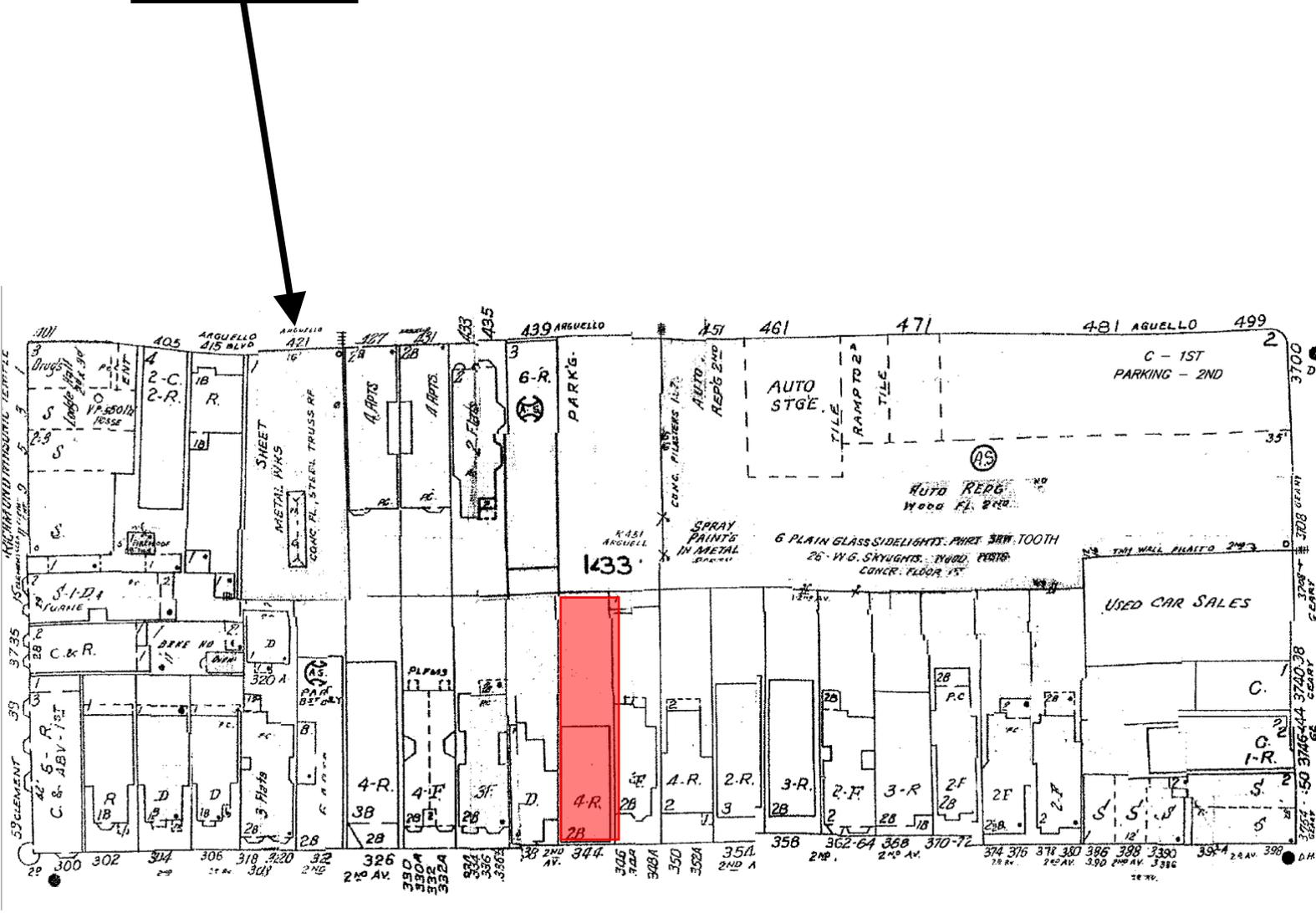
GEARY BLVD.

Discretionary Review
 Case Number 2014.0186D
 Dwelling Unit Removal
 344 3rd Avenue



Sanborn Map*

SUBJECT PROPERTY

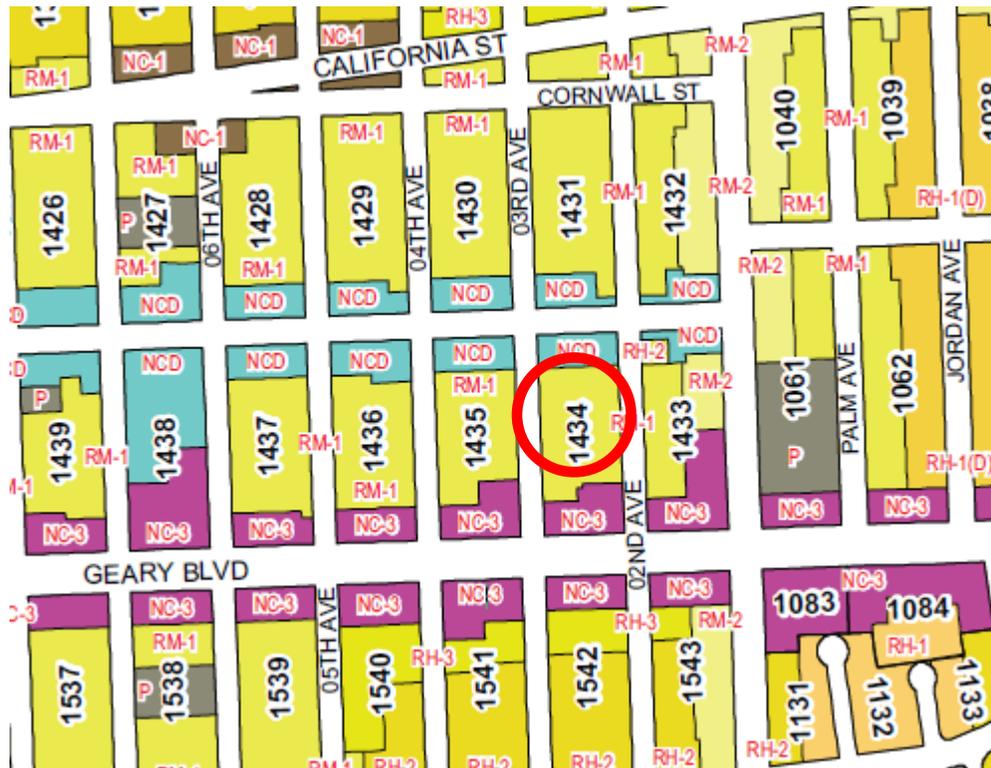


*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



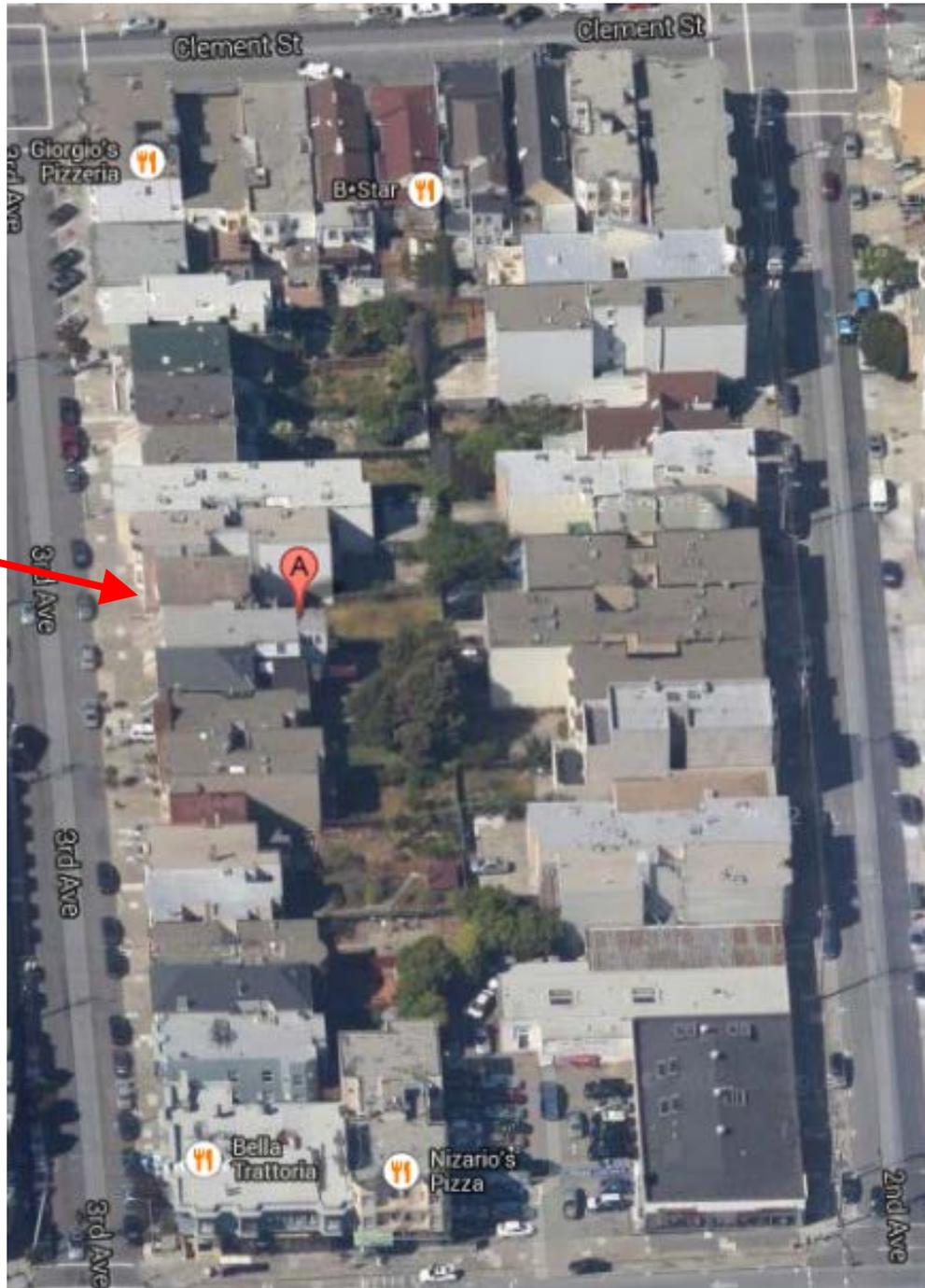
Discretionary Review
Case Number 2014.0186D
 Dwelling Unit Removal
 344 3rd Avenue

Zoning Map



Discretionary Review
Case Number 2014.0186D
Dwelling Unit Removal
344 3rd Avenue

Aerial Photo – View to north



SUBJECT PROPERTY



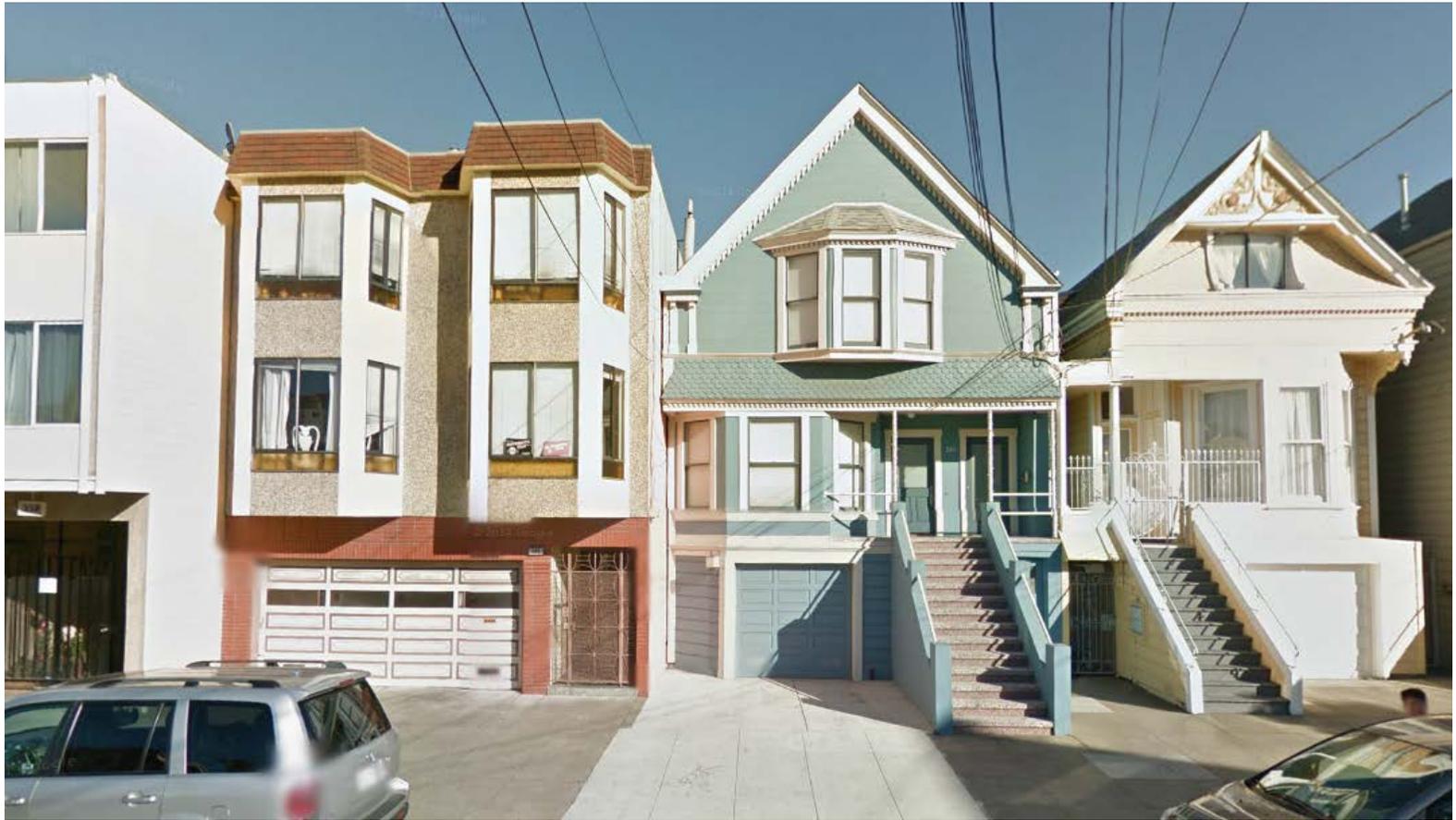
Discretionary Review
Case Number 2014.0186D
Dwelling Unit Removal
344 3rd Avenue

Aerial Photo – View to west

SUBJECT PROPERTY



Site Photo



Discretionary Review
Case Number 2014.0186D
Dwelling Unit Removal
344 3rd Avenue

INDEX:

SHEET A: EXISTING FLOOR PLAN

SHEET B: EXISTING ELEVATIONS

SHEET C: PROPOSED FLOOR PLANS

SHEET D: PROPOSED EXTERIOR ALTERATIONS

SCOPE OF WORK:

REMOVE KITCHEN IN UNIT 344-A TO CREATE BEDROOM.

RESTORE PASSAGE BETWEEN UNITS AT FRONT ENTRY.

REPLACE EXTERIOR FRONT DOOR OF UNIT 344-A WITH A WINDOW.

COMBINE METERS FOR EACH UTILITY IN THE GARAGE (ELECTRICAL AND GAS).



1 VICINITY MAP
IND (IMAGE NOT TO SCALE)

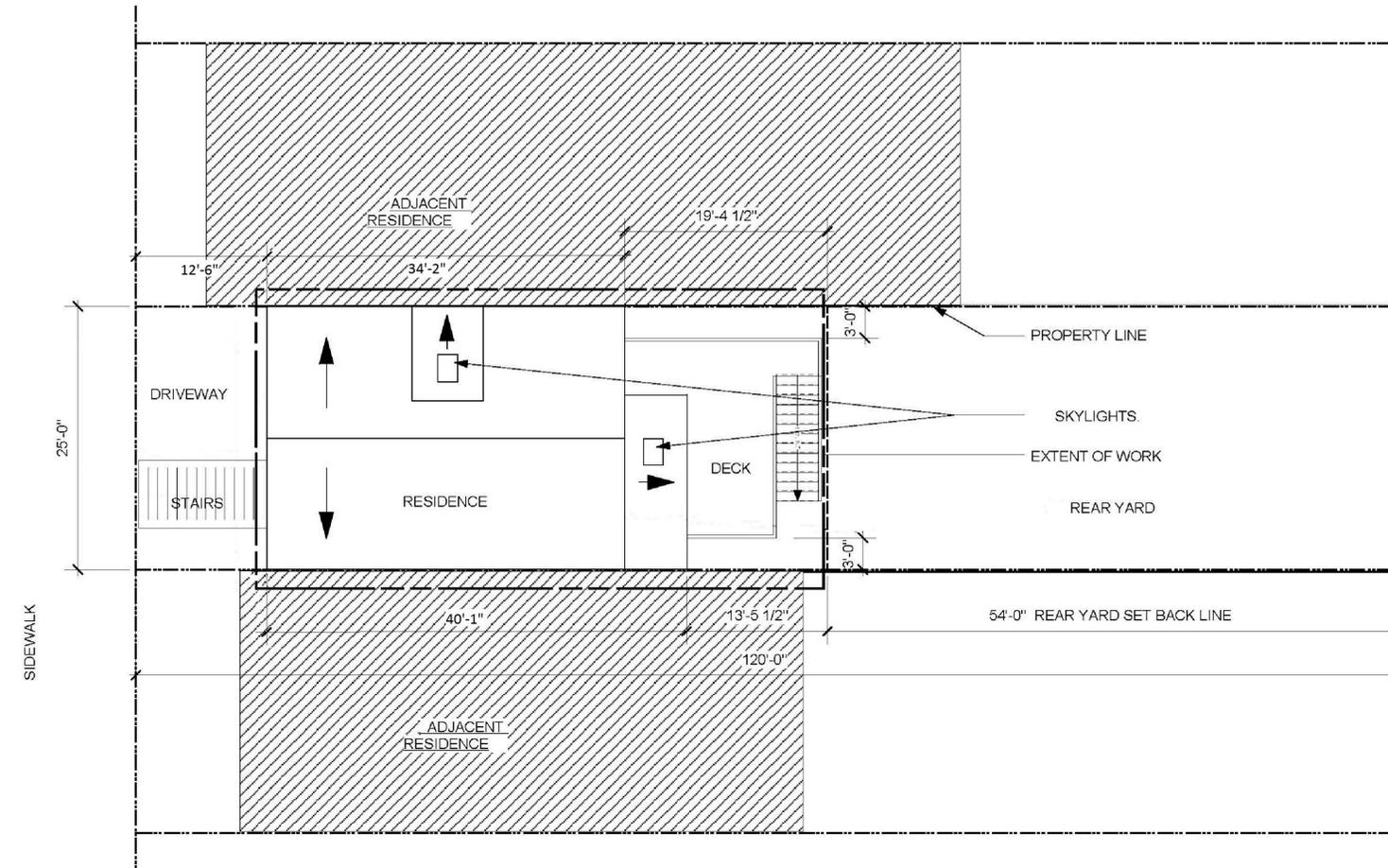


PRINT IMAGE KEY:

DRAWING #: 1
SHEET #: C

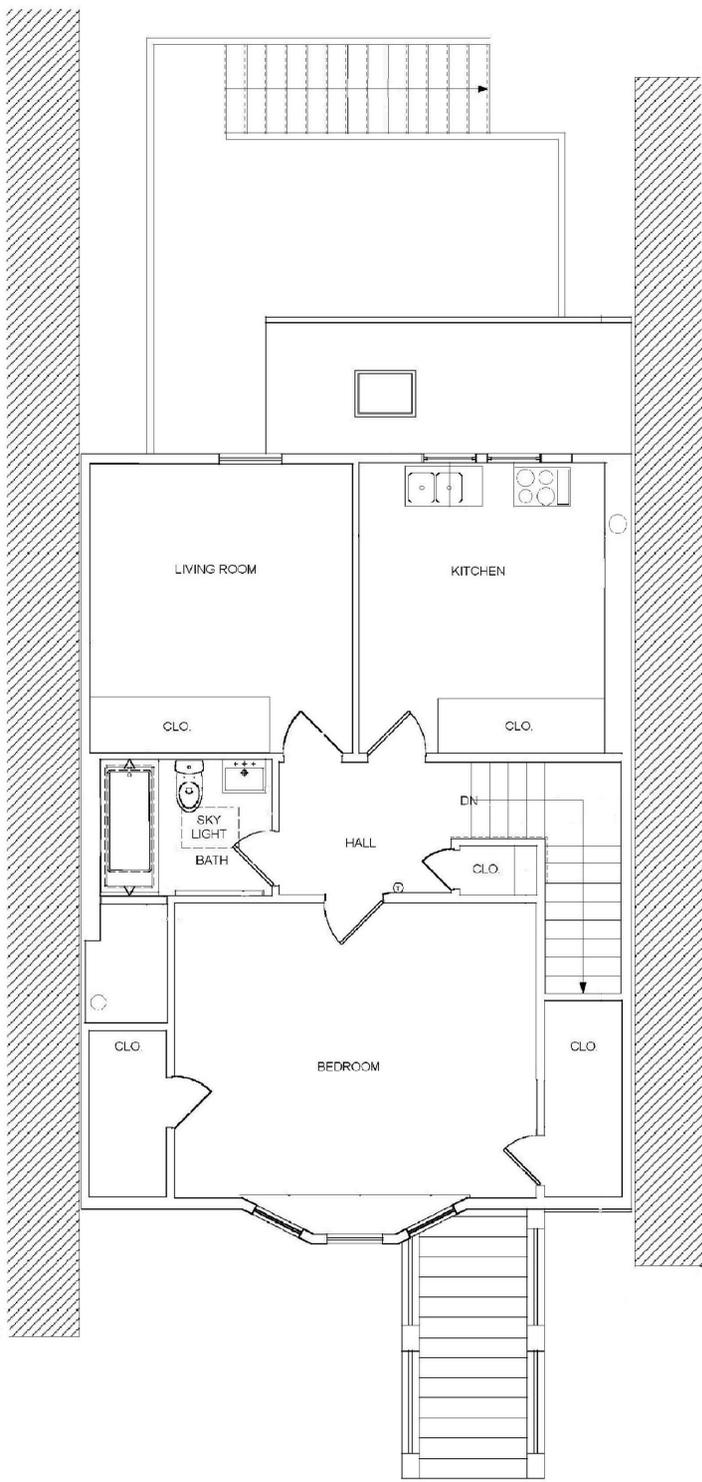
DIRECTION RELATIVE TO NORTH

THIRD AVENUE

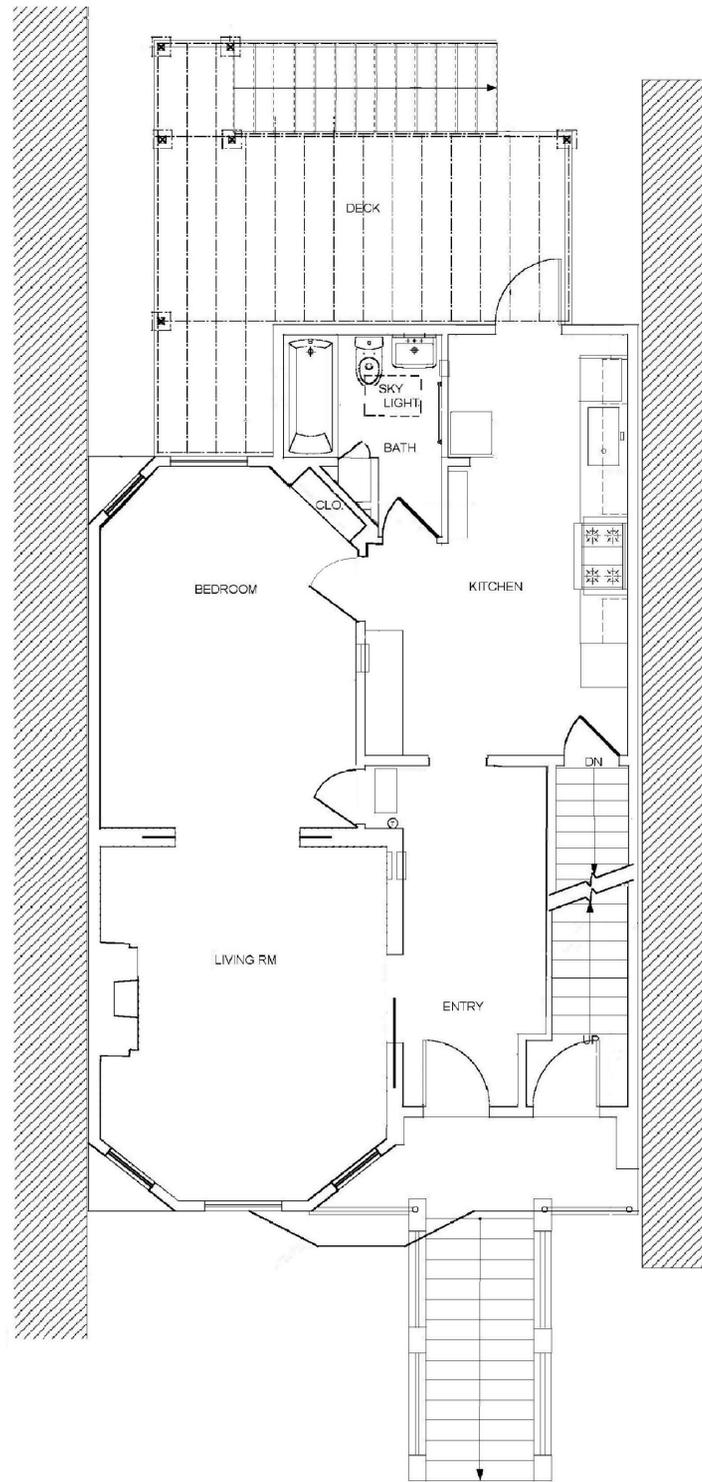


2 SITE PLAN
IND SCALE: 1/8" = 1'

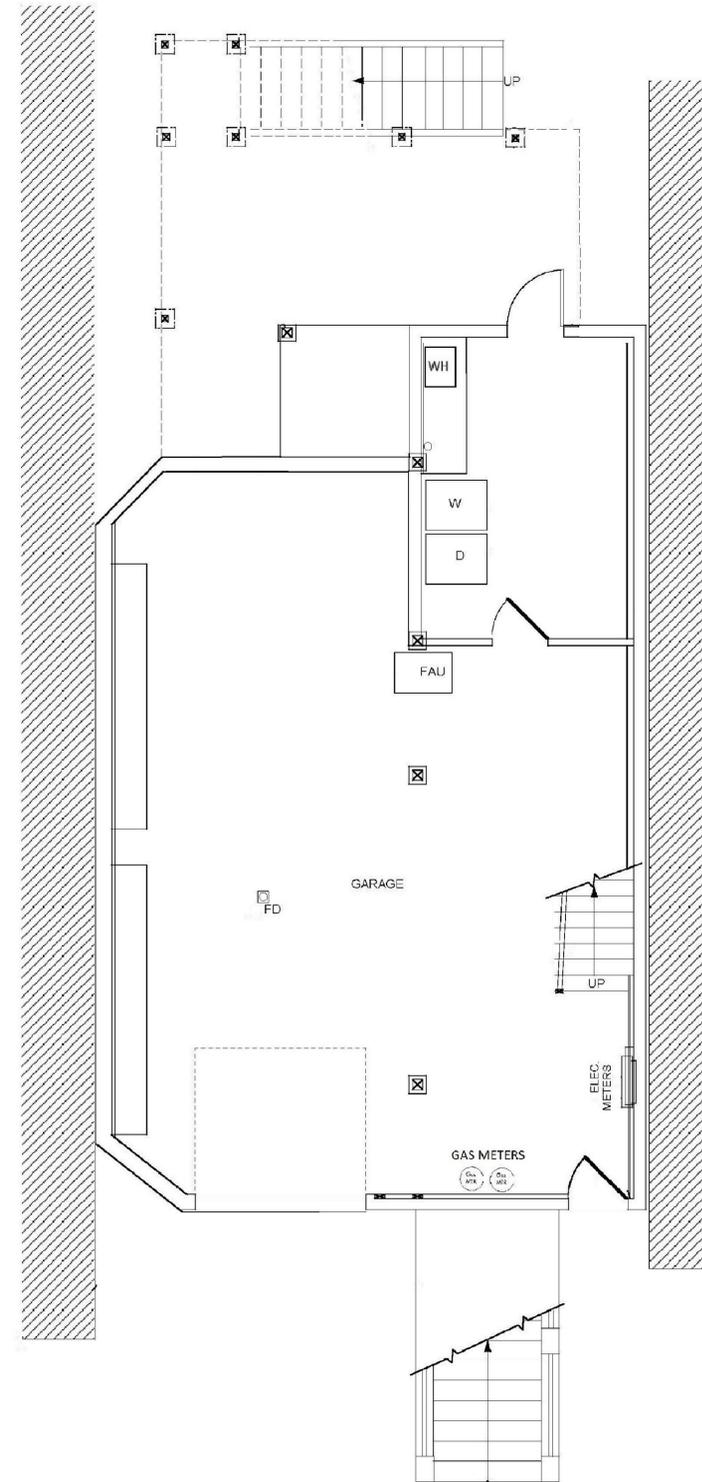




1
A EXISTING: UNIT 344-A
UNIT 344-A = APPROX. 822 SQFT
SCALE: 1/4" = 1'



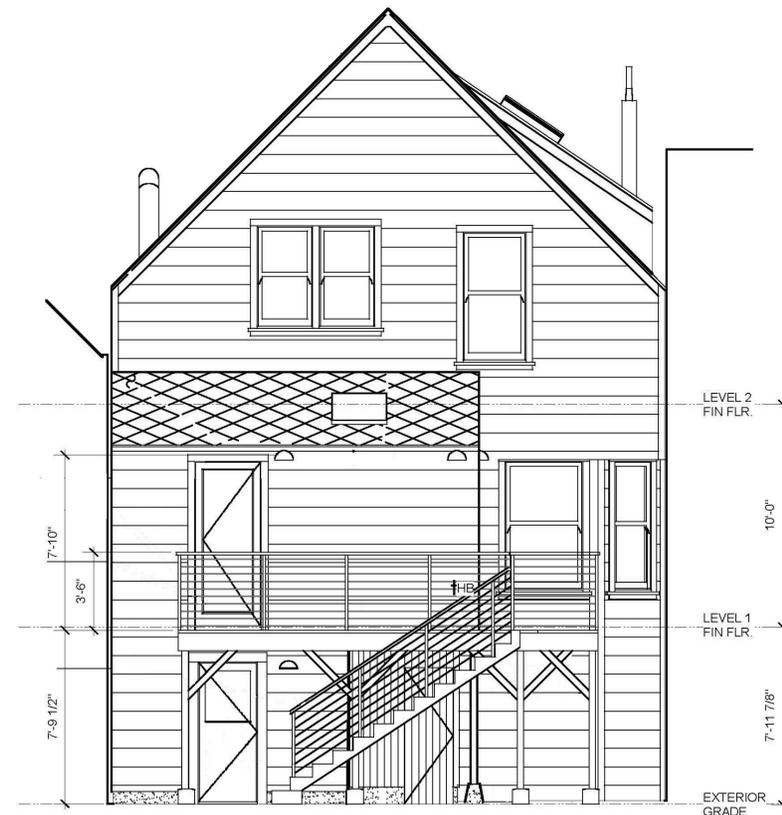
2
A EXISTING: UNIT 344 & UNIT 344-A ENTRY
UNIT 344 = APPROX. 822 SQFT
SCALE: 1/4" = 1'



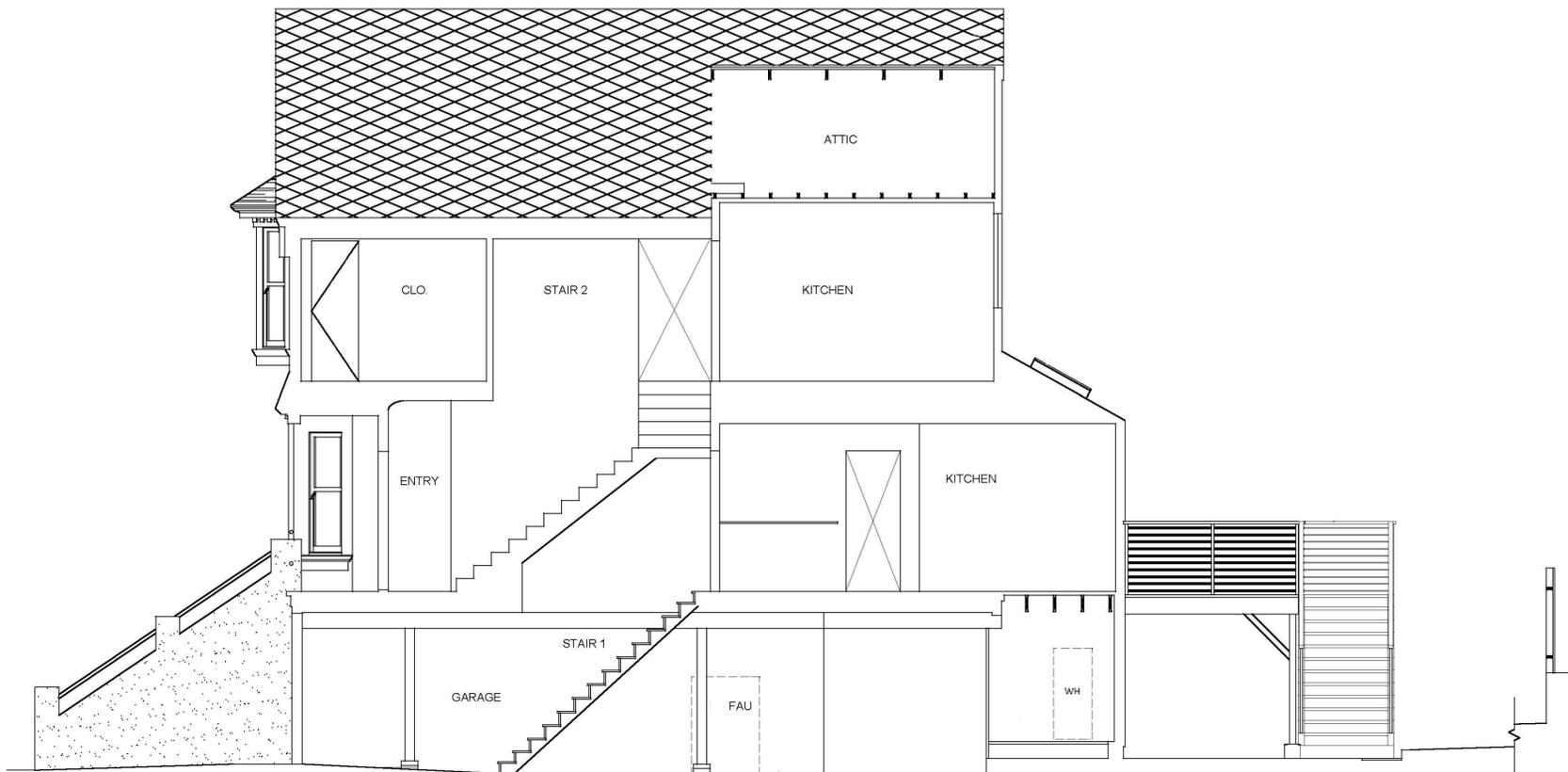
3
A GARAGE LEVEL: EXISTING FLOOR PLAN
SCALE: 1/4" = 1'



1
B FRONT ELEVATION
SCALE: 1/4" = 1'

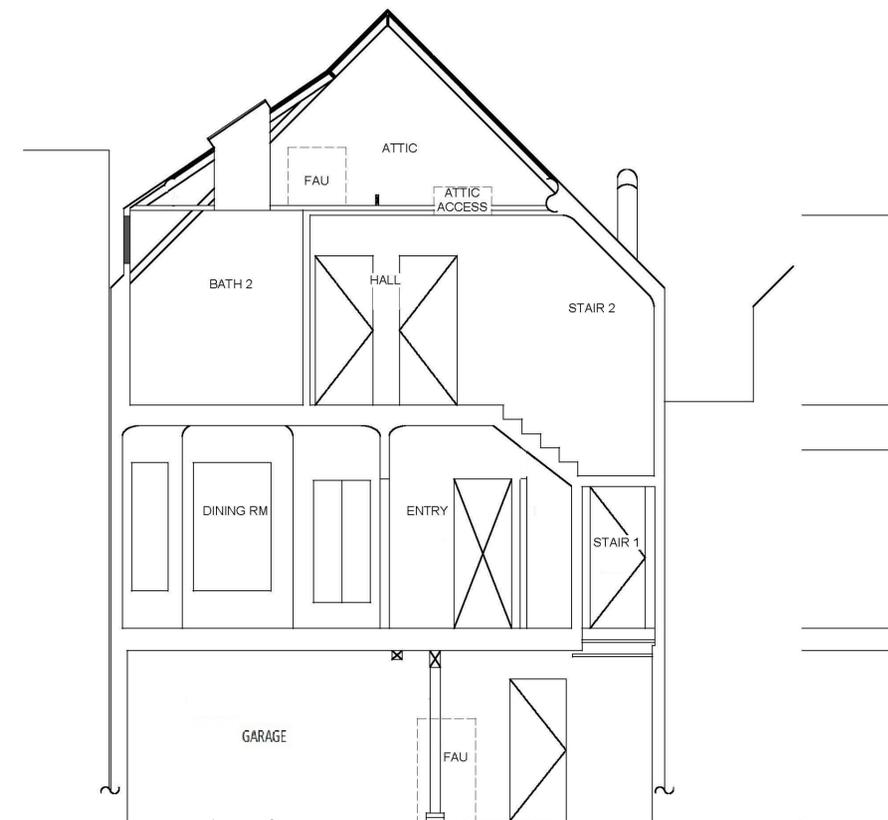


2
B REAR ELEVATION
SCALE: 1/4" = 1'

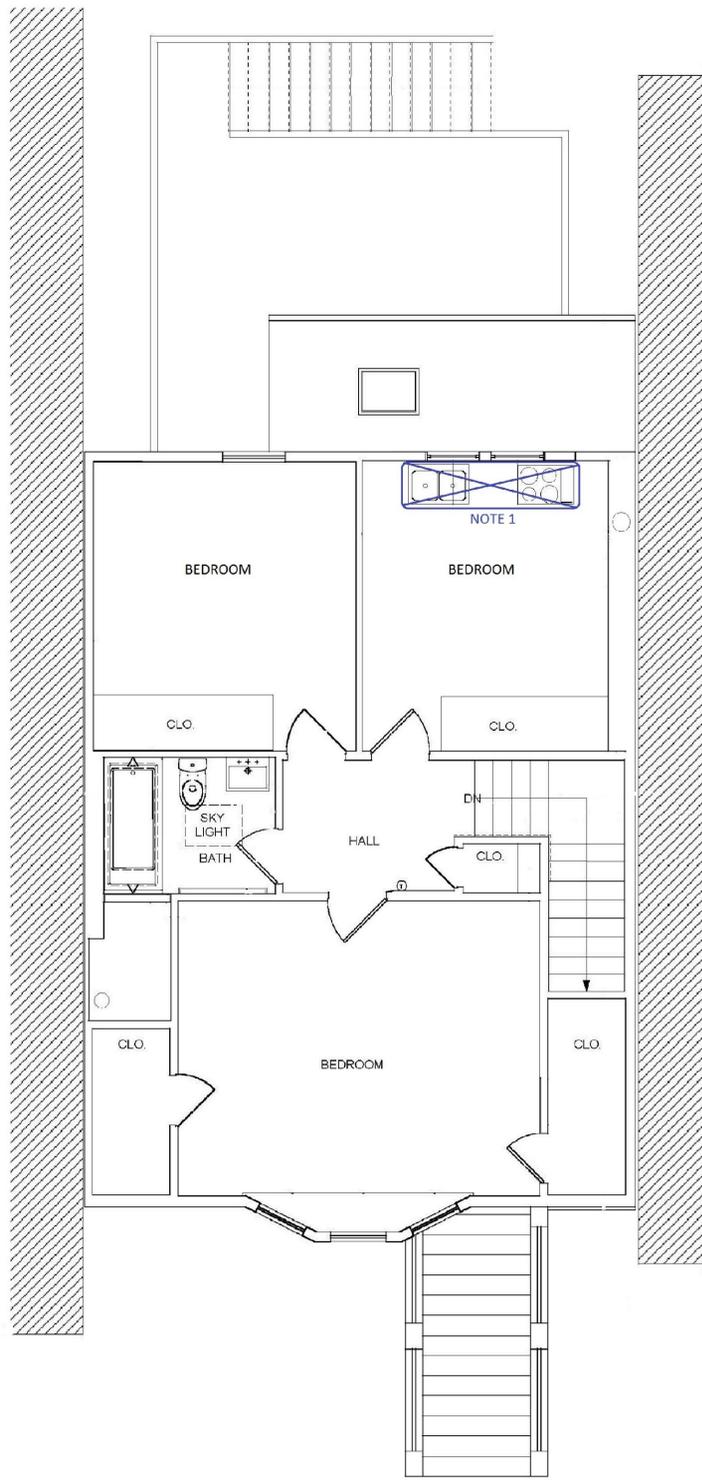


3
B BUILDING SECTION
SCALE: 1/4" = 1'

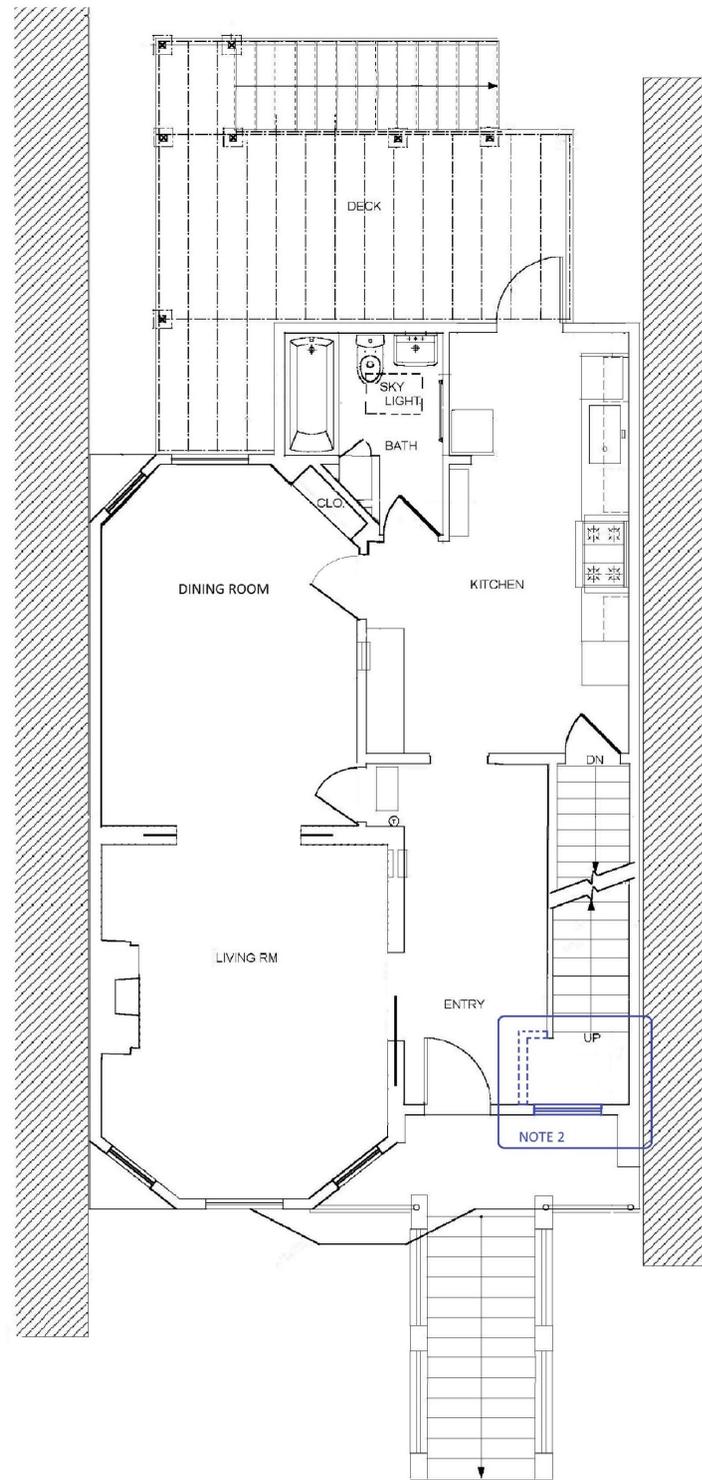
NOTES:
 1) FRONT ENTRY DOORS TO EACH UNIT LOCATED AT LEVEL 1 (1-B)
 2) UNIT 344 FRONT ENTRY DOOR ON LEFT, UNIT 344-A FRONT ENTRY DOOR ON RIGHT (1-B)



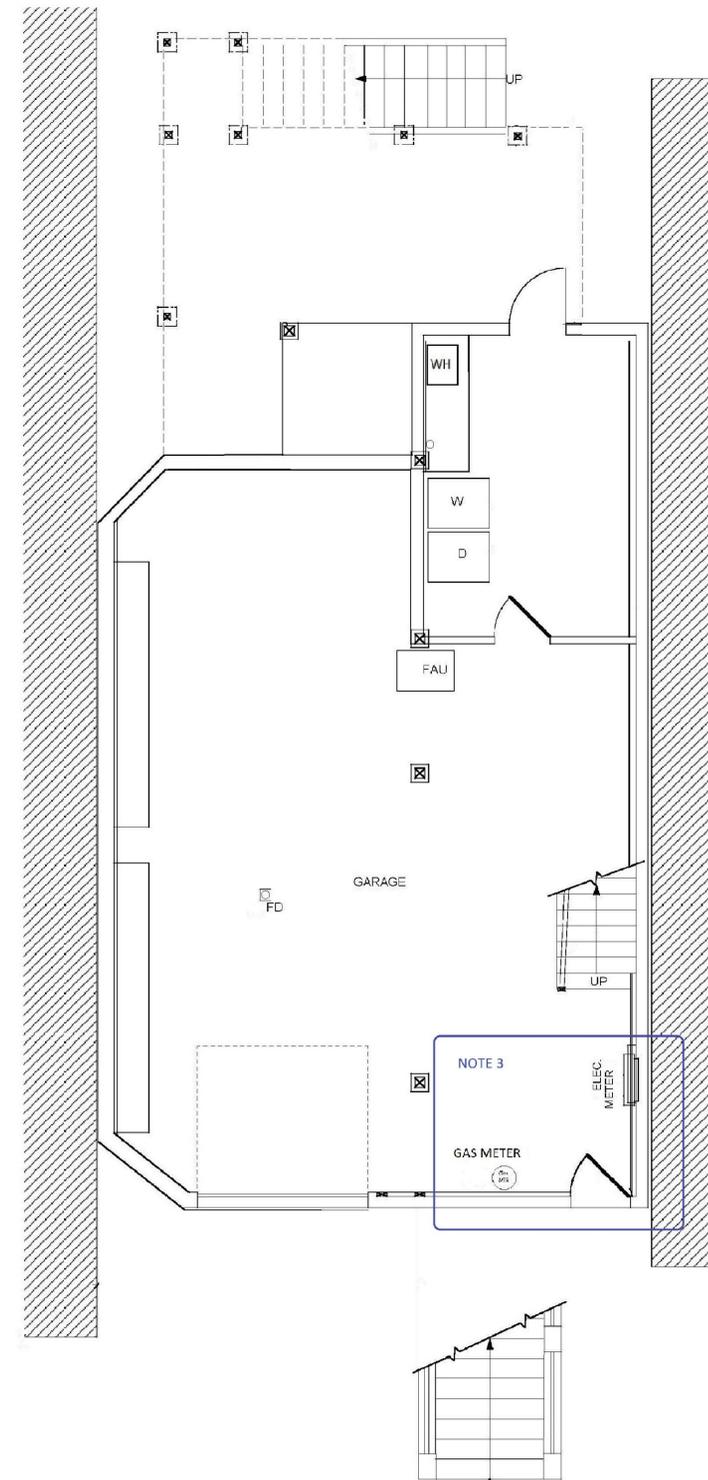
4
B BUILDING SECTION
SCALE: 1/4" = 1'



1
C PROPOSED: LEVEL 2 FLOOR PLAN
SCALE: 1/4" = 1'



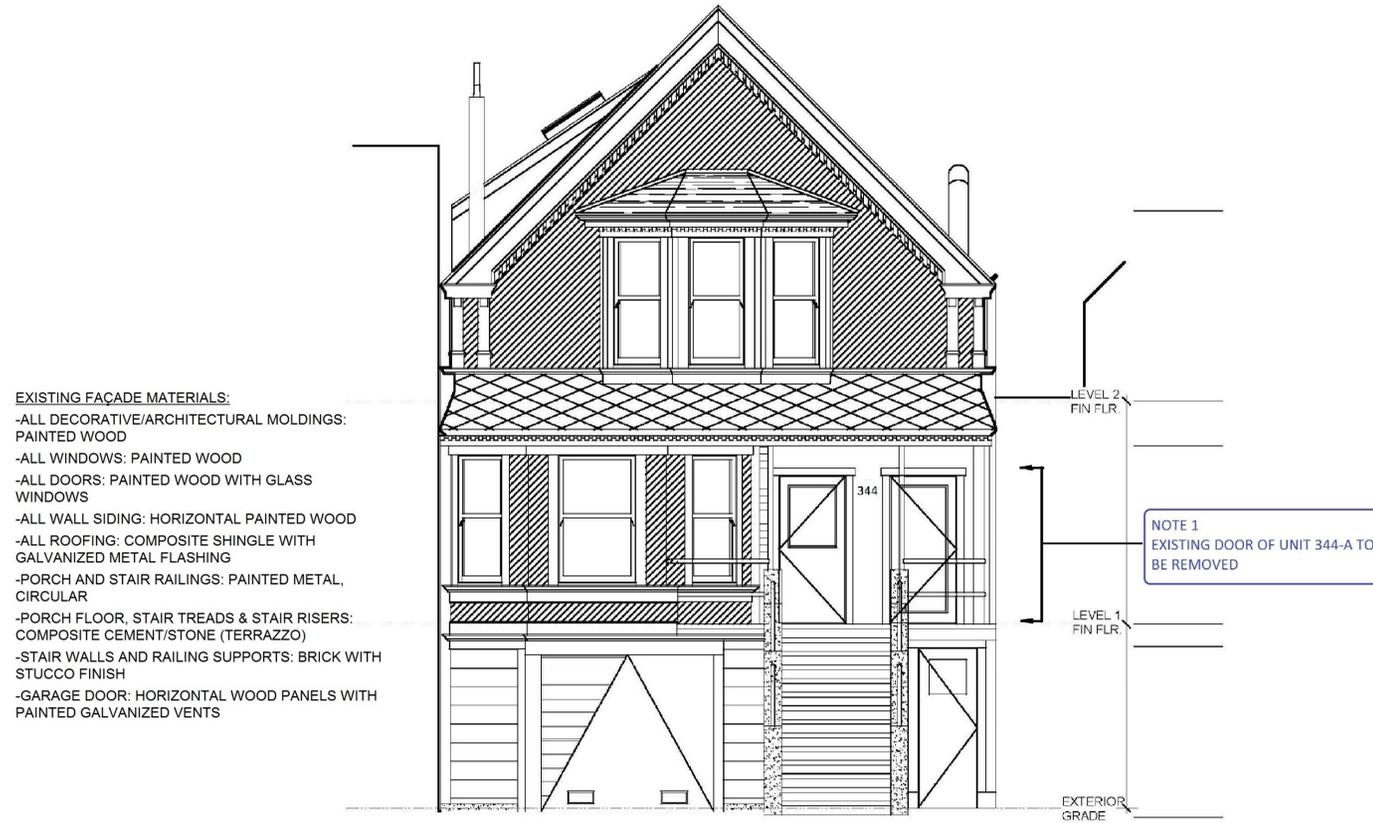
2
C PROPOSED: LEVEL 1 FLOOR PLAN
SCALE: 1/4" = 1'



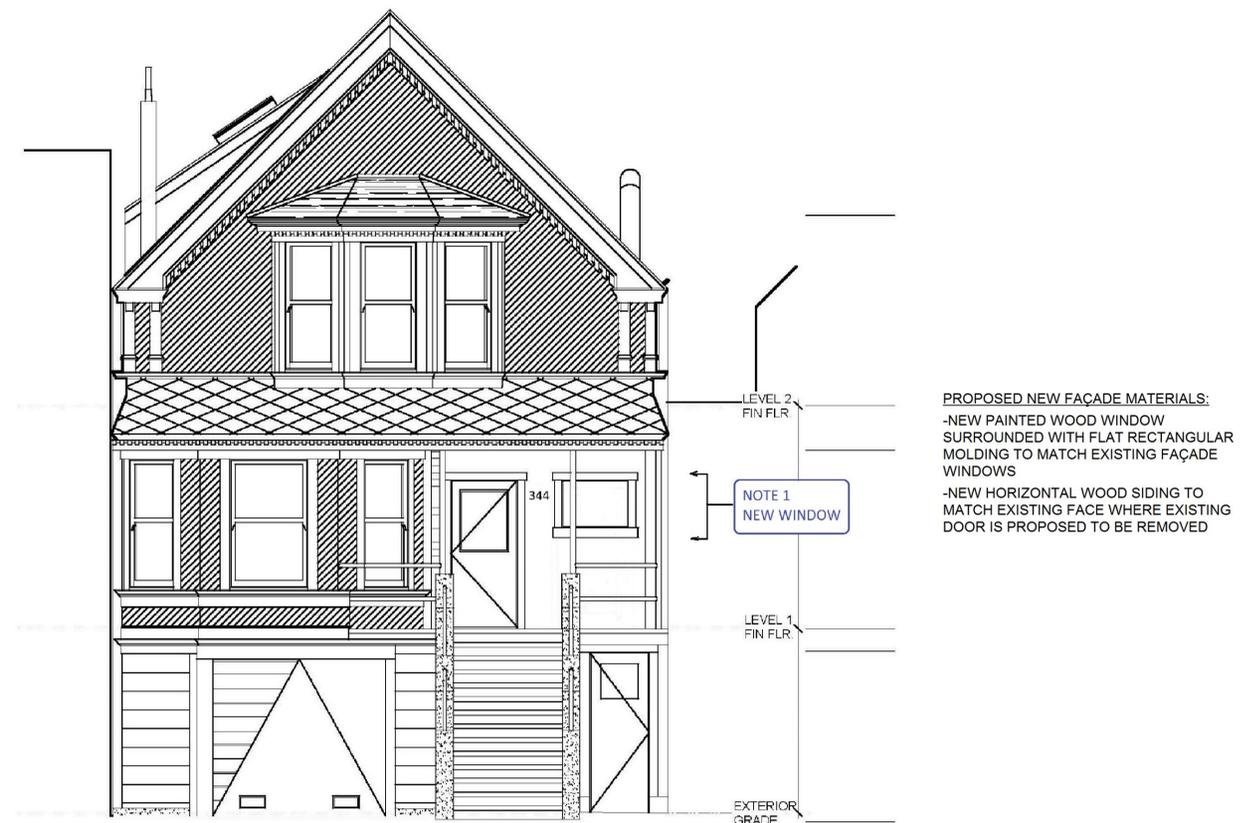
3
C GARAGE LEVEL: PROPOSED FLOOR PLAN
SCALE: 1/4" = 1'

NOTES:

- 1) REMOVE KITCHEN IN UNIT 344-A TO CREATE A BEDROOM (1-C)
- 2) CREATE PASSAGE BETWEEN UNITS AT FRONT ENTRY AND REPLACE 344-A EXTERIOR DOOR WITH A WINDOW (2-C)
- 3) COMBINE METERS FOR EACH UTILITY IN THE GARAGE (3-C)



1 EXISTING - FRONT ELEVATION
 D SCALE: 1/4" = 1'



2 PROPOSED - FRONT ELEVATION
 D SCALE: 1/4" = 1'

NOTES:
 1) ENTRY DOOR OF UNIT 344-A TO BE REPLACED WITH A NEW WINDOW.



SAN FRANCISCO PLANNING DEPARTMENT

1650 Mission Street Suite 400 San Francisco, CA 94103

NOTICE OF BUILDING PERMIT APPLICATION (SECTION 311/312)

On **February 4, 2014**, the Applicant named below filed Building Permit Application No. **2014.02.04.7793** with the City and County of San Francisco.

PROPERTY INFORMATION		APPLICANT INFORMATION	
Project Address:	344 3rd Avenue	Applicant:	Aaron Miller & Jennifer Johnson
Cross Street(s):	Geary Blvd/ Clement St	Address:	344 3rd Avenue
Block/Lot No.:	1434/031	City, State:	San Francisco, CA 94118
Zoning District(s):	RM-1 / 40-X	Telephone:	(415) 999-3244

You are receiving this notice as a property owner or resident within 150 feet of the proposed project. You are not required to take any action. For more information about the proposed project, or to express concerns about the project, please contact the Applicant listed above or the Planner named below as soon as possible. If you believe that there are exceptional or extraordinary circumstances associated with the project, you may request the Planning Commission to use its discretionary powers to review this application at a public hearing. Applications requesting a Discretionary Review hearing must be filed during the 30-day review period, prior to the close of business on the Expiration Date shown below, or the next business day if that date is on a week-end or a legal holiday. If no Requests for Discretionary Review are filed, this project will be approved by the Planning Department after the Expiration Date.

Members of the public are not required to provide personal identifying information when they communicate with the Commission or the Department. All written or oral communications, including submitted personal contact information, may be made available to the public for inspection and copying upon request and may appear on the Department's website or in other public documents.

PROJECT SCOPE		
<input type="checkbox"/> Demolition	<input type="checkbox"/> New Construction	<input type="checkbox"/> Alteration
<input checked="" type="checkbox"/> Change of Use	<input checked="" type="checkbox"/> Façade Alteration(s)	<input type="checkbox"/> Front Addition
<input type="checkbox"/> Rear Addition	<input type="checkbox"/> Side Addition	<input type="checkbox"/> Vertical Addition
PROJECT FEATURES		
Front Setback	12 feet 6 inches	No Change
Side Setbacks	None	No Change
Building Depth	40 feet (to rear building wall)	No Change
Rear Yard	67 feet, 6 inches	No Change
Building Height	34 feet	No Change
Number of Stories	2 over garage	No Change
Number of Dwelling Units	2	1
Number of Parking Spaces	2 (tandem)	No Change
PROJECT DESCRIPTION		
<p>The proposal is to make interior modifications to merge two dwelling units into one. The proposal will result in the elimination of one unit in an existing two-unit building, which would be subject to Mandatory Discretionary Review under Case No. 2014.0186D per Planning Code Section 317, tentatively scheduled on the July 17th Planning Commission Hearing. Any persons opposed to the project should request a separate Discretionary Review application. Should you have any questions, please call the planner at the number listed below. See attached plans.</p>		
<p>The issuance of the building permit by the Department of Building Inspection or the Planning Commission project approval at a discretionary review hearing would constitute as the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code.</p>		

For more information, please contact Planning Department staff:

Planner: Sharon Lai

Telephone: (415) 575-9087

E-mail: Sharon.w.lai@sfgov.org

Notice Date: **6/18/2014**

Expiration Date: **7/18/2014**

中文詢問請電: (415) 575-9010

Para información en Español llamar al: (415) 575-9010

San Francisco Planning Commission
Commission Chambers
Room 400, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA

Dear Commissioners Wu, Fong, Antonini, Borden, Hillis, Moore and Sugaya,

Before you is our application to merge two junior one-bedroom apartments in the Inner Richmond to restore it to its former use as a single family home. The merger would create a modestly sized 3 bedroom / 2 bathroom family home for our expanding family, and would allow us, as a family of second and third generation San Franciscans, to stay in this great city.

In late 2007 we purchased this property in order to own our home as well as have the opportunity to rent out the second unit. While we may have, admittedly, been naïve as to the extent of remodeling necessary to make the building safe and sound, we did finish many significant home projects just in time for our first child's birth. We never did rent out the other unit, but instead found ourselves needing the second Jr. one-bedroom as additional living space. Use of the second unit has provided us with additional functionality but with the logistical and impractical difficulties of living between two units.

With our daughter being almost four years old, it is clear to us that while our housing needs have changed our bond with the neighborhood's people and culture has grown ever stronger. We have lived here now for almost seven years.

Our request to merge the two units is with a genuine sensitivity to the great housing issues that affect San Franciscans, and we recognize these are challenging issues to balance and prioritize. In this case however, there is a clear opportunity to assist a growing family in staying in a small property they own. As two working parents we could keep the network of family, friends and neighbors that we currently rely on to care for each other. We do not want to join the declining statistics of family and children demographics leaving San Francisco.

Note that while a unit would be removed in number due to this merger, the number of bedrooms in the home would increase. And therefore, as a single family home the property could accommodate at least as many residents as the two smaller units combined. Furthermore, as the property was originally constructed as a small single family residence, this merger would produce a family sized unit that would continue to be relatively affordable based on the home's modest square footage. Hence, approving this merger would successfully create family housing and conserve relatively affordable housing.

Sincerely,



Aaron Miller & Jennifer Johnson
344 3rd Avenue
San Francisco, CA

Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: 344 3rd Avenue Merger, Case No. 2014.0186D

Ms. Lai:

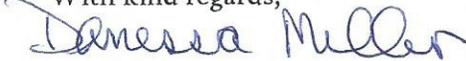
As parents to Aaron and grandparents to his beautiful daughter, our first and only grandchild, we urge Planning to approve the merger request by him and our daughter in-law, Jen.

We are 40 year residents of San Francisco and are lucky enough to be in good health and have the energy to help care for our granddaughter. With San Francisco being so expensive, Aaron and Jen do not have the luxury of having one parent at home to care for her. We look after her two days a week so that they can work and she does not have to be in pre-school till 6:00 p.m. It is precious time and we are grateful that we have the opportunity to see her grow.

If this merger is not approved, Aaron and Jen will be forced to move from the Bay Area which would result in our spending far less time with them and with our granddaughter, and not being able to be with them as their family expands. Family is the most important thing to us, and our son and his family being forced to leave San Francisco is painful to contemplate.

We request that you not break up this extended family and approve their merger request. Allow them to stay in San Francisco so that they can raise their daughter in this amazing city, like we did with Aaron, surrounded by family and friends that love and support them.

With kind regards,



Danessa and Steve Miller
217 Colon Avenue
San Francisco, CA

Jeff Johnson

Merger of 344 3rd Avenue, Case No. 2014.0186D - Letter from Family
June 26, 2014 at 3:17 AM
sharon.w.lai@sfgov.org

June 26, 2014

Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Merger of 344 3rd Avenue, Case No. 2014.0186D

Ms. Lai:

Jennifer Johnson is my younger sister and the only family I have not on the East Coast. It is very enjoyable having her, her husband Aaron, and their daughter merely "on the other side of town". It is nice being able to swing by for dinner or to drop in unexpectedly just to say hi, especially with my niece being of an age where she seems to change every time I see her.

Our family wasn't particularly close growing up, with both parents working full time. When my sister moved out here, we were able to change that and I can call her my friend. And with me being single, it means a lot being close to her family, her husband even allowing me to experience what it is like to have a brother. If they were to move to find housing suitable to accommodate their family, which I hope will grow, it would leave a big hole in my life.

Jennifer and Aaron are committed to their daughter and strive to teach her about diversity and sustainability, as well as an appreciation for the arts, food, music, and family, areas that encompass what San Francisco represents. It would mean the world to me for their merger request to be approved, allowing us to continue this great journey here in the City.

Respectfully,

Jeffrey C. Johnson
19th St. and Alabama
San Francisco, CA

Sharon Lai

San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: 344 3rd Avenue Application for Merger

Dear Ms. Lai,

I am writing in support of the merger request by our neighbors Jennifer and Aaron. I ran into Jennifer the other day and we had a conversation about the merger process. I told her then and feel it it's important to tell you that I am so glad that they live in this neighborhood. I have lived here in the neighborhood over 25 years and our block is the best it's been. We are a community, and Jennifer, Aaron and their daughter are an important part of that. They are great neighbors, good and trustworthy, always have time to catch up, and people that love and want to be able to raise their daughter in San Francisco, as her father did. I raised my two children in San Francisco for many years and I encourage you to approve their merger so they can stay in San Francisco and remain an important part of our neighborhood.

Sincerely,



06/21/14

Elizabeth Pham
346 3rd Avenue
San Francisco, CA 94118

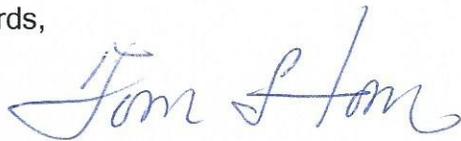
Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Merger for 344 3rd Avenue

Dear Ms. Lai,

I have lived here since the 70's. Jennifer and Aaron have made that house nicer than it has ever been since I have been here. Let them merge their house and raise their family.

Regards,

A handwritten signature in blue ink that reads "Tom Hom". The signature is written in a cursive style with a large, sweeping initial "T".

Tom Hom (retired Muni Driver)
343 3rd Avenue
San Francisco, CA 94118

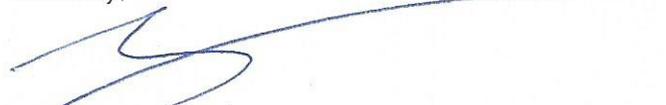
Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Merger Request for 344 3rd Avenue, Application 2014.0186D

Dear Ms. Lai,

We wholeheartedly support Aaron and Jennifer's request for merger! We live across the street and feel fortunate to have them as neighbors. Our oldest son is the same age as their daughter so it's great to be able to have our kids play together, get together for Sunday brunch and watch each other's kids when necessary. We trust them and love having them so close. There are not many families with young children on our street, so if they had to move because this merger was denied our family would miss them immensely. It would also be another travesty of living in SF where families with children under 5 are forced to move because they either need more space or access to better schools. Please don't effectively evict them from their home!

Sincerely,



Stephen & Hannah Goetz
355 3rd Avenue
San Francisco, CA 94118

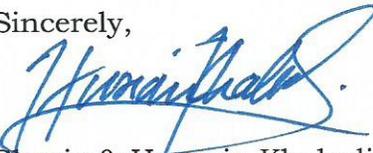
Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: 344 3rd Avenue

Dear Ms. Lai,

We recently moved to the Inner Richmond and are so happy that Aaron, Jennifer and their daughter are our neighbors. They have been kind and open with our family making us feel so welcome. We support their request for merger. Our boys love playing with their daughter. Impromptu play dates are appreciated and fun for all. You can always count on Jennifer, Aaron and their daughter for big smiles, a sincere "how are you" and genuine interest in how things are going with you and your family. We appreciate their friendship and want them and (hopefully) their growing family to be able to continue to live on our street.

Sincerely,



Shazia & Hussain Khaleeli
350 3rd Avenue
San Francisco, CA 94118

Jun 21, '14

Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Miller-Johnson Merger Request

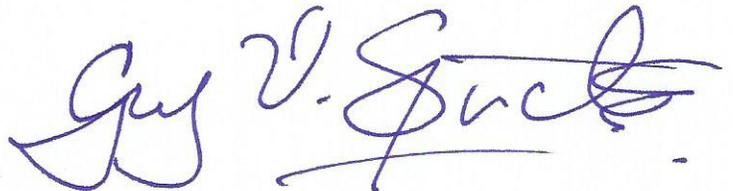
Dear Ms. Lai,

Guy and I have lived on 3rd Avenue for a long time. Jennifer and Aaron, and especially that little girl of theirs, is a breath of fresh air. What more can you ask for then the cutest little thing, bursting with love, running down the street to give you a hug? Nothing. It makes my day. That child is so loving because of her parents. They are amazing and we need more parent and children like them in this city and I want them on my street. We support their merger request and urge you to approve it.

Sincerely,



Mary & Guy Spinale
354 3rd Avenue
San Francisco, CA 94118



Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Miller-Johnson Merger, Case No. 2014.0186D

Ms. Lai:

As renters in the Inner Richmond neighborhood, we appreciate the need for reasonably affordable housing options. Aaron and Jennifer's situation exemplifies that of many in San Francisco: those that have the opportunity to live here, but are under the pinch of the current real estate market. Indeed they have a unique opportunity that others do not, to create a reasonably sized home that will allow them to stay in their neighborhood and pursue that which we all desire, to live near to one's friends and family.

There is no reason that we know of that would negatively affect the community or individual person due to this merger. We support their application for merger so their family may continue to live and thrive with us in San Francisco.

Sincerely,

A handwritten signature in blue ink that reads "Charles & Elizabeth Fracchia". The signature is written in a cursive style with a large initial 'C' and 'E'.

Charles & Elizabeth Fracchia

356 3rd Avenue
San Francisco, CA 94118

Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Our friends at 344 3rd Avenue

Dear Ms. Lai,

We are the owners and staff at Q Restaurant on Clement Street. We support the merger request by Aaron and Jen. We love families, we love their family, and as a family in San Francisco realize how hard it is to live and raise a family here. Let them have that great experience in this great neighborhood.

Approve their merger!

Brun Riley
4/21/14

Pol [unclear]
6/21/14

[unclear]

Alex 4/21/14

Conlan

Q Restaurant
225 Clement Street
San Francisco

[unclear]

[unclear]

From: **pamela epstein** <pjeft@yahoo.com>
Date: Thursday, June 26, 2014
Subject: Case No. 2014.0186D; 344 3rd Avenue Merger
To: "sharon.w.lai@sfgov.org" <sharon.w.lai@sfgov.org>
Cc: Aaron Miller <miller4x@gmail.com>

Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Case No. 2014.0186D; 344 3rd Avenue Merger

Ms. Lai:

Aaron Miller is my first cousin and we have been close since a young age. I moved back to San Francisco about 7 years ago and was fortunate to find a place to rent about 6 blocks from Aaron and Jen's house.

Being in the neighborhood has been great! I was able to be one of the first to welcome their daughter into the world, and love the fact that we often get together for impromptu dinners, walks in park, play dates, etc.

Please approve their merger and preserve this great family!!

Sincerely,

Pamela Epstein

145 6th Avenue #2 | San Francisco, CA 94118

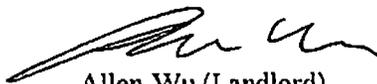
Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Merger for 344 3rd Avenue, Application 2014.0186D

Dear Ms. Lai,

I am the landlord of a four unit building next to Jennifer and Aaron. They have always been supportive of me and all my tenants. They are excellent neighbors. Early on when they moved in there was some leaks in my building. Aaron worked with me to figure out the problem and was accommodating when it needed to be fixed. They are a good family and I support their merger.

Regards,



Allen Wu (Landlord)
338 3rd Avenue
San Francisco, CA 94118

7/1/2014

----- Forwarded message -----

From: **J Johnson** <44cents@gmail.com>

Date: Thursday, June 26, 2014

Subject: Merger of 344 3rd Avenue, Case No. 2014.0186D - Letter from Family

To: sharon.w.lai@sfgov.org

June 26, 2014

Sharon Lai
San Francisco Planning Department
1600 Mission Street, Suite 400
San Francisco, CA 94103

Re: Merger of 344 3rd Avenue, Case No. 2014.0186D

Ms. Lai:

Jennifer Johnson is my younger sister and the only family I have not on the East Coast. It is very enjoyable having her, her husband Aaron, and their daughter merely "on the other side of town". It is nice being able to swing by for dinner or to drop in unexpectedly just to say hi, especially with my niece being of an age where she seems to change every time I see her.

Our family wasn't particularly close growing up, with both parents working full time. When my sister moved out here, we were able to change that and I can call her my friend. And with me being single, it means a lot being close to her family, her husband even allowing me to experience what it is like to have a brother. If they were to move to find housing suitable to accommodate their family, which I hope will grow, it would leave a big hole in my life.

Jennifer and Aaron are committed to their daughter and strive to teach her about diversity and sustainability, as well as an appreciation for the arts, food, music, and family, areas that encompass what San Francisco represents. It would mean the world to me for their merger request to be approved, allowing us to continue this great journey here in the City.

Respectfully,

Jeffrey C. Johnson

19th St. and Alabama

San Francisco, CA

memo

344 3rd Avenue, San Francisco, CA 94118

To: Sharon Lai, San Francisco Planning Department
From: Jennifer Johnson and Aaron Miller, Applicants
Date: 6/1/2014
Re: Inapplicability of Mayor's Executive Directive 13-01, Housing Production & Preservation of Rental Stock to Application 2014.0186D
Att: Planning Director Bulletin No. 5 Planning Department Policy – ED 13-01 Implementation Guidelines (May 2014), Executive Directive 13-01 Recommendations (February 3, 2014), and Mayor's Executive Directive 13-01 (December 18, 2013)

On December 18, 2013, the Mayor issued Executive Directive 13-01, Housing Production & Preservation of Rental Stock (Directive) where the Mayor directed "all municipal departments that have the legal authority over the permitting or mapping of new or existing housing to prioritize in their administrative work plans the construction and development of all net new housing, including permanently affordable housing". In summary, the directive prioritizes 100% permanently affordable developments and moderate-income residential developments as set forth in Section 415 of the Planning Code. There were no specific directive in regards to the preservation of rental stock; rather, the Mayor requested that Department Heads form a Working Group, with three primary tasks:

- (1) making recommendations to the Mayor for City polices and administrative actions that could be implemented to preserve and promote rental housing in San Francisco;
- (2) implementing a process to have the Planning Commission consider Discretionary Review hearings when a loss of housing is proposed; and
- (3) serving as an advisory body to municipal departments with permitting authority and as a clearinghouse for code compliance checks for buildings that are being withdrawn from the rental market under Residential Rent Stabilization and Arbitration Ordinance sections 37.9(a)(8), 37.9(a)(9), 37.9(a)(10) and 37.9(a)(13), or a Notice of Intent to Withdraw units from the residential market under Section 37.9(a).

Task 2 and Task 3 do not apply to Application 2014.0186D. As described in the Directive, Task 2 is only applicable to buildings larger than two units (e.g., three or more units); therefore, because the subject property is not three units or larger Task 2 is not applicable. This was

memo

confirmed by the Planning Department in the May 15, 2014 update to the Planning Commission as described in the Planning Director's Bulletin No. 5: Planning Department Policy – ED 13-01 Implementation Guidelines. Task 3 is specific to buildings that are being withdrawn from the rental market. Since there has been no filing by the property owners with the Rent Board of a Notice of Termination of Tenancy or a Notice of Intent to Withdraw units from the residential market Task 3 is not applicable.

Task 1 requested recommendations about potential legislative or citywide strategies to preserve the existing stock of rental units in San Francisco. On February 3, 2014, DBI Director Tom C. Hui and Planning Director John S. Rahaim submitted the Working Group's recommendation which were organized under each of the three Executive Directive tasks. These recommendations were adopted by the Mayor on February 6, 2014. Only Recommendation 4 under Task 1 could be relevant to consider in light of this application:

4. Encourage density: Ask the Planning Commission to adopt a policy that encourages developers to maximize their permitted density when constructing major alterations or new construction projects.

Recommendation 4 would not be applicable to this application because:

- (1) We are not *developers* but rather homeowners.
- (2) The application is not for *construction of major alterations*. This merger does not include significant upgrades or the addition of any square footage. It is only requesting replacement of a door with a window, internal egress between units and the merging of utility meters. This parameter does not apply to the change of use from two units to one unit because it is specific to construction.
- (3) The application is not for a *new construction project*. All activities are proposed to take place within the existing footprint of the structure.
- (4) Finally, no new policy addressing this Recommendation has been adopted.

There are no additional requirements or new/modifications to policies affecting this proposed merger based on the Directive, adopted recommendations and the Planning Director's Bulletin No. 5. **Therefore, maintaining the existing unit density in this case is neither encouraged nor required.**

Furthermore, the Mayor is clear that this Directive "cannot override any relevant code sections." In this case, Planning Code Section 317 is clearly the appropriate venue for consideration of this permit application in light of the General Plan policies and relevant zoning.

memo

To that end, as discussed in great lengths in our application submittal, the General Plan, Issue 2, Conserve and Improve Existing Stock, Policy 2.2 is clear that is it the City's goal to "Retain existing housing by controlling the merger of residential units, **"except where a merger clearly creates new family housing"**. It further states **"Merging of two units, especially small units, can allow a family to grow without leaving their community"**. This is the case here. We are proposing to merge two Jr. one-bedroom units, which are not family sized units, back into a single family home so that we do not have to move away from our neighborhood, our City, our family and our friends. While a unit will be lost, it's important to note that the volume of the structure will not change and an additional bedroom will be available for use by a family. The building will be preserved and enhanced to allow for family housing.

The merger would also be consistent with the General Plan, Policy 4.1, "Develop new housing, and encourage the remodeling of existing housing, for families with children." This policy acknowledges that **'existing units can also offer opportunities for "family-sized" housing through expansion and in some cases unit mergers', as is proposed here**. This merger would produce a modestly sized single family home that is suitable for a family with children.

Moreover, the merger would not affect the City's supply of affordable housing because neither unit is occupied by renters nor do they meet the definition of affordable housing as defined in Section 415 of the Planning Code.

The project is in conformance with the existing zoning and as discussed above is consistent with the General Plan. As such, we encourage Staff to recommend Approval of this project to the Planning Commission.



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: May 8, 2014
TO: Planning Commissioners
FROM: Elizabeth Watty
Assistant Director of Current Planning
RE: Executive Directive 13-01 – Status Update

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

On December 18, 2013, Mayor Edwin Lee issued Executive Directive 13-01: Housing Production and Preservation of Rental Stock. In that Directive, the Mayor charged the Directors of the Planning Department and Department of Building Inspection (DBI) to form a working group and to implement three primary tasks: 1) recommend City policies and administrative actions to preserve and promote rental housing in San Francisco; 2) implement a process for Planning Commission Discretionary Review hearings when a loss of housing is proposed; and 3) serve as an advisory body to municipal departments with permitting authority and as a clearinghouse for code compliance checks for buildings that are being withdrawn from the rental market

On February 03, 2014, the Department issued a joint response with DBI. The Department identified several process-improvement changes to help facilitate the production of affordable units and the retention of existing units. Since February, the Department has been implementing the Department's response to the Executive Directive through short-term, administrative changes that accelerate the review and approval of new housing permits, particularly affordable housing, while reducing the loss of existing, habitable units.

The purpose of the hearing on May 15, 2014 is to provide an update of the Department's implementation of the short-term objectives of the Executive Directive, and provide an overview regarding the second phase of the Mayor's Executive Directive, which involves the creation of a Housing Working Group that is divided into three subcommittees: Legislation, Process Improvements, and Resources. The Planning Department is actively involved in the Housing Working Group process, and is taking a leadership role in two of the three subcommittees.

For the short-term administrative changes that were outlined in the joint DBI/Planning response to Executive Directive 13-01, the Department has created Director's Bulletin No. 5 (Draft attached) to provide clarity in the Department's procedural changes that resulted from this Mayoral Directive. This Director's Bulletin clarifies the following changes:

- Priority Processing procedures
- Merger of Dwelling Units (specifically treatment of demonstrably unaffordable unit mergers)
- Procedures for how to Remove Illegal Dwelling Units
- Establishment of Concurrent Review by Planning, DBI, and Fire

As it relates to the second phase of the Mayor's Executive Directive, the Mayor's Housing Working Group is working on three related paths to increase production of housing, particularly affordable housing.

Through its **Legislative Subcommittee**, members are exploring changes to the City's Inclusionary Housing Program, specifically the establishment of a dial program that would create more affordable dwelling units at a higher area median income (AMI) as well as potential amendments to the off-site inclusionary housing alternative to encourage greater use of this option and to and create more partnerships between market-rate and affordable housing developers. Planning Department staff is participating in all efforts relating to this subcommittee, and is also leading the group's effort to shape a density bonus ordinance for the City.

Through the **Process Improvement Subcommittee**, members are debating ways to improve the City's entitlement and environmental review process. The Planning Department is playing a leadership role in this group, which has a significant focus on administrative changes that could facilitate faster processing or reduce CEQA complications.

Through the **Resources Subcommittee**, members are exploring a range of potential funding sources to support low-income and middle-income housing development. Ideas under exploration include: use of public land; state law changes such as tax credits for a wider band of incomes; expansion of welfare tax exemption to allow property tax abatement for affordable housing projects; development of a catalyst fund that could provide funding for land acquisition; capital funding for development of low-, middle-, and mixed-income housing projects; and an expanded down payment assistance program.

The Mayor's Office expects that the subcommittees will conclude – with recommendations to the full Working Group – by late July. Once final recommendations are made by the Working Group, Planning staff will present them to the Planning Commission as an informational item in late summer/early fall 2014.

Planning staff and Mayor's Office staff will be available at the May 15, 2014, hearing to discuss Executive Directive 13-01 in more detail.

EMW/
Attachments.

PLANNING DIRECTOR

BULLETIN NO. 5

Planning Department Policy – ED 13-01 Implementation Guidelines

This Bulletin provides guidelines to ensure clear and consistent implementation of the Mayor's Executive Directive 13-01: Housing Production and Preservation of Rental Stock, particularly as it relates to changes in policy that affect the processing of certain housing projects.

Date: May 2014

References:

Executive Directive 13-01: Housing Production and Preservation of Rental Stock

This Bulletin relates to the implementation of the Mayor Edwin Lee's Executive Directive 13-01, issued on December 18, 2013. The Mayor's Executive Directive tasked City department heads with prioritizing any administrative policies that would lead to the production of more affordable housing or that would provide proper market incentives to foster private development of rental units. The Directive also implemented procedures aimed at reducing the loss of housing units by requiring a Mandatory Discretionary Review hearing before the Planning Commission for any proposal to remove a unit (legal or otherwise) from a building with at least three legal dwelling units. In general, the Planning Department will continue to process applications to add or remove housing as regulated under existing requirements of the Planning Code. However, under the guidelines provided herein, some housing projects may be prioritized in order to advance identified housing production goals of the City, while other projects that result in a reduction in housing may be required to undergo additional process, and may ultimately be recommended for disapproval. Officers and employees of the City shall use reasonable judgment in the application of these guidelines, and shall consult with their supervisors when questions arise. These guidelines have been established in accordance with the requirements of San Francisco Campaign and Government Conduct Code Section 3.400 and with the Permit Processing Code of Conduct adopted by the San Francisco Ethics Commission.

IMPLEMENTATION OF EXECUTIVE DIRECTIVE 13-01

The Planning Department will continue to process applications to add or remove housing as regulated under existing requirements of the Planning Code, except for the following types of housing projects, which are subject to new procedures as a result of Mayor Edwin Lee's Executive Directive 13-01.

Priority Processing

(Task 1)

A new category of housing projects – those providing at least 20% on-site or 30% off-site as affordable housing – will be prioritized, second to 100% affordable housing projects, which already receive expedited review.

[Planning Director's Bulletin Number Two](#) has been revised to prioritize 100% affordable housing projects, followed by projects with at least 20% on-site or 30% off-site affordable housing, as the Planning Department's

highest priority. Market-rate housing projects will be prioritized based on how the Project intends to satisfy its inclusionary affordable housing obligation. Priority will be based on the project's proportion of affordable units produced – either on-site or off-site. The [Affidavit for Compliance](#) with the Inclusionary Affordable Housing Program must be completed and submitted in conjunction with the filing of the Environmental Evaluation Application, entitlement, or Building Permit Application (whichever is filed first), in order to determine a project's eligibility for Priority Processing. An applicant must also submit and be approved for [Priority Processing](#) before the Department will begin the priority processing for these projects.

Concurrent Review

(Task 1)

For 100% affordable housing projects, and projects with at least 20% on-site or 30% off-site affordable housing, the City will provide concurrent review to expedite the permitting process. The Planning Department, Department of Public Works, Mayor's Office of Disability, Department of Building Inspection, and Fire Departments will review applications simultaneously for housing projects, when appropriate. These projects are required to request a pre-application meeting with all relevant City agencies before filing for any building permits so that the City can determine the appropriate timing for concurrent review. Concurrent review should occur when projects are well-defined and unlikely to substantially change in such a way that would compromise the efficiencies gained by concurrent review.

Merger of Dwelling Units

(Task 2)

For buildings that have three legal dwelling units or more, the loss of any housing from that building (including for the purposes of this Bulletin, Live-Work units), is subject to a [Mandatory Discretionary Review](#) hearing before the Planning Commission (unless such merger requires a Conditional Use, or is not permitted, based on other provisions of the Planning Code). The applicant must submit additional findings to be considered by the Commission that outline why the unit in question is proposed to be removed, rather than retained.

For projects proposing to merge two dwelling-units within a building that has at least three legal units, where the units proposed for merger are both demonstrably unaffordable (meaning the least valuable unit, based on credible appraisals from within the last six months, is valued at or above \$1.506M), the Department will continue to process these applications administratively, as allowed under Planning Code Section 317. The Planning Code allows these projects to be approved administratively since the loss of demonstrably unaffordable housing does not affect the City's current shortage of housing that is financially accessible for the majority of the City's population. The City's current housing crisis is not due to the loss of housing at or above this value, and thus requiring a more extensive review process for the loss of these units does not advance the City's housing policies.

For all mergers in buildings with three or more units where at least one of the units is valued under \$1.506M, the Department will recommend that the current housing affordability crisis creates an "exceptional and extraordinary" circumstance such that the Commission should deny the merger request and preserve the independent unit.

Removal of Unpermitted Units

(Task 2)

For buildings that have three legal dwelling units or more, the loss of any unpermitted housing from that building (including for the purposes of this Bulletin, Live-Work units), is subject to a [Mandatory Discretionary Review](#) hearing before the Planning Commission. The applicant must submit additional findings to be considered by the Commission that outline why the unit in question is proposed to be removed, rather than retained.

For building permits to remove an unpermitted unit where there is a feasible path to legalize the unit, the Department will recommend that the current housing affordability crises creates an “exceptional and extraordinary” circumstance such that the Commission should deny the permit and preserve the unit.

For building permits where there is no feasible path to legalize the unit, the Department will place the Discretionary Review on the consent calendar with a recommendation to approve the permit.

The Planning Department has established guidelines for how this determination is made, in consultation with the Department of Building Inspection and the Fire Department. Applicants seeking to remove an unpermitted unit will be required to submit a report by a qualified professional outlining the upgrades (and the associated costs of those upgrades) that would be required to legalize the unit under the Building, Fire, and Planning Codes. The Department of Building Inspection and Fire will review the report and provide Planning staff with a recommendation for the unit’s retention or removal prior to the Planning Commission’s Mandatory Discretionary Review hearing. The Building Department’s recommendation to Planning will be based on whether the cost to upgrade the unit and/or building exceeds a certain percent of the value of the unit (exact percent is under development).

QUALITY ASSURANCE PROCEDURES

The processing of applications subject to this policy shall be subject to ongoing review to confirm that its intent is fulfilled and to make changes as necessary to optimize the efficient and fair review of applications submitted to the Department.

Approved:

John Rahaim
Director of Planning



SAN FRANCISCO
PLANNING DEPARTMENT



DATE: February 3, 2014
TO: Honorable Mayor Edwin M. Lee
FROM: DBI Director Tom C. Hui and Planning Director John S. Rahaim
RE: Executive Directive 13-01

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

This memorandum responds to your Executive Directive 13-01: Housing Production and Preservation of Rental Stock. In that Directive, you charged the Directors of the Planning Department and Department of Building Inspection (DBI) to form a working group and to implement three primary tasks: 1) recommend City policies and administrative actions to preserve and promote rental housing in San Francisco; 2) implement a process for Planning Commission Discretionary Review hearings when a loss of housing is proposed; and 3) serve as an advisory body to municipal departments with permitting authority and as a clearinghouse for code compliance checks for buildings that are being withdrawn from the rental market (collectively, the “Executive Directive Tasks” or “Tasks”).

To this end, we co-chaired a working group including representatives from the Mayor’s Office, Planning Department, DBI, Mayor’s Office of Housing, Rent Board, Fire Department, SFPDW, SFPUC, MoD, OCII, City Attorney’s Office, Planning Commission, and Building Inspection Commission, as well as representatives from non-City agencies, such as SPUR, Council of Community Housing Organizations, SF Apartment Association, Small Property Owners, and the Housing Rights Committee. The Working Group met three times in public meetings during January, 2014. This document memorializes the Working Group’s recommendations.

The Working Group organized the recommendations under each of the three Executive Directive tasks, with a specific focus on short-term tasks that the Departments can implement without legislation or further extensive study. We are committed to implement immediately the responses under each Task. These responses include:

Tasks 1 and 2: Thirteen short-term, administrative changes that will speed review and approval of new housing permits; retain existing, habitable units; and encourage private parties to build more housing, consistent with our General Plan.

Task 3: Two short-term measures will ensure that the Rent Board will be able to inform tenants about their rights to habitable units and that the City routinely checks on and enforces existing compliance as units transition under Rent Ordinance Sections 37.9(a)(8-10, 13).

We understand that in February you will convene a Task Force consisting of housing experts, City departments, tenant and housing advocates, realtors and property owners to work with you and the Board of Supervisors on housing issues. The goal of this group will be to set the stage for 30,000 new and rehabilitated homes by 2020 and to implement the seven pillars of your housing plan. We have

Executive Directive 13-01 Recommendations

additional mid-term and long-term ideas that may either require community vetting and/or legislation to realize. We believe this Task Force would be the appropriate ad hoc body to vet the Working Group's ideas for mid-term and long-term strategies to produce and preserve housing that are not included in this document. We are pleased to offer these ideas to your Task Force, and to present them in more detail at the appropriate time.

Task 1: Recommendations to the Mayor.

Prior to a final decision on implementing any of the measures listed below, to the degree that is required, appropriate environmental review as required by CEQA would be undertaken.

There are general process-improvement changes Planning and DBI could make to facilitate the production of affordable units and the retention of existing units. These changes include the following:

1. **Priority Processing.** Revise the Planning Director's Bulletin Number Two to prioritize 100% affordable housing projects, followed by projects with at least 20% on-site or 30% off-site affordable housing, as the Planning Department's highest priority. Market-rate housing projects will be prioritized based on how the Project intends to satisfy its inclusionary affordable housing obligation. Priority will be based on the project's proportion of affordable units produced – either on-site or off-site. The Planning Department will revise the *Affidavit for Compliance with the Inclusionary Affordable Housing Program* to indicate that if an affordable housing project is seeking priority processing, the *Affidavit for Compliance* must be completed and submitted in conjunction with the filing of the Environmental Evaluation Application, entitlement, or Building Permit Application (whichever is filed first).

Also, revise administrative polices for priority project review currently contained in DBI's Administrative Bulletin, AB-004, Priority Permit Processing Guidelines, in a similar fashion. Assist other City agencies in preparing administrative policies that prioritize affordable housing, if no such policies currently exist.

2. **Ombudsman for HOPE SF and Affordable Housing Projects.** Assign one primary staff person each in Planning and DBI to facilitate the entitlement and plan-check process for HOPE SF and affordable housing projects.
3. **Affordable Housing Policies and Procedures.** Establish inter-agency MOU's relating to the review and approval process for affordable housing projects, including internal agency policies and procedures to implement the goals and objectives of Mayor's ED 13-01.
4. **Encourage density.** Ask the Planning Commission to adopt a policy that encourages developers to maximize their permitted density when constructing major alterations or new construction projects.
5. **Training/Public Information.** Create informational bulletins and/or training sessions relating to the City's permitting process for housing projects.
6. **Justify Removal of Illegal Units.** If a property owner seeks to remove an illegal dwelling unit, require the submittal of findings that outline why they are removing, rather than legalizing, the dwelling-unit. These findings would be considered by the Planning Commission at a Mandatory Discretionary Review Hearing (see Task 2).

Executive Directive 13-01 Recommendations

7. **Housing Element EIR.** Prioritize and support the Housing Element EIR so that the Planning Department can rely on it for housing initiatives.
8. **Concurrent Review.** Ensure that City agencies (Planning, DPW, MoD, DBI, Fire) review applications simultaneously for housing projects, when appropriate. For 100% affordable housing projects, and projects with at least 20% on-site or 30% off-site affordable housing, require pre-application meetings with all relevant City agencies before permits are filed, and establish a requirement for concurrent review for all reviewing agencies. Concurrent review should occur when projects are well-defined and unlikely to substantially change in such a way that would compromise the efficiencies gained by concurrent review. The Departments may consider offering a fee waiver for pre-applications meetings for 100% affordable housing projects if approved by the Board of Supervisors.
9. **Improve Tracking and Transparency of 100% Affordable Projects:** Implement a system to identify pipeline projects that are 100% affordable and implement a publically-accessible tracking system with an up-to-date status of all such projects. When housing projects are approved, an on-line tracking system should indicate the number of affordable units and market rate units approved for construction, and confirm when CFCs/TCOs have been issued.
10. **Agency Coordination on Affordable Housing Projects.** Interagency coordination – including coordination of design review – is of paramount importance for affordable housing projects. Key projects such as Mother Brown’s Emergency Shelter require efficient, timely cooperation from not only the permitting agencies but also asset-holding agencies such as the School District and the Human Services Agency. Those responding to agency comments and corrections also must act within agency-set response timelines/deadlines.
11. **Expedite Hiring of City Staff who Review Housing Permits.** The City’s hiring process is lengthy. Permitting agencies can commit to quick filling of positions but need the assistance of other agencies such as the Department of Human Resources to hire in an efficient manner.
12. **Accountability.** Create performance standards for recommendations that will be implemented as a result of this Executive Directive.

Task 2: Discretionary Review for Loss of Housing Units.

The Working Group has identified two implementation measures for Task 2.

1. **DBI Housing Checklist.** DBI will create a new housing checklist for building permit applications connected to buildings larger than two units. Should any of the following occur in the building, the permit may not be approved over-the-counter and shall instead be referred to the Planning Department to be processed as a Mandatory Discretionary Review:
 - a. The work will result in the removal or loss of a housing unit, legal or otherwise.
 - b. The work will result in the permanent displacement of any tenant from their housing unit, legal or otherwise.
2. **Mandatory Discretionary Review for the loss of Dwelling Units.** For properties with more than two dwelling units, the Planning Department will initiate Discretionary Review for the loss of any dwelling units, legal or otherwise. For building permits to remove an unpermitted unit where there is a feasible path to legalize the unit, the Department will recommend that

Executive Directive 13-01 Recommendations

the current housing affordability crises creates an “exceptional and extraordinary” circumstance such that the Commission should deny the permit and preserve the unit. For building permits where there is no feasible path to legalize the unit, the Department will place the Discretionary Review on the consent calendar with a recommendation to approve the permit. The Planning Department will work with DBI and with the City Attorney’s Office (and other relevant agencies, including the Fire Department) to ensure this policy addresses possible life-safety issues on the properties.

Task 3: Planning and Building Approvals & Notification.

The Working Group has identified two implementation measures for Task 3.

1. The Department of Building Inspection and Planning Department will review the Notices received from the Rent Board under Task 3 and identify any properties subject to existing administrative code enforcement actions by either Department. The Departments will update the records on those existing violations and, where appropriate, initiate interdepartmental inspections in order to cure the violations.
2. The Rent Board will include information on applicable City Codes designed to ensure the habitability of residential units and each Departments' code enforcement process in the tenant information packet currently provided to tenants affected by a Notice of Intent to Withdraw units from the residential market under Rent Ordinance Section 37.9A.

We look forward to continue to work with you on ways to encourage the production of housing in the City, especially low and moderate income housing. We are available to discuss our proposal with you in detail and look forward to implementing these concepts as quickly as possible.



Executive Directive 13-01
Housing Production & Preservation of Rental Stock
December 18, 2013

Through this Executive Directive, I hereby direct all municipal departments that have the legal authority over the permitting or mapping of new or existing housing to prioritize in their administrative work plans the construction and development of all net new housing, including permanently affordable housing.

The directive should be understood to prioritize 100% permanently affordable developments and moderate-income residential developments based on the proportion of permanently affordable units produced onsite or offsite through the city's inclusionary housing program as set forth in Section 415 of the San Francisco Planning Code. The Departments shall follow existing requirements in establishing such priorities.

I also request that Department Heads form a Working Group, with three primary tasks:

- (1) making recommendations to the Mayor for City policies and administrative actions that could be implemented to preserve and promote rental housing in San Francisco;
- (2) implementing a process to have the Planning Commission consider Discretionary Review hearings when a loss of housing is proposed; and
- (3) serving as an advisory body to municipal departments with permitting authority and as a clearinghouse for code compliance checks for buildings that are being withdrawn from the rental market under Residential Rent Stabilization and Arbitration Ordinance sections 37.9(a)(8), 37.9(a)(9), 37.9(a)(10) and 37.9(a)(13), or a Notice of Intent to Withdraw units from the residential market under Section 37.9(a).

The membership of the Working Group shall be:

- Director, Department of Building Inspection
- Director, Planning Department
- Chief, Fire Department
- Director, Rent Board
- Director, Mayor's Office of Housing

As needed:

- Representative from the Department of Public Works
- Representative from the Office of Community Investment & Infrastructure
- Representative from the San Francisco Public Utilities Commission
- Representative from City Attorney's Office
- Representative of Property Owner Organization
- Representative of Tenant Organization
- Representative of a Non-Profit Housing Organization
- Representative of Other Housing Organization

Task (1): Recommendations to the Mayor

I task department heads to prioritize any administrative policies that lead to direct building of more affordable housing or that provide the proper market incentives to foster private development of rental units, including infill housing or small-scale residential with affordable units. Equally important is the preservation of the existing stock. As such, I request that the Department Heads listed above convene and gather any feedback, materials, or research they need to make recommendations to me about potential legislative or citywide strategies to preserve rental units in San Francisco. These recommendations can be forwarded on a rolling basis as ideas arise, and do not need to be formally adopted by the working group.

Task (2): Discretionary Review for Loss of Housing Units

Any DBI permit form for a building larger than two units must include a box about whether said permit will result in the removal or loss of a rental housing unit, the removal or loss of a unit that is currently being used for housing, or results in the displacement of any tenant from their home. If this box is checked "yes," the permit would not be approved over the counter but would instead be referred to the Planning Commission for a hearing under existing Discretionary Review regulations. DBI staff would request all relevant information from the applicant, so it can be forwarded to Planning staff. The Planning Commission could then consider the reasons for the reduction in housing units, with special attention paid to preserving existing rental stock. . This section would not apply to any already approved development agreements and/or current or future planned HOPE SF developments.

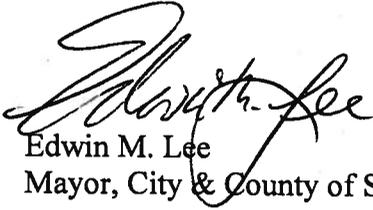
Task (3): Planning and Building Approvals & Notification

When a building owner files with the Rent Board a Notice of Termination of Tenancy under Rent Ordinance Sections 37.9(a)(8), 37.9(a)(9), 37.9(a)(10) and 37.9(a)(13), or a Notice of Intent to Withdraw units from the residential market under Section 37.9A, the Rent Board shall refer the notice to the Planning Department and to the Department of Building Inspection so that each agency can perform a site visit and research to verify that there are no Code violations, including life-safety and fire code violations. Any violations shall require compliance with all applicable Code requirements and identify any conflicts with Planning Department or DBI policies regarding preservation of affordable housing. Conflicts with city policies shall be forwarded to the Working Group to determine if that the establishment of new discretionary determinations would preserve or enhance the supply of affordable housing.

The Planning Department shall additionally notify the building owner in writing of any future restrictions or prohibitions on demolition, conversion, or mergers of units due to no-fault evictions performed under the above mentioned Rent Ordinance code sections. The building owner filing the notice of intent to withdraw units shall pay time and materials for all inspections, staff work and public hearings as described above as permitted under existing laws.

Department Heads may designate staff members to serve in their place. All relevant Department Directors should provide a plan to me by February 1st on how their departments plan to operationalize this directive, including recommending any specific administrative changes that are discussed under Task (1) above.

This Executive Directive will take effect immediately and will remain in place until rescinded by future written communication. This Executive Directive cannot override any relevant code sections including those governing no-fault evictions and does not invalidate any legal rights of property owners or tenants, or impair any existing contracts.

A handwritten signature in black ink, appearing to read "Edwin M. Lee". The signature is fluid and cursive, with the first name being the most prominent.

Edwin M. Lee
Mayor, City & County of San Francisco