

Appendix A

Supplemental Materials

A.1

Supplemental Materials: Comment R16

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CITY & COUNTY OF S.F.
PLANNING DEPARTMENT
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**Re: Draft Environmental Impact Report, San Francisco 2004 and 2009 Housing Element
Revised Alternatives Analysis
Planning Department Case No: 2007.1275E**

The following comments are submitted on behalf of San Franciscans for Livable Neighborhoods ("SFLN") as to the Revised Draft Environmental Impact Report, San Francisco 2004 and 2009 Housing Element, Revised Alternatives Analysis (the "Revision").

SFLN secured an Order of the Superior Court finding that the City violated the requirements of the California Environmental Quality Act, Public Resources Code sections 21000 *et seq.*, because the discussion of alternatives in the above-described EIR was conclusory and lacking in factual support. The Court held that the City abused its discretion by rejecting alternatives in conclusory Findings that lacked factual support and that the EIR's discussion of alternatives was also conclusory and inadequate. The City must now give genuine consideration to alternatives and since the Court set aside the City's approval of the 2009 Housing Element, the City must recommend to the Board of Supervisors an alternative Housing Element that contains policies which would reduce or eliminate the proposed project's significant impact on transit and the other effects that the EIR should have deemed significant. Accordingly, SFLN hereby incorporates by reference as though fully set forth all its prior comments as to the EIR for the 2004 and 2009 Housing Elements that the City previously released for public comment.

Pertinent excerpts from the Court Order finding the EIR for the 2009 Housing Element inadequate are attached hereto as Exhibit 2.

The Court also issued a Peremptory Writ of Mandate that commanded the City to: (1) set aside and void the City's certification and approval of the San Francisco Housing Element Final Environmental Impact Report, (2) set aside and void the City's approval of CEQA Findings that the City adopted with respect to the approval of the proposed 2009 Housing Element Update Amendment, (3) set aside and void the City's approval of any and all changes from the City of San Francisco's 1990 Residence Element that are embodied in the 2009 Housing Element, and (4) commanded the City to refrain from enforcing, relying upon, approving or implementing the changes from the City of San Francisco's 1990 Residence Element that are

embodied in the 2009 Housing Element which are identified in the 2009 Housing Element as “Policies With Potential for Physical Environmental Impacts” under the heading “2009 Housing Element” on Table IV-8 at pages IV-33 through IV-36 of the Final Environmental Impact Report for the San Francisco 2004 and 2009 Housing Element at 1 Administrative Record 183 through 186, until the City fully complies with the requirements of CEQA in the manner required by the Peremptory Writ of Mandate. A copy of the Peremptory Writ of Mandate is attached hereto as Exhibit 3.

1. FEASIBLE ALTERNATIVES ARE AVAILABLE SINCE THE 2009 HOUSING ELEMENT WOULD PRODUCE FAR MORE NEW HOUSING UNITS THAN NEEDED TO ACCOMMODATE THE RHNA FOR THE 2007-2014 PLANNING PERIOD.

“It is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects.” Public Resources Code section 21002; 14 CCR section 15021(a)(2). A public agency is required “to mitigate or avoid the significant effects on the environment of projects that it carries out or approves whenever it is feasible to do so.” Public Resources Code section 21002.1(b). Reflecting these policies, Public Resources Code sections 21081(a)(1)-(3) provide that if one or more significant impacts will not be avoided or substantially lessened by adopting mitigation measures, alternatives described in the EIR that can avoid or reduce the impact must be found infeasible if they are not adopted.

The 2009 Housing Element would have a significant impact on transit, so the City must adopt a feasible alternative to the proposed project.

As explained in the accompanying Statement of City Planner David Golick, Exhibit 1 hereto, there are feasible alternatives to the proposed 2009 Housing Element that the City must adopt if the City does not adopt one of the feasible alternatives described in the EIR or in SFLN’s prior comments.

2. THE REVISED DEIR IS CONCLUSORY AND LACKS FACTUAL SUPPORT.

All the Alternatives utilize the Data and Needs Analysis, Part I of the 2009 Housing Element, and seek to accommodate the RHNA for the 2007-2014 planning period. The Revision states that: “The number of housing units that would be constructed under each of the project alternatives would be substantially similar, as each alternative reflects the housing needs and population projections provided by ABAG. VII-6. Thus, all the Alternatives seek to produce the

same amount of new housing units for the designated income categories. VII-4-5, VII-44, 46, 79, 80.

A. The EIR's Definition of Alternative A as Subject to the Area Plans Contradicts the Claim that Growth Under Alternative A Would be Dispersed Throughout the City.

The Revision claims that housing produced under Alternative A “would generally result in patterns of residential development that are relatively dispersed throughout the City, compared to the 2004 Housing Element or the 2009 Housing Element.” VII-6 The Revision claims that this is due in part to the particular policies and implementation measures provided in the 1990 Residence Element, including Objective 2 (To increase the supply of housing without overcrowding or adversely affecting the prevailing character of existing neighborhoods).

This conclusion is flatly contradicted by the definition of Alternative A as being subject to all existing Area Plans and Redevelopment Plans, where 90% of the additional housing production is expected to be constructed. The revised DEIR states that: “Similar to 2004 Housing Element, new development under Alternative A would be subject to the controls in existing Area Plans and Redevelopment Plans, and would serve to complement - and not conflict with - the policies and land uses in an Area Plan or Redevelopment Plan.” (VII-20)

The Final EIR states that the City “has recently updated zoning controls for the following neighborhoods: Market/Octavia, Mission, East SoMa, Showplace Square/Potrero Hill, Central Waterfront, and Balboa Park. These planning efforts have developed updated zoning, heights, bulks, and densities in balance with infrastructure. A number of other planning efforts are currently underway including, but not limited to the Transit Center District Plan, Treasure Island, and West SoMa, which could result in increased residential development potential in those areas.... (Ex. B to Statement of Golick- AR 169, p. IV-22 and Table IV-6). The new area plans approved after the 2004 Housing Element, including Market/Octavia, Eastern Neighborhoods, Rincon Hill, and others “potentially increase housing capacity by over 55,000” units, and the “Planning Code amendments adopted with each new neighborhood plan also served to expand potential development capacity in each of these areas, using tools such as height increases, removal of maximum densities, removal of minimum required lot sizes and reduction or elimination of parking requirements. Ex. B to Statement of Golick-97 AR 53107-53108; 18 AR 9582-9583, 9586, 9564-9565, 9568, 9474, 9485, 9496, 9486.

As explained by the Legislative Analyst, tools such as height increases, removal of maximum densities, and reduction or elimination of parking requirements are proven development strategies which increase housing production. 1 A 2936-2945, Exhibit C to the accompanying Statement of David Golick. The Revision admits that the rezoning is expected to increase housing production in the Plan Areas, as it states that: “Promoting housing in recently

rezoned Plan Areas would likely encourage build out of those areas, as anticipated under those plans.” However, the EIR fails to provide the details as to the general nature of the build out expected in the recently rezoned Plan Areas, even though the EIR is required by law to disclose the general nature of the expected build out and analyze its indirect or cumulative effects. SFLN requests that the City disclose the general nature of the build out expected in the recently rezoned Plan Areas and analyze the effects of that build out as an indirect effect of implementing 2004 and 2009 Housing Element policies or cumulative effects.

The 2004 Housing Element acknowledged that its “[n]ew policies strive to expand land capacity necessary to increase housing production, will direct new housing to appropriate locations, especially in areas well served by transit” and seek to achieve a “far greater” rate of new housing construction than was previously produced. Ex. C to Statement of Golick-1 A 82, 16, 283, 328. It is not true that the area plans approved after the 2004 Housing Element was adopted sought to encourage increased housing production near transit? The Negative Declaration admitted that the 2004 Housing Element policy changes were intended to provide the “policy basis” for the more specific planning efforts, such as adopting numerous area plans containing new zoning controls identified in 2004 Work Programs. 15 A 4185-86, 4199; 1 A 328.

The 2009 Housing Element also directs increased housing production to areas near transit. 2009 Housing Element Policy 1.4 is to “Ensure community based planning processes are used to generate changes to land use controls,” and the policy text states that “Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate.” (Ex. B to Statement of Golick-AR 53139-2009 Housing Element Part 2, p. 9)

ABAG has granted San Francisco’s application to designate various areas as Priority Development Areas (“PDAs”) that have “plans for significant increases in housing units” and are near transit. Ex. B to Statement of Golick-20 AR 10511-10512, 10328, 10330, 10532-38, 10463-72; 19 AR 10234-41. Such Priority Development Areas generally include the areas for which new Area Plans were approved after the 2004 Housing Element was adopted. Thus, the Area Plans approved after the 2004 Housing Element are substantially similar to the PDAs.

The City plans to accommodate over 90% of the growth to 2035 in the PDAs. Ex. F to Statement of Golick-December 17, 2010 ABAG letter to SFMTA, Exhibit 6, tenth page.

The City has admitted that the “lion’s share of city’s growth will continue to be focused in its PDAs” and that the adopted and planned PDAs “collectively accommodate over 63,000 new housing units.” Ex. F to Statement of Golick-December 17, 2010 ABAG letter to SFMTA, Exhibit 6, twelfth page. As to infill opportunity sites outside PDAs, the City has acknowledged that: “The city includes numerous small-scale infill opportunity sites close to transit throughout

all of its neighborhoods. Such sites outside of Priority Development Areas could accommodate another 17,000 new housing units, distributed reasonably evenly throughout the city.” *Id.*

In view of the fact that 90% of the growth is expected in the plan areas, where growth is directed to transit, there is no evidence indicating that a significant amount of growth outside the plan areas would occur in dispersed locations throughout the City during the 2007-2014 planning period. The 2004 and 2009 Housing Elements and the EIR provide no estimate of the amount of growth expected outside the plan areas, and there is no evidence that a substantial amount of new housing development will occur during the 2007-2014 planning period outside the plan areas in locations that are dispersed throughout the City.

For the same reasons, the evidence does not support the Revision’s claim that under Alternative A “most future housing development would take place in established neighborhoods, with the exception of recently rezoned plan areas where such rezoning has substantially increased development capacity. VII-20. Based on the evidence that 90% of the growth is expected in the plan areas, most future housing development would take place in the plan areas, rather than in established neighborhoods.

Similarly, the Revision’s claims that Alternative A would not increase residential densities “to the same extent” as the 2004 Housing Element, promotes housing opportunities “more generally throughout the entire City,” and would have “less” potential for land use conflicts than under the 2004 Housing Element, are unexplained and unquantified generalizations that are contradicted by the definition of Alternative A as subject to the existing Area Plans. VII-20-21. Also, due to the definition of Alternative A as subject to the existing Area Plans, the evidence does not support the Revision’s claim that development under Alternative A could result in “incrementally fewer” potential land use conflicts because development would continue to be introduced similar to historic patterns. VII-21.

Also because Alternative A was defined as being subject to existing Area Plans, the evidence does not support the Revision’s assertion that the encouragement for housing development, which could result in some land use conflicts, could occur to a greater extent under Alternative A than under the 2009 Housing Element because Alternative A encourages housing throughout the City and according to historical patterns. VII-21. The Revision defines development under Alternative A as “subject to the controls in existing Area Plans and Redevelopment Plans” and states that it would not substantially conflict with the existing policies and land uses in current Area Plans or Redevelopment Plans. VII-21. For the same reasons, the evidence does not support the assertion that “Alternative A could incrementally increase the likelihood of potential land use conflicts due to the encouragement of housing in more locations,” and therefore, “impacts related to land use conflicts could be incrementally greater under Alternative A than the 2009 Housing Element.” VII-21. The Revision’s assertions that any new residential development would be required to be developed in accordance with the

City's Residential Design Guidelines, the Urban Design Element and Chapter 35 of the City's Administrative Code are also conclusory and not supported by evidence. The Revision fails to explain the manner in which the referenced material could reduce the potential for land use conflicts, and the evidence in the record which SFLN cited in previous comments states that the Residential Design Guidelines had been modified to facilitate infill development.

Also because Alternative A was defined as subject to existing Area Plans, the evidence does not support the Revision's claim that Alternative A promotes increased growth more generally throughout the entire City than the 2009 Housing Element. VII-22. Also unexplained is the Revision's assertion that: "Alternative A could result in more developments built to the maximum building heights more generally citywide, potentially increasing the height and number of new developments that affect a scenic vista." VII-22. The 1990 Residence Element contained policies that strongly maintained neighborhood character and did not contain any policies that encouraged developments built to maximum building heights. The first policies that proposed maximization of density were proposed in the 2004 Housing Element, and the Court enjoined the City from implementing such amendments until the City fully complied with CEQA. See Ex. 5-Peremptory Writ of Mandate. The Revision admits that "Alternative A includes policies and guidelines for development that are intended to preserve neighborhood character and protect existing visual character." VII-22. The conclusion that such policies are similar to the 2009 Housing Element is not supported by the evidence, since 2009 Housing Element policies respect, rather than maintain, neighborhood character. As the Court of Appeal explained, the policies which allow more subjective interpretation afford less protection than those which maintain neighborhood character. The Revision's allegation that "Overall, the aesthetic impacts of Alternative A would increase slightly compared to the impacts of the 2009 Housing Element" are also not supported by the evidence. VII-22. The Revision's discussion of the impacts of alternative A is conclusory and internally contradictory.

Also misleading and unsupported by evidence is the Revision's assertion that residential development in the city would occur regardless of the policies contained in Alternative A of the proposed 2004 and 2009 Housing Elements. VII-22. The City is not legally required to adopt a general plan that calls for continued housing development. The Revision's reference to the lack of a substantial change in the workers-to-household ratio "that would occur between 2005 and 2025" erroneously measures impacts against projected future conditions rather than against existing conditions in the environment. VII-23. Further, the assertion that "because the Housing Element does not *cause* housing growth, no additional demand for housing would occur as a result of Alternative A" ignores the indirect effect of implementing the policies of Alternative A. VII-23-24.

Also because Alternative A is defined as subject to existing Area Plans, the evidence does not support the Revision's assertion that "Alternative A would promote increased housing on a broader, citywide scale to a greater extent because the policies of the 2009 Housing Element

promote housing at limited locations in the City.” VII-23. 90% of the housing growth is expected to occur in the Plan Areas, and there is no evidence that a significant amount of growth would occur throughout the City outside the Plan Areas.

B. The Conclusion that Total Development Potential Under the 2004 Housing Element Would Not Be Substantially Greater than Under the 1990 Residence Element Policies Because the 2004 Housing Element Does Not “Include” Any Changes to Allowable Land Uses Is Misleading and Contradicted by the Evidence.

The Revision states that:

“The 2004 Housing Element also promotes increased density by reducing or eliminating minimum density restrictions (Implementation Measure 1.3.1), eliminating density requirements (Implementation Measure 1.7.1, reducing parking requirements (Policy 11.7), (which can reduce the amount of space per parcel devoted to parking and increase the amount of space available for housing units); and support for secondary units (which could increase the number of second housing units in San Francisco (Policy 1.8) and flexible land use controls (Policy 11.6)...Together or individually, these housing policies could introduce higher density development in certain areas of the City. However, because the adoption of the 2004 Housing Element does not include any changes to allowable land uses or building heights and bulk - and new residential projects would continue to be constrained by these existing controls - total development potential under the 2004 Housing Element would not be substantially greater than that under the 1990 Residence Element policies. Rather, the 2004 Housing Element policies would support and encourage development concentrated in certain areas, rather than distributed throughout the City pursuant to the 1990 Residence Element policies.” VII-17.

The evidence in the record shows that the post-2004 Housing Element Area Plans were identified as Work Programs that would implement the 2004 Housing Element policies through rezoning various areas. Ex. C to Statement of Golick- 1 A 328. The 2004 Housing Element acknowledged that its “[n]ew policies strive to expand land capacity necessary to increase housing production, will direct new housing to appropriate locations, especially in areas well served by transit” and seek to achieve a “far greater” rate of new housing construction than was previously produced. Ex. C to Statement of Golick-1 A 82, 16, 283, 328. The Negative Declaration admitted that the 2004 policy changes were intended to provide the “policy basis” for the more specific planning efforts, such as adopting numerous area plans containing new zoning controls identified in 2004 Work Programs. 15 A 4185-86, 4199; 1 A 328. Thus, although the post-2004 Area Plans were not “included” in the resolution approving the 2004 Housing

Element, these Area Plans were the indirect result of adoption of the 2004 Housing Element, because they were the means by which the City would implement the 2004 Housing Element policies that were designed to increase the City's capacity for new housing units.

The evidence also shows that the post-2004 Area Plans greatly increased the development capacity of the plan areas. The new area plans adopted after the 2004 Housing Element, including Market/Octavia, Eastern Neighborhoods, Rincon Hill, and others "potentially increase housing capacity by over 55,000" units, and the "Planning Code amendments adopted with each new neighborhood plan also served to expand potential development capacity in each of these areas, using tools such as height increases, removal of maximum densities, removal of minimum required lot sizes and reduction or elimination of parking requirements. Ex. B to Statement of Golick-97 AR 53107-53108; 18 AR 9582-9583, 9586, 9564-9565, 9568, 9474, 9485, 9496, 9486. Capacity was significantly increased, as Better Neighborhoods and Eastern areas identified as 2004 Housing Element Work Programs had existing capacity for 8,628 new units before 2004 and would add 18,285-38,835 additional potential units with rezoning. Ex. C to Statement of Golick-2004 Housing Element Administrative Record-1 A 180.

The 1990 Residence Element did not mention rezoning in the areas that the 2004 Housing element identified as Work Programs for implementing the 2004 Housing Element. The 1990 Residence Element also did not contain any increased density-related development standards. Rather, as the Court of Appeal recognized, the 1990 Residence Element contained policies that emphasized preservation of existing neighborhood character. (Ex. —to Statement of Golick.)

As shown above, and as acknowledged in the FEIR, the 2004 Housing Element included numerous increased density-related development standards. Thus, the claim in the Revision that total development potential would not be substantially greater under the 2004 Housing Element than under the 1990 Residence Element because the 2004 Housing Element did not "include" changes to allowable land uses, ignores the indirect effects of implementing 2004 Housing Element policies and is contradicted by the evidence set forth above as to the 2004 Housing Element's inducement of the post-2004 Area Plans. No similar Area Plans or rezonings were promulgated under the 1990 Residence Element.

Moreover, the stated purpose of the 2004 Housing Element to implement new policies that strive to expand land capacity, contradicts the Revision's allegation that total development potential would not be increased under the 2004 Housing Element. The Revision's statement that "Together or individually, these housing policies could introduce higher density development in certain areas of the City" also contradicts this claim. The EIR also failed to measure the potential impacts of adopting the 2004 Housing Element on existing conditions in the existing environment. The EIR's use of existing plans as the erroneous baseline against which potential impacts would be measured ignores the indirect effect of carrying out the 2004 Housing Element policies in area plans and erroneously treats the post-2004 area plans as

unconnected with the 2004 Housing Element.

The Area Plans are not unconnected with the Housing Element policies since the Area Plans must be consistent with the policies set forth in the general plan. The General Plan is the long-term plan for the physical development of the City, is “atop the hierarchy of local government law regulating land use,” and “embodies an agency’s fundamental policy decisions to guide virtually all future growth and development.” *City of Redlands v. County of San Bernardino* (2002) 96 Cal.App.4th 398, 409. Under Planning Code section 101.1(c)-(e), all zoning and project approvals must be consistent with the provisions of the General Plan. Section 4.105 of the San Francisco Charter requires the preparation of “special area, neighborhood and other plans designed to carry out the General Plan.”

Moreover, the City has been enjoined from implementing the 2004 Housing Element policies calling for use of increased density-related standards in the Peremptory Writ of Mandate issued in relation to the 2004 Housing Element amendments. Ex. 5.

C. The Conclusion that the 2009 Housing Element Does Not Promote Increased Residential Densities More So Than the 1990 Residence Element is Contradicted by the Evidence and Is Misleading.

The Revision concludes that “Citywide the 2009 Housing Element does not, overall, promote increased residential densities more so than the 1990 Residence Element policies.” VII-17. This allegation is false and contradicted by the evidence.

2009 Housing Element Policy 1.4 is to “Ensure community based planning processes are used to generate changes to land use controls,” and the policy text states that “Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate.” (Ex. B to Statement of Golick-AR 53139-2009 Housing Element Part 2 p. 9)

The EIR admits that the “2009 Housing Element generally promotes increased density through community planning processes (Policies 1.4, 1.6, and Implementation Measures 13 and 79) and for affordable housing (Policy 7.5 and Implementation Measures 36 and 64). The 2009 Housing Element also includes a strategy designed to reduce the amount of space required for non-housing functions (Implementation Measure 12).” Ex. B- 2 AR 769- Final EIR p. V.L-36. The Final EIR further explains: “While implementation of the proposed Housing Elements would not directly affect existing Area Plans or Redevelopment Plans, it would encourage new Area Plans with similar planning -related strategies that may be designed to accommodate growth.” Ex. B-1 AR 257; Final EIR p. V.B.-28.

The 2009 Housing Element estimates that the total estimated new housing construction potential in the “Adopted Plans & Projects” of Balboa Park Area Plan, Market/Octavia Area Plan, Central Waterfront Area Plan, Mission Area Plan, East SOMA Area Plan, Showplace Square/Potrero Hill Area Plan, Rincon Hill Area Plan, Visitacion Valley Area Redevelopment Plan, Transbay Redevelopment Plan, Mission Bay Redevelopment Plan and Hunters Point Shipyard/Candlestick Point is 39,500 housing units. (Ex. B to Statement of Golick-AR 53139-2009 Housing Element Part 2 p. 9)

The Final EIR states that the City “has recently updated zoning controls for the following neighborhoods: Market/Octavia, Mission, East SoMa, Showplace Square/Potrero Hill, Central Waterfront, and Balboa Park. These planning efforts have developed updated zoning, heights, bulks, and densities in balance with infrastructure. A number of other planning efforts are currently underway including, but not limited to the Transit Center District Plan, Treasure Island, and West SoMa, which could result in increased residential development potential in those areas. Under existing zoning capacity, these planning areas could accommodate 3,669 net new housing units, representing approximately six percent of the total citywide existing capacity of 60,995 units as described previously. The additional potential capacity with rezoning initiatives currently underway is approximately 28,844 units. (Ex. B to Statement of Golick- AR 169, p. IV-22 and Table IV-6). Table IV-6 in the Final EIR estimates that a total of 28,844 additional units could be added with rezoning in the Executive Park, Glen Park, Park Merced, Transit Center District, Western Soma, India Basin, Hunters Point Shipyard, Candlestick Park and Treasure Island neighborhoods, which were identified as areas subject to ongoing community planning processes (Ex. B to Statement of Golick-AR 169, Final EIR IV-22; see also AR 9499-2009 Housing Element, Part I, p. 95)

Thus, key policies 1.4 and 1.6 of the 2009 Housing Element use community planning processes to promote increased density, even though capacity for 39,500 additional housing units had already been added through rezoning in area plans adopted before the 2009 Housing Element. Thus, the principal strategy of the 2009 Housing Element to use community planning processes as a vehicle to facilitate increased capacity and density disprove the conclusion that the 2009 Housing Element would not overall promote increased residential densities more so than the 1990 Residence Element. The Revision also contradicts the conclusion that the 2009 Housing Element would not overall promote increased residential densities more so than the 1990 Residence Element. The Revision states that the 2009 Housing Element included “density-promoting policies” which can be seen in “Table IV-8 Policies 1.4, 1.5, 1.6, 7.5, and 11.4.” VII-18. In fact, the “density-promoting policies” identified in Table IV-8 as 2009 Housing Element Policies with Potential for Adverse Physical Impacts have been enjoined in the Peremptory Writ of Mandate that the Superior Court issued as to the 2009 Housing Element. (See Exhibit 3 hereto.) Thus, other sections of the Revision contradict the conclusion that the 2009 Housing Element would not overall promote increased residential densities more so than the 1990 Residence Element.

The Revision claims that the 2004 Housing Element and the 2009 Housing Element should be considered alternatives to each other, but the EIR lacks the comparison of the impacts that would result from the 2004 Housing Element as compared with the impacts that would result from the 2009 Housing Element. Such a comparison of impacts of alternatives is required to constitute an evaluation of alternatives in an EIR. (VII-2) The EIR merely compares the alleged impacts of the 2009 Housing Element with the impacts of Alternatives A, B and C. (See VII-6, stating the alternatives analysis compares the impact of each alternative to the two project options, the 2004 Housing Element and the 2009 Housing Element.) The EIR also only compares the alleged impacts of the 2004 Housing Element with the impacts of Alternatives A, B and C.

In addition, the statement that the Housing Element does not “cause” population growth is ambiguous and misleading. VII-3. Since the Housing Element policies have to be carried out, they have indirect effects, but the revision fails to address the indirect effects of carrying out the Housing Element policies, as explained in the accompanying statement of City Planner David Golick, at pages 4-5.

D. The Revision’s Assertions the Alternative A Would Be Less Effective in Meeting Certain Project Objectives Are Not Supported by the Evidence.

Since Alternative A is defined as subject to the existing Area Plans, the evidence does not support the Revision’s premise that under Alternative A, housing development would continue as encouraged under the 1990 Residence Element. VII-44.

The evidence also does not support the assertion that Alternative A would be less effective at attaining the following project objectives than either the 2004 or 2009 Housing Element. VII-24. Since Alternative A is defined as subject to the existing Area Plans, which encouraged new housing development near transit, the evidence does not support the statement that Alternative A would less actively encourage residential development in areas served by transit than either the 2004 or 2009 Housing Element. VII-25. The evidence also does not support the conclusion that neither the 2004 or 2009 Housing Elements would demonstrably alter neighborhood character and that the 2009 Housing Element specifically emphasizes development in a manner that does not present conflicts with neighborhood character. The 1990 Residence Element contained policies that maintained neighborhood character, whereas the 2009 Housing Element contains policies that merely respect neighborhood character, and other policies implement increased density-related building standards. VII-45. The Revision fails to provide factual support for the conclusion that Alternative A does not promote the use of strategies for improving the affordability of new housing “to the same degree” as the 2004 or 2009 Housing element. VII-45. Since Alternative A was defined as subject to existing Area Plans, which encouraged new housing development near transit, the Revision lacks support for the conclusion that by not promoting increased density in transit corridors or reduced parking requirements,

Alternative A does not encourage a development pattern that maximizes sustainability on a local or regional level. VII-45.

Since the Revision defined Alternative A as subject to existing Area Plans and Redevelopment Plans, the evidence does not support the conclusion that the City would have a decreased ability to meet the RHNA if the 1990 Residence Element policies were in place. VII-24. Similarly, since the 1990 Residence Element had a raft of policies designed to protect historical resources, the evidence does not support the conclusion that there would be a greater risk to historical resources if Alternative A was adopted. VII-24. The Revision acknowledges that the City has well-established criteria and procedures to evaluate impacts to historic resources and that CEQA review procedures would also apply to such resources. VII-24. The 1990 Residence Element contained Policy 5-5 preserving historic buildings, Policy 3-1 that discouraged “demolition of sound housing,” and had incorporated preservation policies in major rezonings. 5 AR 2128, 2139, 2160, 2146, 2195-2196; 6 AR 2754-2755. Alternative A was based on the 1990 Residence Element, and under both Alternatives A and B, the City will continue to implement the Priority Policy “that landmark and historic buildings be preserved,” the City would assist in environmental review of buildings receiving federal assistance, and various surveys would be conducted to document resources, so implementations were substantially similar; the EIR does not identify any implementation measure that would provide greater protection in the 2004 Housing Element or 2009 Housing Element. 5 AR 2195-2196; 6 AR 2754-2755; 3 AR 1140.

E. The Evidence Does Not Support the Revision’s Conclusions as to the Effects of Alternative B.

After reviewing policies of the 2004 Housing Element that the Court struck in the Peremptory Writ, the Revision asserts without substantiation that the themes of Alternative B focus on increasing housing supply through higher density, encouraging family-sized housing, and reducing parking requirements to make more space available for housing units. VII-49. The Revision fails to cite any remaining unenjoined policy of Alternative B that supports such development. The Peremptory Writ enjoined policies of Alternative B that reduced or eliminated parking requirements, encouraged maximization of density and encouraged family-sized housing. Ex. 5. The Revision also fails to explain or substantiate the assertion that the 2009 Housing Element contains a number of implementation measures to promote increased density that are not included in Alternative B and that Alternative B would result in smaller/less dense projects “overall.” VII-49.

Since Alternative B was defined as subject to existing Area Plans and Redevelopment Plans, the evidence does not support the claim in the Revision that under Alternative A, areas for future housing development would occur primarily as infill on individual parcels as most future housing development would take place in established neighborhoods. VII-49.

The Revision fails to explain the assertion that due to the elimination of certain policies which the Court struck from Alternative B, “the resulting changes would be more likely to affect the density of housing (i.e. the number of units) within new buildings more than the number of buildings constructed,” and, as such, the potential for land use conflicts from new housing that affect neighborhood character would not substantially differ under Alternative B compared to the 2004 Housing Element. VII-50.

The Revision also does not specify the policies that would support, or provide factual support for, the assertion that Alternative B would encourage housing integrated into all new commercial or institutional projects, near major transit lines, and through community planning efforts. VII-50.

Since Alternative B was defined as subject to existing Area Plans and Redevelopment Plans, the evidence fails to support the claim in the Revision that incrementally smaller residential buildings might be constructed under Alternative A, resulting in incrementally fewer potential impacts to scenic vistas than the 2004 or 2009 Housing Elements. VII-50. There is no evidence that a significant number of new residential buildings would be constructed outside the plan areas.

Also misleading and unsupported by evidence is the Revision’s assertion that similar to the 2004 and 2009 Housing Elements, San Francisco’s population and development to meet that population would occur regardless of the housing development policies included in Alternative B. VII-51. The City is not legally required to adopt a general plan that calls for continued housing development. Also unsubstantiated is the Revision’s assertion that the policies under Alternative B would not cause a substantial change in the workers-to-household ratio that would occur between 2005 and 2025, as compared to the 2004 and 2009 Housing Elements. VII-51. This statement also erroneously measures impacts against projected future conditions rather than against existing conditions in the environment. VII-51.

With respect to Alternative B, the Revision does not contain factual support for the statement that: “Impacts created by increases in population and housing would be the same as under the 2004 Housing Element.” VII-51. Also unsupported by facts is the assertion that “because the Housing Element does not *cause* housing growth, no additional demand for housing would result from implementation of Alternative B.” VII-51-52

Since Alternative B was defined as subject to existing Area Plans and Redevelopment Plans, the evidence does not support the assertions that housing density would be less under Alternative B than under the 2009 Housing Element and that Alternative B would not induce additional demand for housing. VII-52. Such plans implemented increased density-related building standards and encouraged new housing near transit lines. The Revision fails to disclose the zoning changes and building standards that were implemented in the post-2004 Area Plans

and Redevelopment Plans.

With respect to attainment of project objectives, the Revision does not provide factual support for the claim that Alternative B focuses on infill and mixed-use development directed toward specific areas, affordable housing, and utilization of City-owned vacant or underused sites; encourages increased housing in neighborhood commercial districts; and would direct housing to areas in transition with existing or planned infrastructure, as well as capacity and opportunity for new housing development. VII-79-80. 2004 Housing Element policies that encouraged increased housing production in neighborhood commercial areas were stricken by the Court. The evidence also does not support the claim that Alternative B contains several policies designed to ensure that new housing maintains existing neighborhood character, and the Revision does not identify any such policies. VII-80. As explained by the Court of Appeal, the 2004 Housing Element contained policies that merely respected, rather than maintained, neighborhood character.

The Revision also does not explain why a lack of emphasis on increased density and reduced parking requirements would not be as effective as either the 2004 or 2009 Housing Element at concentrating new housing along transit corridors. VII-80. Increased density strategies and reduced parking requirements do not concentrate density in any particular location.

The evidence does not support the allegation that “development under Alternative B would not be expected to meet the income categories in the City’s RHNA as well as the 2004 or 2009 Housing Element,” and the Revision fails to explain the basis for this assertion. VII-80. The evidence shows that the new area plans approved after the 2004 Housing Element, including Market/Octavia, Eastern Neighborhoods, Rincon Hill, and others “potentially increase housing capacity by over 55,000” units, and the “Planning Code amendments adopted with each new neighborhood plan also served to expand potential development capacity in each of these areas, using tools such as height increases, removal of maximum densities, removal of minimum required lot sizes and reduction or elimination of parking requirements. Ex. B to Statement of Golick-97 AR 53107-53108; 18 AR 9582-9583, 9586, 9564-9565, 9568, 9474, 9485, 9496, 9486. Since Alternative B was defined as subject to existing Area Plans and Redevelopment Plans, the increased-density and reduced parking strategies implemented in those plans would be equally effective at achieving affordability as the 2004 or 2009 Housing Elements. Since 90% of new housing development is expected in the plan areas, there is no evidence that a significantly greater amount of affordable housing would be produced under the 2004 or 2009 Housing Element, as compared with Alternative B.

F. The Evidence Does Not Support the Revision’s Conclusions as to the Environmentally Superior Alternative or as to Effects of Alternative A.

The evidence does not support the conclusion that Alternative A would result in a

potentially significant impact to historic resources. VII-106. The 1990 Residence Element contained Policy 5-5 preserving historic buildings, Policy 3-1 that discouraged “demolition of sound housing,” and had incorporated preservation policies in major rezonings. 5 AR 2128, 2139, 2160, 2146, 2195-2196; 6 AR 2754-2755. Alternative A was based on the 1990 Residence Element, and under both Alternatives A and B, the City will continue to implement the Priority Policy “that landmark and historic buildings be preserved,” the City would assist in environmental review of buildings receiving federal assistance, and various surveys would be conducted to document resources, so implementations were substantially similar; the EIR does not identify any implementation measure that would provide greater protection in the 2004 Housing Element or 2009 Housing Element. 5 AR 2195-2196; 6 AR 2754-2755; 3 AR 1140. New CEQA requirements would also apply to any alternative adopted.

Thus, evidence does not support the Revision’s conclusion that Alternative A does not contain policies that identify and protect historical resources to the same degree as either the 2004 or 2009 Housing Element and that Alternative A could result in an “incremental increase” in historic resource impacts. VII-25. The Revision does not even discuss the policies of the 1990 Residence Element that protected historical resources, including those that provided for various surveys to be conducted. The Revision also admits that the 2004 and 2009 Housing Elements and Alternative A “would protect landmark buildings and other historical resources to a similar degree.” VII-25. Also, 1990 Residence Element Policy 3-1 discouraged “demolition of sound housing,” so the evidence does not support the Argument that Alternative A had an absence of policies that would prevent projects that could cause a substantial change to a historical resource or that there is greater potential for such resources to be indirectly affected by incompatible development. VII-25-26. Thus, substantial evidence does not support the conclusion that Alternative A could result in greater impacts on historic resources than the 2004 and 2009 Housing Elements. VII-25.

G. The Evidence Does Not Support the Revision’s Conclusions as to the Effects of the Alternatives on Transportation and Demand for Water.

Since Alternative A was defined as subject to existing Area Plans and Redevelopment Plans, the evidence does not support the conclusion that under Alternative A “less future housing growth would occur in proximity to these job cores, services and/or along transit lines.” VII-26. As explained above, the Area Plans and Redevelopment Plans direct new residential development to such areas and there is no evidence that a substantial amount of new housing will be produced outside such areas. For the same reason and because Alternative A does not “promote increased density as aggressively as: the 2004 or 2009 Housing Elements,” the evidence does not support the conclusion that Alternative A can be expected to result in an overall increase in citywide vehicle trips as compared with the 2004 and 2009 Housing Element. VII-26-28.

Based on the evidence discussed above, substantial evidence also does not support the Revision's conclusion that because Alternative A promotes increased density more generally throughout the City than the 2009 Housing Element, but less so than the 2004 Housing Element, Alternative A policies would result in more multi-family housing units compared to the 2009 Housing Element, but less than the 2004 Housing Element. VII-36. Alternative A policies do not employ increased density-related building standards, as do policies of the 2004 and 2009 Housing Elements.

The evidence does not support the Revision's claim that Alternative B contains policies that would direct growth to certain areas of the City. VII-61. The Revision and the FEIR identified policies that would direct growth to certain areas as "Implementation Measures 1.3.2, 1.6.1, 2.6.4, 1.8.1, 1.9.2, 2.4.2, 8.6.1 and 11.4.2." VII-61; 3 AR 1148-1149. The FEIR shows that Implementation 1.3.2 merely refers to introducing unspecified zoning changes in the Eastern neighborhoods; however, the 2004 Work Program shows that enjoined policies 1.1, 1.2, 1.3, 1.6, 1.7 and 4.4 were proposed to provide a policy basis for the Eastern Neighborhoods rezonings, and Implementation 1.1 calling for "higher density, mixed-use residential development in transit-rich areas" was also enjoined in the Peremptory Writ, so there is no evidence of any remaining policies that would support increased-density rezoning of these areas. 3 AR 1142; 1 A 328.

The Amendment to Writ enjoined use of "floor-to-area ratio exemptions" in Downtown areas and areas subject to a Better Neighborhoods process under Implementation 1.3, but the Revision and EIR erroneously claim that the City can implement such measures in the Downtown under Implementation Measure 1.6.1. Ex. 5 hereto-Peremptory Writ and Amendment to Peremptory Writ; 3 AR 1142. Implementation 2.4.2 refers to the "citywide action plan" which the Peremptory Writ enjoined in Implementation 1.1. Ex. 5; 3 AR 1144. Implementation Measure 8.6.1 deals with housing to meet the needs of specific groups such as families, but Policy 1.7 encouraging new family housing was enjoined, and language calling for reduction in parking and higher density, mixed-use development in transit rich areas was enjoined under new language in Policy 1.1 and Implementation 1.1. Ex. 5; 3 AR 1144. Implementation 1.6.4 refers to updating the Land Use Element to define areas for mixed-use development focused along transit corridors; however, the 2004 Work Program shows that enjoined policies 1.1, 1.2, 1.3, 1.6, 1.8, 11.1, 11.6, 11.8 and 11.9 were needed to provide the policy basis for this update to the Land Use Element, and the Writ enjoined higher density, mixed-use residential development in transit-rich areas under Implementation 1.1. Ex. 5; 3 AR 1143. Implementation 1.8.1 pertains to legislation as to secondary units that the Board did not adopt, and Implementation 1.9.2 pertains to institutional master plans and Implementation 11.4.2 to housing for workers and students of institutions. 3 AR 1143. Similarly, the EIR erroneously claims that Alternative B may implement Policy 4.4 to consider granting "parking requirement exemptions for the construction of affordable or senior housing," but such policy language was specifically enjoined in the Amendment to Peremptory Writ. Ex. 5; 3 AR 1146. For these reasons, the record does not support the Revision's unsubstantiated claim that Alternative B includes policies that would

direct growth to certain areas of the City or that advocate for zoning changes in many areas of the City that have undergone area planning processes. VII-61.

Also, the conclusion that Alternative B could potentially encourage increased transit ridership, potentially above Muni's capacity utilization standard of 85 percent, is based on the unsubstantiated conclusion that under Alternative B, "it is possible" that encouraging housing in mixed use districts and in industrial and commercial districts where housing is located in proximity to transit could potentially shift "some trips" to transit. VII-61. The Revision provides no support for this conclusion and lacks any evidence that the number of trips potentially shifted to transit would be significant. Further, the Revision contradicts this conclusion by acknowledging that "Alternative B does not include policies that pertain to directing new development to transit-rich areas of the City, neighborhood commercial districts, Downtown and mixed-use areas." VII-61. Such policies contained in the 2004 Housing Element were enjoined in the Peremptory Writ. Thus, there is no evidentiary support for the conclusion that Alternative B contains policies that encourage a mode shift to transit and that Alternative B may result in a potentially significant impact on the City's transit system. VII-63. For the same reasons, there is no evidentiary support for the conclusions that the 2004 Housing Element would generally result in more beneficial impacts to the City transportation network than Alternative B, and Alternative B would have generally similar impacts to the transportation network as the 2009 Housing Element policies. VII-62. Further, since the 2004 Housing Element policies that provide for increased density-related building standards were enjoined in the Peremptory Writ, and Alternative B was defined as subject to existing Area Plans which encourage new housing development near transit, there is no evidence to support the conclusion that Alternative B can be expected to result in an overall increase in citywide vehicle trips as compared to the 2004 and 2009 Housing Elements do, through the inclusion of either policies encouraging increased density or reduced parking strategies. VII-62

Substantial evidence also does not support the Revision's claim the Alternative B includes Policies 2.2 and 2.3 from the 2004 Housing Element that could increase residential density more generally throughout the City, as compared to the 2009 Housing Element. VII-62. 2004 Housing Element Policy 2.2 controls the merger of residential units to retain existing housing and Policy 2.3 restricts the conversion of rental housing to other forms of tenure or occupancy. 1 A 227-228. Thus, neither such policy increases residential density.

Based on the evidence discussed above, since Alternative B was defined as subject to existing Area Plans, the evidence does not support the conclusion that impacts to water supply from Alternative B would be similar, but incrementally smaller than the 2004 and 2009 Housing Elements. VII-70.

The evidence also does not support the conclusion that Alternative B could result in residential development that includes inappropriate alterations or additions to existing housing,

or new construction that detracts from the historical or cultural significance of an existing building or area. VII-52. The evidence also does not support the conclusion that due to the differing policies contained in the 2004 and 2009 Housing Elements, potential impacts (specifically from demolition of non-landmark historic buildings and resources) could be incrementally greater under Alternative B than under the 2004 or 2009 Housing Element, which would be a potentially significant impact. VII-52. Policies that reduced protection for existing neighborhood character were struck from Alternative B by the Court but are contained in the 2004 and 2009 Housing Elements. In addition, the conclusion that the impact would be potentially significant was based on a misstatement of Implementation Measure 11.1.3 from the 2004 Housing Element, which actually states that the Planning Department should encourage “adaptive reuse of older buildings to enhance neighborhood vibrancy.” This Implementation measure fell under enjoined Policy 11.1, to use new housing development as a means to enhance neighborhood vitality and diversity, which was explained in policy text to encourage mixed-use infill housing with minimum density requirements and maximum parking requirements in areas well served by transit and neighborhood retail. 1 A 276-277. That policy and its implementation measures employed increased density-related building standards. Also, the Revision acknowledges that development under Alternative B would be subject to the city’s well-established review criteria and procedures to evaluate impacts to historic resources at the project level and would also be subject to environmental review under CEQA. VII-52.

H. The Revision’s Elimination of the Bayview Waterfront Alternative From Further Analysis Is Conclusory and Not Supported by Facts.

The Revision states that the Bayview Waterfront Alternative is now known as the Candlestick Point/Hunters Point Shipyard Project and that this project underwent environmental review before the EIR for the 2004 and 2009 Housing Elements was completed. VII-109. The Revision claims that the Housing Element EIR assumed the development of this project as “a reasonably foreseeable project.” VII-109. Therefore, this project is clearly a feasible project which is capable of being successfully implemented. The assertion in the Revision that it was assumed that this project was already within the range of the DEIR analysis and would not provide useful new information evades the controlling legal standard that a feasible alternative must be implemented if it would substantially reduce or eliminate a substantial impact on the environment of the project proposed for adoption.

Given the excess housing production projected for the 2001-2014 planning period, and the great increases in capacity for additional provided in Area Plans approved after the 2004 Housing Element was adopted, an alternative that directed growth to this area but not to other areas to which growth was proposed to be directed, such as Treasure Island, Japantown, Executive Park, Glen Park, Park Merced, Transit Center District, West SOMA, which the 2009 Housing Element projected could accommodate 18,200 additional housing units, would reduce the impact on transit by limiting the areas to which transit would have to be enhanced. The

reduction of the transit impact is explained in the accompanying and previous statements of City Planner David Golick. (See accompanying Statement of City Planner David Golick and Ex. B to Statement of Golick-AR 53139). The alternative of directing growth to the Candlestick Point/Hunters Point Shipyard Project but not to other new plan areas would certainly be feasible given the projected excess housing production for the 2007-2014 planning period and the amount of increased housing capacity already added as a result of Area Plans approved after the 2004 Housing Element. The Revision has not demonstrated that this alternative would be infeasible.

The evidence also does not support the new claim in the Revision that this alternative “includes the 1990 Residence Element Objectives, Goals and Policies, and assumes the zoning in place at the time the 2009 Notice of Preparation for this EIR was issued.” VII-106, 109. The 2009 Housing Element identifies the Candlestick Point and Hunters Point Shipyard areas as areas where planning efforts were “underway” and details “the estimated additional potential capacity with rezoning” in Candlestick Point as 7,500 units and projects that the capacity of Hunters Point could be increased from 1,500 units to 4,000 units with potential rezoning. Ex. B to Statement of Golick-AR 53120. The 2009 Housing Element also states that the planning efforts underway in the listed areas “will result in increased residential development potential.” *Id.*

Since the evidence shows that the Candlestick Point/Hunters Point Shipyard Project was to be rezoned to increase its capacity for additional housing units, the evidence does not support the claim in the Revision that this alternative included the 1990 Residence Element Objectives, Goals and Policies, because those policies did not call for rezoning of areas to increase their capacity for additional housing units.

I. The Revision’s Elimination of the Focused Development Alternative From Further Analysis Is Conclusory and Not Supported by Facts.

The Revision explains that the Focused Development Alternative “would comprise existing zoning at the time of NOP issuance and rezoning connected to area plans in progress at that time.” VII-109. Thus, this Alternative would include the increased capacity provided in Area Plans adopted after the 2004 Housing Element. The new area plans approved after the 2004 Housing Element, including Market/Octavia, Eastern Neighborhoods, Rincon Hill, and others “potentially increase housing capacity by over 55,000” units, and the “Planning Code amendments adopted with each new neighborhood plan also served to expand potential development capacity in each of these areas, using tools such as height increases, removal of maximum densities, removal of minimum required lot sizes and reduction or elimination of parking requirements. Ex. B to Statement of Golick-97 AR 53107-53108; 18 AR 9582-9583, 9586, 9564-9565, 9568, 9474, 9485, 9496, 9486. It would also include all ongoing area planning efforts. VII-109.

Since the Area Plans approved after the 2004 Housing Element implemented strategies that encourage production of affordable housing, such as height increases, removal of maximum densities, removal of minimum required lot sizes and reduction or elimination of parking requirements, the evidence does not support the claim in the Revision that the alternative would compromise the City's ability to achieve the affordability goals of the RHNA or that this alternative would "severely restrict" the amount of land available for housing. VII-109. Substantial parts of the City are subject to the new Area Plans.

Moreover, the Revision clearly states that the Alternative would be comprised of the existing zoning at the time the NOP was issued plus rezoning connected to area plans in progress at that time. VII-109. It also states that the City's existing zoning allows for residential development outside of area plans. VII-109. Thus, the alternative did not call for rezoning or downzoning of areas outside of area plans. The conclusory allegation elsewhere that the Alternative would also include policies which "allowed" little or no growth to occur outside of these areas was unexplained and contrary to the definition of the alternative as utilizing existing zoning for areas outside of plan areas. The allegation that this Alternative would require downzoning or other limitations on development outside of area plans is clearly contrary to the definition of this Alternative as utilizing existing zoning for areas outside of plan areas.

Similarly, the conclusion that this Alternative would conflict with other General Plan policies encouraging sustainable development and equitable development citywide was erroneously based on the premise that this Alternative would necessarily involve curtailing development in substantial portions of the City. The Alternative would only involve refraining from rezoning further areas of the City outside of the Plan Areas and limiting new area plan rezonings to those underway.

There is no evidence that this Alternative would conflict with other General Plan policies supporting public transportation or promotion of mixed commercial and residential character in neighborhood commercial districts, or striking a balance between preservation of existing housing and needed expansion of commercial activity. Thus, the evidence and the discussion of this Alternative do not support the Revision's determination that this Alternative would be infeasible. There is no evidence that refraining from rezoning further areas outside of the plan areas already approved or underway would substantially impede accommodation of the RHNA or achievement of any other objectives of the 2009 Housing Element. The projected excess housing development for the 2007-2014 planning period and substantial areas subject to area plans amply supports achievement of the objectives of the 2009 Housing Element.

J. The Revision's Elimination of the Reduced Land Use Allocation Alternative From Further Analysis Is Conclusory and Not Supported by Facts.

The Revision states that under the Reduced land Use Allocation Alternative, “less growth would be assumed Citywide” but does not disclose the amount of growth that would be assumed. The Revision states that this Alternative would include the 2004 Housing Element Objectives, Goals, Policies and Implementation Measures “but assumes a lower total number of new housing units over the planning period 2005-2025.” VII-110. The Revision did not disclose the lower total number of new housing units assumed. The Revised DEIR states that two primary objectives of the proposed Housing Elements are to provide “a vision for the City’s housing and growth management through 2014” and to ensure “capacity for the development of new housing to meet the RHNA at all income levels.” (VII-3-4) Since the reduced land use allocation would apply to the planning period 2005-2025, there is no evidence that a reduced land use allocation alternative would be infeasible for the planning period 2007-2014, especially in view of the projected production of 25,000 new housing units in excess of the RHNA and the anticipated increased capacity in further area planning efforts. The EIR states that the pipeline units anticipated to be developed total 25,000 more than the 31,193 units sought by the Regional Housing Needs Allocation for the 2007-2014 planning period and further rezoning and area planning processes would allow the additional capacity of 27,844 units. Exhibit B to Statement of Golick-1 AR 328.

Under the 2004 Housing Element, the City needed to build 2,717 new housing units per year to meet its share of the region’s projected housing demand, which amounted to a total of 20,374 new units for the planning period of January 1999 through June 2006. 1 A 145, 207. The 2009 Housing Element states that the City had successfully advocated for “changes that direct more transportation money to jurisdictions, like San Francisco, that take on greater housing growth as part of the 2007-2014” RHNA Process. Ex. B to Statement of Golick-18 AR 9595, 9581. Thus, San Francisco did not have to accept the 31,193 units sought by the Regional Housing Needs Allocation for the 2007-2014 planning period. Exhibit B to Statement of Golick-1 AR 328. In view of this reality, the claim in the Revision that this Alternative might not accommodate projected growth fails to take into account the reality that San Francisco officially played a role in agreeing to the amount of growth that is allocated to jurisdictions during the 2007-2014 RHNA process. Under this Alternative, San Francisco should not accept additional units during the RHNA allocation process in order to secure more transportation money and should pursue a more measured type of growth that recognizes the constraints presented by the limited area in the City. Clearly, a reduced land use allocation similar to the RHNA sought by the 2004 Housing Element would be feasible because it would be capable of being accomplished, and there is no requirement that new housing units actually be produced in the amounts sought by the RHNA. To comply with State Housing Element law, a jurisdiction must only demonstrate that it has capacity to accommodate the amount of housing allocated to it in the RHNA.

The Revision’s configuration of this alternative as applying to the 2005-2025 planning period is unreasonable and as applied to the 2009 Housing Element, a reduced land use alternative would be a feasible alternative.

K. Other Assertions Are Not Supported by the Evidence.

In general, the EIR continually repeats that it does not directly cause housing production. However, the 2009 Housing Element acknowledges that its aim is to increase the supply of housing. Since its aim is to increase the supply of housing, the 2009 Housing Element certainly accommodates increased housing production through implementation of its principal strategy of ensuring that community based planning processes are used to generate changes to land use controls. (Policies 1.4 and 1.2) As explained by the Legislative Analyst, the increased density-related building standards that the 2009 Housing Element supports are known to increase housing production, and therefore indirectly induce population growth. Ex. C-1 A 2936-2945. It is recognized in the planning community that “If you build them, they will come,” which means that if additional housing is built in the City, it will attract additional residents. If additional housing is not built in the City, the potential additional residents will go elsewhere or not move from their present locations. Statement of Golick.

While the Revision claims that the Housing Elements also emphasize the use of the existing housing stock to meet San Francisco’s affordable goals, the alleged support for this claim refers primarily to providing direction for how and where new housing development in the City should occur and only mentions preserving and upgrading existing housing units to ensure they do not become dilapidated, abandoned, or unsound. VII-3. No explanation is given as to how the Housing Elements propose to use existing housing stock to meet San Francisco’s affordable goals.

The Revision also claims that an EIR may consider and analyze one or more alternatives at an equal level of detail, or may identify a preferred project, and include an analysis of alternatives at a lesser level of detail. VII-5. The Revisions claims that it incorporates both approaches, but fails to identify a preferred project, so clearly does not follow the latter approach and is not entitled to analyze alternatives at a lesser level of detail. The Revision identifies the 2004 Housing Element and the 2009 Housing Element as “the two project options.” VII-6. This claim is also contrary to law, because the Superior Court held that EIR’s analysis of alternatives was legally inadequate and unsupported by facts. Thus, factual support that amounts to substantial evidence would be required to overcome the Court Order setting aside the City’s certification of the defective Final EIR.

L. The City’s Notice of Availability of the Revised Draft EIR is Deficient.

The City must correct its December 18, 2013 Notice of Availability of an EIR and recirculate the revision with a corrected notice for 45 days. The Notice erroneously states that comments “should be limited to the recirculated sections of the EIR” and that “the agency need only respond to comments to the parts of the EIR that are being recirculated.” However, the revised alternatives section incorporates by reference numerous discussions of the impact

Environmental Review Officer
February 18, 2014
Page 23

analyses, and on January 15, 2014 the Superior Court clarified that comments may be made as to these referenced other sections insofar as they pertain to the alternatives. The public had inadequate notice that it had to review these other referenced sections which amount to hundreds of pages insofar as they amount to alternatives due to the City's inadequate notice.

Conclusion

The revised discussion of alternatives presented in the Revised Draft EIR is conclusory and not supported by facts or substantial evidence in the Administrative Record. The City has not cured the deficiencies cited by the Court in its Order finding the EIR's discussion of alternatives inadequate. In addition, since the 2004 and 2009 Housing Elements would have a significant impact on transit, the City must adopt a feasible alternative that would reduce or mitigate this impact.

Very truly yours,

A handwritten signature in black ink, reading "Kathryn R. Devincenzi". The signature is written in a cursive, flowing style.

Kathryn R. Devincenzi

Attachments: Exhibits 1 through 5

EXHIBIT 1

**STATEMENT OF CITY PLANNER DAVID GOLICK
AS TO DRAFT EIR, SAN FRANCISCO 2004 AND 2009 HOUSING ELEMENT,
REVISED ALTERNATIVES ANALYSIS**

I have been a professional city planner for over forty years and have practiced in the Bay Area for over forty years. During that time, I served as Chief of Planning for the City of Concord, the largest city in Contra Costa County, for ten years. During my career, I have either prepared or reviewed approximately 1,000 initial studies and environmental impact reports. I have become familiar with and have a deep working knowledge of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. I have coached subordinate employees regarding CEQA requirements and have addressed CEQA issues at conferences of the American Planning Association. The City of San Francisco retained me to participate in oral board examinations of candidates for planning positions, such as the position of Planner III, Environmental Review. As Chief of Planning for the City of Concord, my duties included overseeing the activities of the planning department staff in updating the housing element of Concord's general plan as periodically required by the State of California Department of Housing and Community Development. A copy of my resume is attached hereto as Exhibit A.

In this statement, I will discuss feasible alternatives to the proposed 2009 Housing Element.

**FEASIBLE ALTERNATIVES ARE AVAILABLE SINCE THE 2009 HOUSING
ELEMENT WOULD PRODUCE FAR MORE NEW HOUSING UNITS THAN
NEEDED TO ACCOMMODATE THE RHNA FOR THE 2007-2014 PLANNING
PERIOD.**

Introduction and Factual Background

The EIR states that the pipeline units anticipated to be developed total 25,000 more than the 31,193 units sought by the Regional Housing Needs Allocation for the 2007-2014 planning period and further rezoning and area planning processes would allow the additional capacity of 27,844 units. Exhibit B-1 AR 328. In 2007 and 2008, 5,830 new housing units were produced and as of 1009, 56,435 additional units were in the development pipeline. Exhibit B-1 AR 170; 18 AR 9430. Production trends show that 75-80% of pipeline units are completed within 5-7 years, so 42,326 additional new units could be expected. *Id.*

The EIR also admits that "the total number of units identified in the RHNA can be accommodated under the existing zoning capacity and/or through development currently in the City's pipeline." Exhibit B-Final EIR p. VIII-207. Thus, there is no need for rezoning to accommodate the RHNA.

The revised DEIR states that the "2004 and 2009 Housing Element do not include any changes to the land use objectives and policies in the City's Area Plans or Redevelopment Plans. (VII-2) The revised DEIR states that similar to new housing development under the 2009

Housing Element “development under Alternative B would not substantially conflict with the policies and land uses in current Area Plans and Redevelopment Plans.” (VII-50) The revised DEIR also states that similar to the 2004 Housing Element that “development under Alternative B would be subject to existing Area Plans and Redevelopment Plans and would serve to complement (and not conflict with) the policies and land uses in an Area Plan or Redevelopment Plan.” (VII-49)

Alternatives A and B and C would use the 2009 Data and Needs Analysis and the updated RHNA allocation of 31,193 for the January 2007 through June 2014 planning period. (Revised DEIR, p. VII-4-6, 19-20; Executive Summary p. 1; Final EIR IV-11) The revised DEIR states that “under all alternatives, it is assumed that the 2009-2014 RHNA and Part I (Data and Needs Analysis) of the 2009 Housing Element are in effect.” (VII-4) Both the 2004 and 2009 Housing Elements discussed in the EIR utilized the 2009 Housing Element Part I Data and Needs Analysis and sought to achieve the 2007-2014 RHNA. (Final EIR IV-13-14)

The 2009 Housing Element states that:

“In order to increase the supply and affordability of housing, the City has engaged in significant planning for housing through Area Plans (portions of the General Plan which focus on a particular part of the City), Redevelopment Plans (community revitalization plans authorized and organized under the provisions of the California Community Redevelopment law), and major development projects created in partnership with private sponsors. Adopted community plans include Balboa Park, Market and Octavia and the Central Waterfront neighborhoods; the Eastern Neighborhoods program including the Mission, South of Market, Showplace Square and Potrero Hill; Candlestick, and Hunters Point Shipyard; and several Redevelopment Area Plans, most recently Visitacion Valley/Schlage Lock.

Plans underway include Japantown, Glen Park, Western SoMa and Executive Park. Other major projects in development with the City include Treasure Island, Park Merced and the Transbay Transit Center. These ongoing community planning efforts should continue. These projects could result in a community accepted housing vision for the neighborhood, related zoning changes and neighborhood specific design guidelines that will encourage housing development in appropriate locations.

Together, these planning efforts could provide capacity for significantly more than the 31,000 units allocated for this planning period (2007-2014). ” Ex. B- AR 53137-53140.

The Final EIR states that the City “has recently updated zoning controls for the following neighborhoods: Market/Octavia, Mission, East SoMa, Showplace Square/Potrero Hill, Central Waterfront, and Balboa Park. These planning efforts have developed updated zoning, heights, bulks, and densities in balance with infrastructure. A number of other planning efforts are currently underway including, but not limited to the Transit Center District Plan, Treasure Island, and West SoMa, which could result in increased residential development potential in those areas. Under existing zoning capacity, these planning areas could accommodate 3,669 net new housing

units, representing approximately six percent of the total citywide existing capacity of 60,995 units as described previously. The additional potential capacity with rezoning initiatives currently underway is approximately 28,844 units (Ex. B- AR 169, p. IV-22 and Table IV-6). Should these rezoning initiatives be adopted and implemented, the City would be able to accommodate 89,829 net new housing units, which, if developed, would represent a 25 percent increase in the City's housing stock." (Ex. B- AR 169, Final EIR IV-22) Table IV-6 estimates that a total of 28,844 additional units could be added with rezoning in the Executive Park, Glen Park, Park Merced, Transit Center District, Western Soma, India Basin, Hunters Point Shipyard, Candlestick Park and Treasure Island neighborhoods, but states that the additional units that could be added with rezoning in Japantown are "To be Determined." (Ex. B-AR 169, Final EIR IV-22; see also AR 9499-2009 Housing Element, Part I, p. 95)

The 2009 Housing Element estimates that the total estimated new housing construction potential in the "Adopted Plans & Projects" of Balboa Park Area Plan, Market/Octavia Area Plan, Central Waterfront Area Plan, Mission Area Plan, East SOMA Area Plan, Showplace Square/Potrero Hill Area Plan, Rincon Hill Area Plan, Visitacion Valley Area Redevelopment Plan, Transbay Redevelopment Plan, Mission Bay Redevelopment Plan and Hunters Point Shipyard/Candlestick Point is 39,500 housing units. (Ex. B-AR 53139-2009 Housing Element Part 2 p. 9)

The EIR portrayed the "recently updated zoning controls" for the Market/Octavia, Mission, East SoMa, Showplace Square/Potrero Hill, Central Waterfront, and Balboa Park neighborhoods as providing the "existing zoning capacity" and claimed that the 2004 and 2009 "do not include any changes" to land use policies in the City's area or Redevelopment plans and that the "rezoning efforts will increase the existing capacity" in target neighborhoods." Ex. B-1 AR 169, 202, 161. The new area plans adopted after the 2004 Housing Element, including Market/Octavia, Eastern Neighborhoods, Rincon Hill, and others "potentially increase housing capacity by over 55,000" units, and the "Planning Code amendments adopted with each new neighborhood plan also served to expand potential development capacity in each of these areas, using tools such as height increases, removal of maximum densities, removal of minimum required lot sizes and reduction or elimination of parking requirements. Ex. B-97 AR 53107-53108; 18 AR 9582-9583, 9586, 9564-9565, 9568, 9474, 9485, 9496, 9486. Capacity was significantly increased, as Better Neighborhoods and Eastern areas identified as 2004 Housing Element Work Programs had existing capacity for 8,628 new units before 2004 and would add 18,285-38,835 additional potential units with rezoning. Ex. C-2004 Housing Element Administrative Record-1 A 180. The 2004 Housing Element acknowledged that its "[n]ew policies strive to expand land capacity necessary to increase housing production, will direct new housing to appropriate locations, especially in areas well served by transit" and seek to achieve a "far greater" rate of new housing construction than was previously produced. Ex. C-1 A 82, 16, 283, 328.

The Court of Appeal held that the "Housing Element identifies areas for potential development," and the Peremptory Writ enjoined policies calling for increased density development in areas well served by transit in 2004 Housing Element Policy 11.1 (minimum density requirements and maximum parking standards), modified Policy 11.6 (flexible land use

controls and increased residential densities), Policy 1.2 (increased housing densities and reduced residential parking requirements in neighborhood commercial districts), new language added to Policy 1.1 (modification of residential parking requirements), new implementation 1.1 (higher density, mixed-use residential development in transit-rich areas and reduced parking requirements in Downtown areas or through a Better Neighborhoods type planning process), language added to Implementation 1.3 (floor-to-area ratio exemptions in Downtown areas and areas subject to a Better Neighborhoods type planning process). Ex. D-Excerpts from Court of Appeal decision, p. 12 and Peremptory Writ of Mandate and Amendment to Peremptory Writ of Mandate.

2009 Housing Element Policy 1.4 is to “Ensure community based planning processes are used to generate changes to land use controls,” and the policy text states that “Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate.” (Ex. B-AR 53139-2009 Housing Element Part 2 p. 9)

The EIR admits that the “2009 Housing Element generally promotes increased density through community planning processes (Policies 1.4, 1.6, and Implementation Measures 13 and 79) and for affordable housing (Policy 7.5 and Implementation Measures 36 and 64). The 2009 Housing Element also includes a strategy designed to reduce the amount of space required for non-housing functions (Implementation Measure 12). Ex. B- 2 AR 769- Final EIR p. V.L-36. The Final EIR further explains: “While implementation of the proposed Housing Elements would not directly affect existing Area Plans or Redevelopment Plans, it would encourage new Area Plans with similar planning -related strategies that may be designed to accommodate growth.” Ex. B-1 AR 257; Final EIR p. V.B.-28.

For the prior 1999-2006 planning period, market rate housing was overproduced at the rate of 153% of the market rate production target, whereas only 13% of the moderate rate, 52% of the low income and 83% off the very low income targets were met. Ex. B- AR 53118 and 1 AR 323.

The 2009 Housing Element states that San Francisco’s fair share of the regional housing need for January 2007 through June 2014 was calculated as 31,190 units, which seeks to accommodate forecast household and employment growth “as well as allocating regional household and employment growth to jurisdictions with established or planned transit infrastructures.” Ex. B-18 AR 9445-2009 Housing Element Part I, p. I.41. However, the 2009 Housing Element and the EIR do not disclose the amount of the 2007-2014 RHNA goal that allocated regional household and employment growth to jurisdictions with established or planned transit infrastructures.

The Revised DEIR states that two primary objectives of the project are to provide “a vision for the City’s housing and growth management through 2014” and to ensure “capacity for the development of new housing to meet the RHNA at all income levels.” (VII-3-4)

In general, the EIR continually repeats that it does not directly cause housing production. However, the 2009 Housing Element acknowledges that its aim is to increase the supply of

housing. Since its aim is to increase the supply of housing, the 2009 Housing Element certainly accommodates increased housing production through implementation of its principal strategy of ensuring that community based planning processes are used to generate changes to land use controls. (Policies 1.4 and 1.2) As explained by the Legislative Analyst, the increased density-related building standards that the 2009 Housing Element supports are known to increase housing production, and therefore indirectly induce population growth. Ex. C-1 A 2936-2945. It is recognized in the planning community that “If you build them, they will come,” which means that if additional housing is built in the City, it will attract additional residents. If additional housing is not built in the City, the potential additional residents will go elsewhere or not move from their present locations.

1. THE NO JAPANTOWN AREA PLAN ALTERNATIVE IS FEASIBLE.

Japantown should be eliminated from the areas to which growth would be directed in Policy 1.2, since the total number of new housing units that the 2009 Housing Element estimates could be added with rezoning does not include any additional units to be constructed in Japantown. The chart that estimates the number of additional units that could be added with rezoning in various areas states that the amount of additional new housing that could be developed with rezoning in Japantown was “To be determined.” However, the 2009 Housing Element identified Japantown as an area where planning efforts “will result in increased residential development potential.” Ex. B-AR 9499-2009 Housing Element, Part I, p. I. 95. In view of the projected excess housing production during the 2007-2014 planning period, rezoning to increase capacity for housing production should not be pursued in Japantown.

It is feasible to eliminate Japantown as an area to which growth would be directed in Policy 1.2 since the EIR states that the pipeline units anticipated to be developed total 25,000 more than the 31,193 units sought by the Regional Housing Needs Allocation for the 2007-2014 planning period and further rezoning and area planning processes would allow the additional capacity of 27,844 units. Ex. B-1 AR 328. Directing growth to Japantown is clearly not needed to accommodate the RHNA for 2007-2014. The pipeline units anticipated to be developed exceed the 2007-2014 RHNA, and the anticipated new rezoning efforts are not needed to accommodate the RHNA for 2007-2014. With respect to the anticipated new rezoning efforts, the additional capacity of 27,844 units under rezoning proposals did not include any projected number of new units through rezoning in Japantown. Further, after Japantown residents protested the 2009 Draft Better Neighborhoods’ Plan for to rezone Japantown for increased heights, the City consulted the community and adopted the Japantown Cultural Heritage and Economic Sustainability Strategy (“JCHESS”). (See Ex. E-excerpt from JCHESS, p. 35) Thus, eliminating Japantown from the areas to which growth should be directed in Policy 1.2 would be consistent with the community’s vision that height limits should not be increased in Japantown. If the City believes that directing growth to Japantown is needed to achieve the RHNA for 2007-2014, the 2009 Housing Element needs to state the specific basis of this belief and the number of estimated new housing units which the City seeks to achieve in Japantown for the 2007-2014 planning period.

Eliminating Japantown from an area to which growth would be directed would reduce impacts on transit, land use and visual resources and neighborhood character. As stated in My March 24, 2011 statement, the City's lack of funds to enhance transit was the basis of the EIR's rating as a significant impact the 2009 Housing Element's impact on transit. Eliminating Japantown as an area to which bus service would have to be enhanced would mitigate this significant impact on transit. Ex. F-March 24, 2011 Statement of David Golick in administrative record, which is incorporated by reference herein, pertinent excerpts of which are attached at AR 22138-22261.

Moreover, the City is currently experiencing serious incapacity problems with Muni. The San Francisco Transportation Plan 2040 states that capacity needs are most acute in the Downtown, South of Market, Market/Octavia and Eastern Neighborhoods and that "Expected growth will significantly increase transit crowding and street congestion downtown." Ex. G. The Mayor's Transportation Task Force 2030 also shows that many Muni routes are at or over capacity in 2012 and that the City's transportation infrastructure is inadequate to meet current demand. Ex. H., pp. 21, 33. A recent article has also documented current Muni incapacity. (See Ex. I- January 29, 2013 San Francisco Examiner article, *With packed vehicles people opt for private cars, SFMTA says*. Thus, Muni's capacity problem from overcrowded buses is a current impact and not merely a significant impact projected to occur in the future.

2. THE NO UNLIMITED AREA PLAN OR UNLIMITED PLANNING PROCESSES ALTERNATIVE IS FEASIBLE.

Another feasible alternative is to eliminate unlimited area plans and community based planning processes from Policy 1.2 and limit new area plans and community based planning processes only to those areas identified in the 2009 Housing Element, except for Japantown.

The EIR states that the "2009 Housing Element generally promotes increased density through community planning processes (Policies 1.4, 1.6, and Implementation Measures 13 and 79) and for affordable housing (Policy 7.5 and Implementation Measures 36 and 64). The 2009 Housing Element also includes a strategy designed to reduce the amount of space required for non-housing functions (Implementation Measure 12). Ex. B-2 AR 769- Final EIR p. V.L-36. The Final EIR further explains: "While implementation of the proposed Housing Elements would not directly affect existing Area Plans or Redevelopment Plans, it would encourage new Area Plans with similar planning -related strategies that may be designed to accommodate growth." Ex. B-1 AR 257- Final EIR p. V.B.-28.

Also as part of this alternative, the process by which a new community based planning process is initiated should be revised to eliminate burying it in the budgetary process since Policy 1.4 provides that: "The process should be initiated by the Board of Supervisors, with the support of the District Supervisor, through their adoption of the Planning Department's or other overseeing agency's work program, and the scope of the process should be approved by the Planning Commission." Ex. B-AR 53140. The approval of budgetary support for a departmental work program is not an appropriate venue for initiation of a planning process. The public does

not expect initiation of a planning process in a budgetary process and Policy 1.4's language provides for a potentially deceptive initiation process that lacks transparency. As an adjunct to elimination of unlimited community based planning processes, Policy 1.4 should be revised to require that the process of initiating a new community based planning process should first be initiated only by a publicly noticed meeting of the Planning Commission that clearly discloses the intent to initiate a new community based planning process and that delineates the scope of the new planning process. In addition, notice of the proposed initiation of a new community based planning process should be mailed to each known neighborhood organization that serves areas located within one mile of the land that would be affected by the new community based planning process, and such notice should be mailed thirty to sixty days before the meeting of the Planning Commission at which the intent to initiate a new community based planning process would be discussed.

Such an alternative would provide for the growth that is needed to accommodate the 2007-2014 planning period. If the 2009 Housing Element aims to accommodate growth for a later period, the 2009 Housing Element needs to identify the period for which the 2009 Housing Element seeks to accommodate growth and the amount of additional housing production it seeks to accommodate for each income level.

Eliminating new area plans or planning processes beyond those needed to accommodate growth for the period covered by the 2007-2014 RHNA would reduce impacts on transit, land use and visual resources and neighborhood character. As stated in My March 24, 2011 statement, the City's lack of funds to enhance transit was the basis of the EIR's rating as a significant impact the 2009 Housing Element's impact on transit. Eliminating more areas to which bus service would have to be enhanced would mitigate this significant impact on transit.

The EIR states that policies of the 2009, 2004 Housing Elements, and Alternatives B and C that encourage a mode shift toward transit could result in an increase in transit ridership which may exceed Muni's capacity utilization standard of 85 percent and that "[g]enerally, as transit ridership increases, transportation agencies respond by expanding transit service and/or increasing transit frequency. However, given SFMTA fiscal emergencies, Muni may not be able to increase transit service to accommodate increased transit ridership resulting from the 2009 Housing Element policies that encourage residential development in transit-rich areas or other policies that encourage the use of alternative transportation in the City." Ex. B-1 AR 497, 483 as to 2004; 3 AR 1149, 1150, 1175, 1176; see also Ex. J-41 AR 22145, referring to "capital capacity constraints." As I explained in my prior March 24, 2011 statement, directing housing to fewer areas or providing a lesser number of housing units would reduce the significant impact on transit. Ex. J-41 AR 22143-22155, 22158. The EIR states that policies of the 2009, 2004 Housing Elements, and Alternatives B and C that encourage a mode shift toward transit could result in an increase in transit ridership which may exceed Muni's capacity utilization standard of 85 percent, and that "[g]enerally, as transit ridership increases, transportation agencies respond by expanding transit service and/or increasing transit frequency. However, given SFMTA fiscal emergencies, Muni may not be able to increase transit service to accommodate increased transit ridership resulting from the 2009 Housing Element policies that encourage residential development in transit-rich areas or other policies that encourage the use of alternative transportation in the City."

Ex. B-1 AR 497, 483 as to 2004; 3 AR 1149, 1150, 1175, 1176; see also Ex. J-41 AR 22145, referring to “capital capacity constraints.” Thus, as I previously explained, directing housing to fewer areas or providing a lesser number of housing units would reduce the 2009 Housing Element’s significant impact on transit. 41 AR 22143-22155, 22158.

Moreover, the City is currently experiencing serious incapacity problems with Muni, as demonstrated in the attached January 29, 2013 San Francisco Examiner article, *With packed vehicles people opt for private cars, SFMTA says*. (See Ex. I) Thus, Muni’s capacity problem from overcrowded buses is a current impact and not merely a significant impact projected to occur in the future. This alternative would also reduce other effects related to increased housing production including impacts on transportation, air quality, noise, water supply land use, and visual resources and neighborhood character.

3. THE JUNE 2010 DRAFT OF THE 2009 HOUSING ELEMENT ALTERNATIVE IS FEASIBLE.

The version of the 2009 Housing Element that was included in the draft EIR that was circulated for public comment in 2010 was the June 2010 Draft of the proposed 2009 Housing Element (“June 2010 Draft”). The EIR’s analyses of whether impacts of the proposed project would be significant was based on implementation of the policies stated in the June 2010 Draft of the 2009 Housing Element. Public comment was also based on the June 2010 Draft. The set of policies stated in the June 2010 Draft and the amount of increased housing production supported by those policies is a feasible alternative because the EIR stated that “the total number of units identified in the RHNA can be accommodated under the existing zoning capacity and/or through development currently in the City’s pipeline.” Ex. B-AR 1400-Final EIR p. VIII-207. The EIR’s statement that the RHNA can be accommodated was based on the policies in the June 2010 Draft, so that Draft clearly would accommodate the 2007-2014 RHNA. Ex. K.

The City has not presented any evidence showing that the number of housing units anticipated to be produced would be significantly greater under the version of the 2009 Housing Element that the City subsequently adopted rather than under the June 2010 Draft of the 2009 Housing Element. The City also has not presented any evidence showing that any of the City’s project objectives would be better served by the version of the 2009 Housing Element that the City subsequently adopted rather than by the June 2010 Draft of the 2009 Housing Element. As explained below, adoption of the June 2010 Draft would mitigate the significant impact on RH-1 neighborhoods that could result from the changed policy ultimately adopted. The revised alternatives analysis also lacks any evidence that the draft of the 2009 Housing Element ultimately adopted would produce a significantly greater number of housing units or better serve stated project objectives.

The June 2010 Draft stated in Policy 1.6 text that “[i]n some areas, such as RH-1 and RH-2, density limits should be maintained to protect neighborhood character.” In the draft subsequently adopted, this policy text was changed to state “[i]n some areas, such as RH-1 and RH-2, existing height and bulk patterns should be maintained to protect neighborhood character.”

For the reasons stated in the March 24, 2011 Statement of David Golick, this change would constitute a significant impact on the environment because the policy change to eliminate density limits in RH-1 neighborhoods would degrade the quality of those neighborhoods. Ex. J-AR 22151-22154. Current density limits, such as the one-unit limit in an RH-1 area, maintain the quality of single-family RH-1 neighborhoods. Also, use of “flexibility in the number and size of units” was expanded to apply through “community based planning processes” and therefore would apply to projects outside plan areas and to individual projects, instead of merely to “community plan areas” as previously proposed in June 2010 Draft Policy 1.6. *Id.* In view of the excess housing production projected under the June 2010 Draft, these changes in policy language are not needed, and the June 2010 Draft is a feasible alternative.

ABAG has granted San Francisco’s application to designate various areas as Priority Development Areas (“PDAs”) that have “plans for significant increases in housing units” and are near transit. Ex. B-20 AR 10511-10512, 10328, 10330, 10532-38, 10463-72; 19 AR 10234-41.

The City plans to accommodate over 90% of the growth to 2035 in the PDAs. Ex. F-December 17, 2010 ABAG letter to SFMTA, Exhibit 6, tenth page.

The City has admitted that the “lion’s share of city’s growth will continue to be focused in its PDAs” and that the adopted and planned PDAs “collectively accommodate over 63,000 new housing units.” Ex. F-December 17, 2010 ABAG letter to SFMTA, Exhibit 6, twelfth page. As to infill opportunity sites outside PDAs, the City has acknowledged that: “The city includes numerous small-scale infill opportunity sites close to transit throughout all of its neighborhoods. Such sites outside of Priority Development Areas could accommodate another 17,000 new housing units, distributed reasonably evenly throughout the city.” *Id.* In view of the excess housing production projected to occur under the 2009 Housing Element, as stated in the EIR, the City does not need another 17,000 housing units to accommodate the RHNA, much less elimination of density limits in RH-1 areas that would constitute only a portion of those 17,000 units.

How many additional housing units would be accommodated by the Policy 1.6 text that would maintain existing height and bulk patterns in RH-1 areas rather than density limits in RH-1 areas? To what degree would any project objectives not be served by the June 2010 Draft’s Policy 1.6 text that maintained density limits for RH-1 areas? In view of the projected exceedance of the RHNA for the 2007-2014 period, there is no substantial evidence that the significant impact on RH-1 areas is needed to accommodate the 2007-2014 RHNA, and previous policies relating to RH-1 areas should not be disturbed. Therefore, the June 2010 Draft of the 2009 Housing Element is a feasible alternative that would reduce or eliminate the significant impact on the quality of RH-1 neighborhoods. Since the general plan established the controlling policies, and zoning must be brought into conformance with the policies of the housing element of the general plan, it is evasive to state that the zoning has not yet been changed to eliminate the one-unit density limits that protect the single-family character of RH-1 neighborhoods.

In addition, the outlying RH-1 neighborhoods are not well served by transit, so it would not serve the City’s goal of directing new housing units to locations well served by transit to

support secondary units in such areas. The San Francisco Transportation Plan 2040 states that the outlying neighborhoods such as the Sunset are less accessible throughout the day by transit, and that in such lower-density Sunset neighborhoods the transit network is less dense, resulting in fewer transit alternatives and extra waits. Ex. G, p. 12)

Also, the last minute change stating that in RH-1 and RH-2 areas “existing height and bulk patterns should be maintained to protect neighborhood character” was not evaluated by the Community Advisory Body and was not subjected to public review and comment during the Draft EIR comment period. To support the middle class in the City, the Housing Element should maintain the existing single-family neighborhoods.

4. THE EXCESS MARKET-RATE TRANSIT SUBSIDY ALTERNATIVE IS FEASIBLE.

For the prior 1999-2006 planning period, market rate housing was overproduced at the rate of 153% of the market rate production target, whereas only 13% of the moderate rate, 52% of the low income and 83% of the very low income targets were met. Ex. B-18 AR 9497; 1 AR 323.

The overproduction of market rate housing is contrary to the City’s RHNA allocation, and the City is woefully failing to accommodate the RHNA allocation as to moderate rate units. According to the 2009 Housing Element, the City’s estimated shortfall of production of moderate rate units for the 2007-2014 planning period is 3,586 less than the 6,754 moderate units allocated. (Ex. B-AR 9497-2009 Housing Element Part I, p. I. 93) The crisis in the loss of the middle class in the City is now severe. (See Ex. L-January 8, 2014 San Francisco Examiner article, *Are you part of San Francisco’s disappearing middle class?*)

An alternative that would impose an appropriate per unit transit-mitigation fee on all market rate housing units that are produced in the City in excess of the RHNA allocation for market rate units for the applicable RHNA planning period would reduce the significant impact on transit that would result from directing growth to areas near transit. The amount of this fee would be determined by a nexus study that would determine the cost of providing Muni service to the excess market rate housing units that are produced, based on the estimated cost of providing service to such excess market rate units as well as the cost of any capital improvements needed to support such service. Such fee would be in addition to any other fees that the City may impose. It is feasible for the City to pass an ordinance requiring such a fee, since it would support the City’s policies directing housing growth to areas near transit, and the City has successfully passed other ordinances requiring inclusion of affordable housing or payment of a fee in lieu of provision of such housing. Given the estimate that 6,766 market rate units in excess of the RHNA allocation will be produced for the 2007-2014 planning period, such transit-mitigation fee would mitigate the project’s significant impact on transit. Ex. B-AR 9497.

In addition, the overproduction of market rate condominiums is serving technology workers who live in San Francisco and commute to jobs in Silicon Valley and other locations

south of San Francisco, especially as to the condominiums being built in the South of Market area near the freeway on-ramps. This has produced a substantial reverse commute which is increasing vehicle emissions in the region, contrary to the regional goals.

5. THE NORMAL POPULATION INCREASE, NO CONCENTRATION, ALTERNATIVE IS FEASIBLE.

The San Francisco Transportation Plan 2040 states that:

“To meet the SB 375 target, the Regional Transportation Plan, known as Plan Bay Area, calls for concentration of growth in densely developed areas with good transit access especially in San Francisco, San Jose, and Oakland....Concentrating jobs and housing in San Francisco is good for the city’s economy as well as the environment, but will also increase congestion and transit system crowding in downtown San Francisco and Eastern neighborhoods. By 2040, new growth will result in about 300,000 new transit trips per day on a local and regional system that is already strained by crowding and reliability issues. The San Francisco Planning Commission has adopted land use plans that direct much of the city’s projected growth in the central and eastern neighborhoods, where crowding is already acute.” Ex. G, p. 14.

The Revised DEIR states that two primary objectives of the project are to provide “a vision for the City’s housing and growth management through 2014” and to ensure “capacity for the development of new housing to meet the RHNA at all income levels.” (VII-3-4) However, the sixth project objective is to “Develop a vision for San Francisco that supports sustainable local, regional and state housing and environmental goals.” *Id.* The 2009 Housing Element and EIR do not specifically explain how this objective is to be met and only vaguely allude to supporting housing near transit. The 2009 Housing Element states that the City had successfully advocated for “changes that direct more transportation money to jurisdictions, like San Francisco, that take on greater housing growth as part of the 2007-2014” RHNA Process. Ex. B-18 AR 9595, 9581. The 2009 Housing Element and the EIR should disclose how much more housing growth San Francisco accepted in that regard as part of the 2007-2014 RHNA process and for what income categories.

Since the EIR states that the pipeline units anticipated to be developed total 25,000 more than the 31,193 units sought by the Regional Housing Needs Allocation for the 2007-2014 planning period and further rezoning and area planning processes would allow the additional capacity of 27,844 units, the 2009 Housing Element is actually producing more new housing units than called for by the 2007-2014 RHNA. Ex. B-1 AR 328. In view of the excess production, the additional capacity for 27,844 units through rezoning appears directed to accommodate an unexplained objective of the 2009 Housing Element.

The 2009 Housing Element states that San Francisco’s fair share of the regional housing need for January 2007 through June 2014 was calculated as 31,190 units, which seeks to accommodate forecast household and employment growth “as well as allocating regional household and employment growth to jurisdictions with established or planned transit

infrastructures.” Ex. B-18 AR 9445-2009 Housing Element Part I, p. I.41. However, the 2009 Housing Element and the EIR do not disclose the amount of the 2007-2014 RHNA goal that allocated regional household and employment growth to jurisdictions with established or planned transit infrastructures. We request that the City provide that information in response to these comments. The EIR, 2009 Housing Element, and the City should disclose the estimated number of new housing units that would be needed during the 2007-2014 planning period to accommodate growth from only normal factors such as births and deaths in the City. The EIR, 2009 Housing Element, and the City should also disclose the estimated number of new housing units that would be needed during the 2007-2014 planning period to accommodate any portion of the projected regional household and employment growth that was allocated to San Francisco in the RHNA for the 2007-2014 planning period. In view of the 25,000 new units anticipated to be produced in excess of the RHNA allocation for 2007-2014, it should be feasible to eliminate from the 2009 Housing Element any portion of the projected regional household and employment growth that was allocated to San Francisco in the 2007-2014 planning period.

CONCLUSION

The alternatives described above are feasible alternatives that would reduce the 2009 Housing Element’s significant impact on transit and its significant impacts on land use and neighborhood character. The 2009 Housing Element is projected to produce excess housing production, which can be feasibly scaled back to meet, but not exceed, the RHNA.

DATED: February 17, 2014



DAVID GOLICK

EXHIBIT A

RESUME

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Work Experience

1. Planning Consultant and Contract Planner, May, 2000 – Present

A. Interim Community Development Director, City of Benicia, 2005

Responsible for the operation of the Planning Division and Building Division. Involved in preparation of departmental budget and work program.

B. Interim Community Development Director, City of Lafayette, December, 2000 - April, 2001

Supervised and coordinated the Planning, Building, Engineering, and Public Works functions. Responsible for a major reorganization of the Planning Services Division.

C. Interim Planning and Building Manager, City of Lafayette, April, 2001 - October, 2001

Managed Planning and Building program. Responsible for hiring almost an entire new staff. Major projects included three controversial subdivisions, a senior housing proposal, and a downtown redevelopment commercial and housing project. Conducted zoning administrator hearings.

D. Major Land Use Projects

- Managed contentious in-fill applications, including a proposed 23 unit residential subdivision that required an Environmental Impact Report, for the City of Lafayette
- Project planner for a 119,000 sq. ft. Home Depot commercial warehouse development for the City of Hercules
- Project planner for a 132 unit low income apartment project for the City of Hercules
- Critiqued environmental documents prepared for two proposed Contra Costa County ordinance amendments, private sector clients
- Critiqued Draft Environmental Impact Report prepared for South Schulte Specific Plan in the City of Tracy, private sector client

- Helped develop scopes of services for technical consultants involved in preparation of an Environmental Impact Report for a large mixed use development in the City of Fairfield, private sector client
 - Provided technical assistance to a consortium of 15 homeowner groups opposed to revisions to the Housing Element by the City and County of San Francisco,
2. Chief of Planning, City of Concord 1990 – 2000
Director of Planning, City of Concord 1989

Responsible for the management and administration of planning functions. Responsibilities included development of Planning Division priorities and work programs, budget preparation and monitoring, personnel management, policy and ordinance formulation, a complete revision of the General Plan, and management of large scale development projects. Provided staff support to City Council, Planning Commission, and Design Review Board.

Examples of Other Work Related Experience

1. Co-authored a guide for planners titled, “Free Advice for Young Planners Entering Public Sector Employment”, which has been often quoted and used as a teaching tool by public planning departments and universities.
2. Served on a review committee for development of a booklet titled, “Start at the Source – Residential Site Planning and Design Guidance Manual for Stormwater Quality”, prepared by Bay Area Stormwater Management Agencies Association.
3. Chaired a task force that developed innovative customer service approaches.
4. Speaker at American Planning Association national and state conventions as well as at local events.
5. Served on Bay Area Council focus groups that analyzed economic development potentials and constraints of the metropolitan area.
6. Member of the American Planning Association, Bay Area Planning Directors Association, and the Urban Land Institute.

Education

1. University of Massachusetts at Amherst, B.A. in Economics.
2. University of Rhode Island
 - A. Graduate Studies in Community Planning. All course work, 61 graduate semester credits, completed
 - B. Graduate Studies in Public Administration. Nine graduate semester credits completed.
3. San Francisco State University. Spanish language and cross-cultural training.
4. Participated in numerous technical seminars regarding Planning and Management.

EXHIBIT B

The proposed 2009 Housing Element presents an updated calculation of San Francisco's fair share of the regional housing need. This updated calculation of San Francisco's share of the regional housing need is for January 2007 through June 2014 and shows a need for 31,193 housing units, or 4,159 units per year. The RHNA for the 2009 Housing Element is presented in Table IV-2.

Table IV-2
2009 Housing Element Regional Housing Needs Allocation

| Household Income Category | Percentage of AMI | No. of Units | Percentage |
|---|-------------------|---------------|-------------|
| Extremely Low | < 30% | 3,294 | 10.5% |
| Very Low | 31 – 50% | 3,295 | 10.6% |
| Low | 51 – 80% | 5,535 | 17.7% |
| Moderate | 81 – 120% | 6,754 | 21.7% |
| Above Moderate | > 120% | 12,315 | 39.5% |
| Total | -- | 31,193 | 100% |
| <i>Source: City and County of San Francisco, Planning Department, Part I: Data and Needs Analysis, June 2010, at page 41.</i> | | | |

2004 Housing Element Court of Appeal Decision

Prior to 2004, the City last updated its Housing Element in 1990, when it adopted the 1990 Residence Element. The EIR prepared to evaluate the 1990 Residence Element concluded that reaching the housing goals in the 1990 Residence Element could be achieved without any significant adverse effects to the environment. According to the EIR, meeting the housing goals in the 1990 Residence Element would reduce traffic congestion and thus improve air quality because people who work in the City would have shorter commutes.

The City's 2004 Housing Element was adopted on May 13, 2004, and deemed in compliance with state housing element law by the HCD. The San Francisco Planning Department prepared an Initial Study for the 2004 Housing Element, which examined several new policies that were proposed for addition to the 2004 Housing Element. The Initial Study concluded that although proposed revisions were meant to promote increased housing production, no environmental impacts would result from the adoption of the 2004 Housing Element because the element did not specify any development, rezoning, or area plans. The Initial Study stated that any environmental impact analysis would be conducted in connection with the approval of any future development projects, area plans, or rezoning. The Planning Department then prepared a Negative Declaration, which concluded that revisions to the Housing Element would not have a significant effect on the environment.

Subsequent to adoption of the 2004 Housing Element, the California Court of Appeal found the Negative Declaration prepared for the 2004 Housing Element by the City to be inadequate and determined that an EIR should be prepared (per *San Franciscans for Livable Neighborhoods v. City and County of San Francisco* [June 22, 2007, A112987] [unpublished opinion]). In response to this directive, the Planning Department has prepared this EIR assessing the environmental impacts of the changes from the 1990 Residence Element to the 2004 Housing Element.

In 2000, almost 70 percent of all households in the City were comprised of one or two people and household sizes are expected to remain proportionally the same as previous decades; however, the proportion of single person households is growing. The 2008 ACS estimates the median household income at just under \$73,798 or about a 34 percent increase since 2000.

Table IV-4 presents employment growth in the City between 2000 and 2030. The number of jobs in the City decreased by 89,410 between 2000 and 2005 and approximately 195,010 jobs are expected between 2005 and 2030.

**Table IV-4
San Francisco Employment Trends and Projections, 2000-2030**

| | 2000 | 2005 | 2030 |
|--|---------|---------|---------|
| Jobs | 642,500 | 553,090 | 748,100 |
| <i>Source: John Rahaim, Director of Planning, San Francisco Planning Department, correspondence with Michael P. Carlin, Deputy General Manager at the San Francisco Public Utilities Commission, July 9, 2009.</i> | | | |

The median age within the City was estimated to be 40.4 years old in 2008, an increase from the median age of 36.5 in 2000. In 2000, residents 14 years and younger constituted only 12 percent of the City's population. The number of these residents is expected to grow, almost doubling to 184,700 in 2010 and making up 23 percent of the total population.

F. APPROACH

As discussed above, the Court of Appeal mandated that the City prepare an EIR for the 2004 Housing Element. Since preparation for the 2004 Housing Element EIR began, the City also completed the proposed 2009 Housing Element, as required by state housing element law. Because the proposed 2009 Housing Element must also undergo environmental review under CEQA, this EIR evaluates both the 2004 and the proposed 2009 Housing Element in the same EIR. This subsection outlines the proposed Housing Elements that are evaluated in this EIR. This approach facilitates a streamlined process in which the potential environmental impacts of implementing both housing element options are analyzed at similar levels of detail, meeting the requirements of CEQA and the Planning Department's responsibilities under the court's decision.

Proposed Housing Elements Analyzed in this EIR

As previously discussed, in order to be in compliance with state housing element law, a housing element must include an updated Data and Needs Analysis; therefore, each proposed Housing Element utilizes the most recent data on citywide housing found in the Draft 2009 Housing Element Part I Data and Needs Analysis. Further, in order to meet the project objectives of having a housing element that substantially complies with state housing element law, the proposed Housing Elements must meet the most recent regional housing needs assessment. Therefore, both project options will be analyzed for their ability to meet the 2007-2014 RHNA. This EIR analyzes the following two Housing Element proposals:

1. 2004 Housing Element: This option includes the objectives, policies, and implementation programs of the 2004 Housing Element. For purposes of this EIR analysis however, the 2004 Housing Element utilizes the updated Data and Needs Analysis (Part I) of the 2009 Housing Element and an updated RHNA.
2. 2009 Housing Element: This option includes the objectives, policies, implementation measures, strategies for further review and RHNA of the proposed 2009 Housing Element.

Existing Capacity

Housing element law requires local governments to prepare an inventory of land suitable for residential development to help identify sites that can be developed for housing within the housing element planning period. Using various data sources, the Planning Department has taken an inventory of land on which new residential development could occur under existing zoning. This was done to satisfy the HCD requirement to identify the supply of land still available to help the City meet its share of the regional housing need as projected by the RHNA.

Existing Zoning

Generally, the highest housing densities in the City exist in the Downtown area, at an average density of up to 283 dwelling units per acre, while lower densities (as low as 14 dwelling units per acre) exist in the western and southern areas in the City. Figure IV-3 shows a generalized zoning map of the City. As shown, most areas in the City allow residential uses and the eastern portion of the City is also comprised of commercial, mixed-use, and industrial uses. Figure IV-4 shows a generalized height map of the City. As shown, the tallest height districts occur in the Downtown and South of Market (SoMa), neighborhoods.

Figure IV-5 and Table IV-5 display the housing potential in undeveloped and underdeveloped sites. As shown, approximately 60,995 new housing units could be accommodated under existing zoning. There are approximately 1,649 parcels totaling 366 acres that are classified as vacant or near vacant (sites that are developed to less than five percent of their maximum potential) where approximately 20,543 new housing units could potentially be constructed. Another 4,111 lots are also seen as underdeveloped and could be redeveloped for residential uses, which could possibly yield another 40,452 new units. Underdeveloped sites are generally classified as soft sites, sites with development potential, or opportunity sites. The City identifies two levels of soft sites, sites that are built to only 30 percent of their maximum potential, and sites that are built to only five percent of their maximum potential, as determined by the zoning for that parcel. These units represent the allowable number of new housing units that could be accommodated under existing zoning. The City is also in the process of updating zoning controls for many of San Francisco's neighborhoods. These rezoning efforts will increase the existing capacity in those neighborhoods, allowing for the development of additional housing units above and beyond what is shown in Figure IV-5 and Table IV-5.

Updated Zoning Controls

The City Planning Department has recently updated zoning controls for the following neighborhoods: Market/Octavia, Mission, East SoMa, Showplace Square/Potrero Hill, Central Waterfront, and Balboa Park. These planning efforts have developed updated zoning, heights, bulks, and densities in balance with infrastructure. A number of other planning efforts are currently underway including, but not limited to the Transit Center District Plan, Treasure Island, and West SoMa, which could result in increased residential development potential in those areas. Under existing zoning capacity, these planning areas could accommodate 3,669 net new housing units, representing approximately six percent of the total citywide existing capacity of 60,995 units as described previously. The additional potential capacity with rezoning initiatives currently underway is approximately 28,844 units (see Table IV-6). Should these rezoning initiatives be adopted and implemented, the City would be able to accommodate 89,839 net new housing units, which, if developed, would represent a 25 percent increase in the City's housing stock.⁸

Table IV-6
Estimated New Housing Construction Potential under Area Plans in Process

| Area | Under Current Zoning | | | With Proposed Rezoning | |
|--------------------------|----------------------|----------------|----------------|---------------------------|--|
| | Undeveloped | Underdeveloped | Total Estimate | Total New Estimate | Additional Potential Units with Rezoning |
| Executive Park | 114 | 97 | 211 | 1,600 | 1,389 |
| Glen Park | 5 | 6 | 11 | 100 | 89 |
| Japantown ¹ | 99 | 514 | 613 | To be determined | |
| Park Merced | 3 | 0 | 3 | 5,600 | 5,597 |
| Transit Center District | 44 | 78 | 122 | 1,200 | 1,078 |
| Western SoMa | 466 | 743 | 1,209 | 2,700 | 1,491 |
| India Basin | | | | 1,200 | 1,200 |
| Hunters Point Shipyard | | | 1,500 | 4,000 | 2,500 |
| Candlestick Point | | | | 7,500 | 7,500 |
| Treasure Island | | | | 8,000 ² | 8,000 |
| Total³ | 731 | 1,438 | 3,669 | 31,900⁴ | 28,844 |

Source: City and County of San Francisco, Planning Department, Draft Housing Element, Part I: Data and Needs Analysis, June 2010, at page 92.

¹ Planning efforts for Japantown are currently underway, but are at an early stage of the development process and the estimated number of new housing units that could be accommodated with rezoning initiated as part of this area plan is currently unknown.

² This figure varies from that in Part I: Data and Needs Analysis, June 2010, page 92 because Treasure Island is now proposing 8,000 units instead of 7,000 units, therefore the totals have also been increased by 1,000 to reflect these new proposed units.

³ The totals may differ from totals in Part I: Data and Needs Analysis due to rounding.

Pipeline Projects

As of the first quarter of 2009, there were approximately 360 projects under construction or with approved building permits in the City that could add up to 9,628 new housing units (see Table IV-7 and

⁸ City and County of San Francisco, Planning Department, Draft Housing Element, Part I: Data and Needs Analysis, June 2010, at page 24. The existing housing stock is estimated at 363,662 housing units Citywide.

Figure IV-6). An additional 625 projects have been approved by the Planning Department, filed for Planning approval, or filed for a building permit. These projects could result in an additional 46,807 new residential units. Collectively, these 56,435 new units represent San Francisco's pipeline projects. Pipeline projects include projects currently under construction, projects which have approved building permits, projects which have building department applications on file, projects which have been approved by the Planning Department, and projects which have Planning Department applications on file. It is possible that some of these projects may not go forward due to shifts in economic and legislative conditions. Three major projects, i.e., Candlestick Point-Hunters Point Shipyard, Treasure Island, and Park Merced, comprise approximately half of the pipeline project units and could be completed by approximately 2020. Production trends over the last decade show that approximately 75-80 percent of pipeline project units are completed within five to seven years.⁹ This production trend is applicable to the pipeline project units that are not associated with the three major projects listed above.

Table IV-7
New Housing Construction Pipeline (1st Quarter of 2009)

| Type of Activity | No. of Projects | No. of Units |
|---|-----------------|---------------|
| Under Construction | 172 | 6,776 |
| Building Permit Approved/Issued | 188 | 2,852 |
| Building Permit Application Filed | 347 | 4,588 |
| Planning Department Approved | 124 | 6,200 |
| Planning Department Filed | 154 | 36,019 |
| Total Pipeline | 985 | 56,435 |
| <i>Source: City and County of San Francisco, Planning Department, March 2010.</i> | | |

G. PROJECT CHARACTERISTICS

State law mandates that cities and counties have a housing element as part of their general plan. In addition, state housing element law requires cities and counties to update their housing elements periodically, usually every five years, based on the RHNA provided by ABAG. Because an updated housing element is a mandatory obligation under state law, this EIR will assume that the City will update Part I – the Data and Needs Analysis – under any housing element alternative ultimately chosen for adoption. Part I, which was discussed previously under the “Regulatory Setting” and “Background” subheadings, provides background demographics and regional housing need information, but does not include objectives or policies. Part II of each housing element sets forth the objectives, policies, and implementing strategies intended to address the City's housing needs. Part II of each option analyzed in this EIR is discussed below. Table IV-8 lists the policies of the 2004 Housing Element and the proposed 2009 Housing Element that could potentially result in physical environmental impacts, together with the corresponding objectives or policies of the 1990 Residence Element (if any), the environmental impacts of which were addressed in a previously prepared EIR. For reference, the 1990 Residence Element objectives and policies are included as Appendix B-1 to this EIR.

⁹ City and County of San Francisco, Planning Department, March 2010.

Policy 4.2: Provide buffering for residential properties when heavy traffic cannot be avoided.

The proposed Housing Elements would not adversely affect implementation of the above policies. Specifically, 2004 Housing Element Policies 11.1, 11.8, and 11.9 would use new housing to enhance neighborhood vitality and diversity and would ensure increased housing density would not conflict with existing neighborhood character. 2009 Housing Element Policies 11.1 and 11.7 encourage the preservation of neighborhood character. All of these policies would relate directly to the Urban Design Element policies. No inconsistencies between the proposed Housing Elements and the Urban Design Element have been identified.

Area Plans

The General Plan also includes several area (neighborhood) plans that serve to guide the nature of future development within specific districts of the City. The 2004 Housing Element and 2009 Housing Element do not include any changes to the land use objectives and policies in the City's Area Plans or Redevelopment Plans for certain areas in the City. However, the proposed Housing Elements promote specific neighborhood and area plans as part of the planning process. 2004 Housing Element Policy 11.6 calls for the completion of the Better Neighborhoods area plans and 2009 Housing Element Policy 1.1 calls for a community planning process to guide new housing growth. Applicable Area Plans or Redevelopment Plans would continue to guide future development in specific neighborhoods or districts. A number of other planning efforts are currently underway including, but not limited to the Transit Center District Plan, Treasure Island, and Western SoMa, which could result in increased residential development potential in those areas. The estimated new housing construction potential for each of these areas is provided in Table IV-6 in Section IV (Project Description).

The more general policies in the 2004 and 2009 Housing Elements are made more precise in the applicable area plans as they relate to certain parts of the City. 2004 Housing Element Policies 1.7, 4.4, 11.6, 11.7, and 11.8 and 2009 Housing Element Policies 2.1 and 7.5 would promote increased housing density by encouraging the construction of new housing and discouraging demolition of existing housing. 2004 Housing Element Policies 3.1, 3.3, 3.4, and 3.5 and 2009 Housing Element Policies 2.5 and 7.6 encourage the preservation of existing residential units through maintenance and upgrade activities. 2004 Housing Element Policy 11.3 and 2009 Housing Element Policies 8.1, 9.1, 9.2, 9.3 support the production, management, and preservation of affordable housing units in accordance with San Francisco's needs. 2004 Housing Element Policies 11.1, 11.8, and 11.9 and 2009 Housing Element Policies 11.1 and 11.7 would ensure new housing does not conflict with existing neighborhood character. 2004 Housing Element Policies 1.7 and 4.5 and 2009 Housing Element Policy 2.2 encourage family housing. Implementation of the policies in the proposed Housing Elements could also serve to increase energy efficiency of San Francisco's housing stock by directing housing to locations where residents could have reduced reliance on automobiles, such as mixed use neighborhoods and areas surrounding existing transportation infrastructure. The proposed Housing Element policies discussed above further the intent related to housing of the Area Plans discussed below. No inconsistencies between the proposed Housing Elements and specific area plans have been identified.

- Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect; or
- Have a substantial impact upon the existing character of the vicinity.

Impact Evaluation

Section V.A (Plans and Policies) of this EIR describes the Area Plans of the General Plan and Redevelopment Plan Areas adopted by the San Francisco Redevelopment Agency that serve to guide the nature of future development in specific neighborhoods or districts in the City. The City's General Plan includes adopted Area Plans for the following areas: Bayview Hunters Point, Central Waterfront, Chinatown, Civic Center, Downtown, East SoMa, Market & Octavia, Mission, Northeastern Waterfront, Showplace Square/Potrero, Rincon Hill, South of Market, Van Ness Avenue, and Western Shoreline. The San Francisco Redevelopment Agency maintains redevelopment plans for the following areas: Bayview Hunters Point, Federal Office Building, Golden Gateway, Hunters Point Shipyard, Mission Bay, Rincon Point - South Beach, South of Market, Transbay, Visitacion Valley, Western Addition A-1, and Yerba Buena Center. Redevelopment Areas also serve to guide the nature of future development in specific areas, and either contain special zoning and land use controls or specify that the controls of the San Francisco Planning Code apply.

Implementation of the proposed Housing Elements would not directly result in changes to applicable height and bulk zoning districts or to allowable uses under the Planning Code. Additionally, the 2004 Housing Element and 2009 Housing Element do not include any changes to any of the land use objectives and policies in the City's Area Plans or Redevelopment Plans. While implementation of the proposed Housing Elements would not directly affect existing Area Plans or Redevelopment Plans, it would encourage new Area Plans with similar planning-related strategies that may be designed to accommodate growth. Applicable Area Plans or Redevelopment Plans would continue to guide future development in specific neighborhoods or districts.

As noted before, ABAG, in coordination with the State Department of Housing and Community Development (HCD), uses population and job growth projections from the State Department of Finance to determine the regional housing needs for the Bay Area and allocates housing to cities and counties within the Bay Area through the Regional Housing Needs Allocation (RHNA). In providing direction for meeting regional housing needs, ABAG's RHNA number focuses on both the amount of housing and the affordability of housing. Currently, the City is generally meeting ABAG's most recent household projections and is slightly exceeding ABAG's latest population estimates. A variety of local factors support growth projections for San Francisco. The desirability of San Francisco, with its wealth of natural and urban amenities, has always appealed strongly to consumers. This desirability has resulted in continued high demand for housing, as evidenced by high property values and a growing population. Therefore, it is expected that residential development in the City would occur regardless of the proposed Housing Elements, and housing element law ensures that local agencies, including San Francisco, plan for

Regional Housing Need Allocation

New housing need is determined, at a minimum, through a Regional Housing Needs Allocation (RHNA) process. ABAG, in coordination with the California Department of Housing and Community Development (HCD), determined the Bay Area's regional housing need based on regional trends, projected job growth, and existing needs. The housing needs determination effort seeks to alleviate a tight housing market stemming from forecasted household and employment growth as well as to allocate regional household and employment growth to jurisdictions with established or planned transit infrastructures. The RHNA determination includes production targets for housing to serve various household income categories. The RHNA provides a benchmark for evaluating the adequacy of local zoning and regulatory actions to ensure each local government is sufficiently designating land and providing opportunities for housing development to address population growth and job generation. According to housing element law, the proposed Housing Elements are required to demonstrate adequate capacity to accommodate the RHNA.

The 2004 Housing Element accommodated San Francisco's share of the regional housing need for January 1999 through June 2006, which was calculated as 20,374 units, or 2,717 units per year.⁵ Although San Francisco fell short of meeting the state mandated fair share housing targets, over 17,470 new housing units were built from 1999-2006, or almost 86 percent of its housing production targets.⁶ The City met almost 83 percent of the target for very-low income housing, but only 52 percent of the low-income housing production target was produced. The City also exceeded the market-rate housing target by over 53 percent. The greatest deficiency for the reporting period was in the production of moderate-income housing, where the City produced just 13 percent of its target. This unmet need is carried over in the 2009 Housing Element targets.

The 2009 Housing Element presents an updated calculation of San Francisco's fair share of the regional housing need. Table V.D-5 shows the amount of housing need allocated to the City for 2007 to 2014 (as identified in the Part I of the 2009 Housing Element). This updated calculation of San Francisco's share of the regional housing need is for January 2007 through June 2014 and shows a need for 31,193 housing units, or 4,159 units per year.

⁵ City and County of San Francisco, Planning Department, Housing Element, Part I: Data and Needs Analysis, Adopted May 13, 2004, at page 65.

⁶ City and County of San Francisco, Planning Department, Draft Housing Element, Part I: Data and Needs Analysis, June 2010, at page 98.

Housing Element encourages housing in new commercial or institutional projects and accommodating housing through existing community planning processes.

Impact PH-1: The proposed Housing Elements would not induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure). (Less than Significant)

New construction could result in impacts related to substantial population growth if new housing would generate more residents than planned for by ABAG projections, including through the creation of jobs related to construction or by increasing household size. Section V.A (Plans and Policies) of this EIR describes the area plans and redevelopment plans that serve to guide the nature of future development in specific neighborhoods or districts in the City. The City's General Plan includes area plans for the following areas: Bayview Hunters Point, Central Waterfront, Chinatown, Civic Center, Downtown, East SoMa, Market & Octavia, Mission, Northeastern Waterfront, Showplace Square/Potrero Hill, Rincon Hill, South of Market, Van Ness Avenue, and Western Shoreline. The San Francisco Redevelopment Agency maintains redevelopment plans for the following areas: Bayview Hunters Point, Federal Office Building, Golden Gateway, Hunters Point Shipyard, Mission Bay, Rincon Point - South Beach, South of Market, Transbay, Visitacion Valley, Western Addition A-1, and Yerba Buena Center. The 2004 Housing Element and 2009 Housing Element do not directly or indirectly include any changes to the objectives and policies in the City's area plans or redevelopment plans for the abovementioned areas. Growth within area plans or redevelopment plans would continue to be subject to the guiding policies of the appropriate plan. Both the 2004 and 2009 Housing Elements call for community planning processes to guide future growth and give overall guidance for community planning efforts. Any proposed community planning process would be required to undergo a separate environmental review.

A housing element is required to adequately plan for and address the housing needs of all segments of its population, such that all communities contribute to the attainment of the state housing goals. As shown in Table V.D-5, based on ABAG projections and the resulting RHNA, the 2009 Housing Element identifies San Francisco's share of the regional housing need for January 2007 through June 2014 as 31,193 housing units, or 4,159 units per year. The proposed Housing Elements would help achieve the RHNA goals through implementation of housing-related policies. In developing the proposed Housing Elements, the City found that there are substantial infill housing opportunity sites to meet the City's share of the RHNA.¹² According to Tables IV-7 and IV-5 in Section IV (Project Description), there are approximately 56,435 units are anticipated to be developed in the City (pipeline projects), with the capacity for 60,995 additional units, respectively. The pipeline units anticipated to be developed in the City total approximately 25,000 units more than the City's share of the RHNA. Additionally, area planning processes and rezoning alternatives would allow the additional capacity of 27,844 units.

Housing growth would occur regardless of the proposed Housing Elements. The proposed Housing Elements provide direction for that growth with a specific emphasis on housing affordability. As

¹² City and County of San Francisco, Planning Department, Draft Housing Element, Part I: Data and Needs Analysis, April 2009, at page 82.

that promote alternative transportation to job cores or neighborhood services, could encourage a mode shift to transit, increasing the capacity utilization of transit lines near capacity under 2025 Cumulative Conditions. The impacts to the public transit system are considered less than significant if the increase in transit ridership can be absorbed within the existing available capacity of transit lines at the Maximum Load Point (MLP) locations. It is possible that the 2004 Housing Element policies that encourage a mode shift towards transit could result in an increase in transit ridership, which may exceed Muni's capacity utilization standard of 85 percent. Generally, as transit ridership increases, transportation agencies respond by expanding transit service and/or increasing transit frequency. However, given SFMTA's fiscal emergencies, Muni may not be able to increase transit service to accommodate increased transit ridership resulting from the 2004 Housing Element policies that encourage residential development in transit-rich areas or other policies that encourage the use of alternative transportation in the City. Therefore, the 2004 Housing Element could result in a *potentially significant* transit impact. The 2004 Housing Element contains additional policies intended to ensure that new development does not overburden the existing infrastructure, including transit infrastructure. 2004 Housing Element Policy 11.2 and Implementation Measures 11.2.1 and 11.2.2 seek to ensure that new housing is provided with adequate public improvements, services, and amenities.

The 2004 Housing Element also includes policies and implementation measures that advocate for accommodating growth in planning processes similar to the Better Neighborhoods program. One purpose for specific planning processes to accommodate growth is to ensure that increased development is adequately supported by services, including transit services, as discussed in 2004 Housing Element Implementation Measure 1.9.1, (*The City, through a Better Neighborhoods type planning process, will continue to work to improve and enhance housing with the goal of more housing and vital, attractive transit served neighborhoods*). Therefore, policies advocating for specific planning processes would not be expected to adversely affect the transportation network. Any planning process to accommodate growth would be required to undergo a separate environmental review pursuant to CEQA with an analysis of the site-specific effects of any proposed area plan, and the adoption of site specific mitigation measures if necessary.

Without the policies in the 2004 Housing Element that direct growth to certain areas in the City to a greater degree than the 1990 Residence Element, vehicle trips to the Downtown area (for example) could increase because residential uses would not be located in proximity to jobs in a way that more efficiently promotes walking, bicycling and public transit as a means of travel to work. The 2004 Housing Element encourages residential uses near transit-rich areas and could direct housing growth to areas of the City with a higher percentage of trips occurring by alternative transportation modes. Therefore, the 2004 Housing Element could reduce the overall number of vehicle trips to the Downtown area, as compared to the 1990 Residence Element.

For the reasons discussed above, the 2004 Housing Element is not anticipated to direct housing growth in such a way that would adversely affect traffic operations. The 2004 Housing Element encourages residential development that can take advantage of alternative modes of transportation, including transit, walking, and bicycling. Any such mode shift would be in keeping with the City's Transit First Policy (City Charter Article 8A, Section 8A.115). However, given SFMTA's recent fiscal emergencies, Muni

2009 Housing Element Policies 4.6, 12.1, 13.1, and 13.3 would encourage housing near transit lines and existing transit infrastructure to a greater extent than their corresponding 1990 Residence Element policies. It is recognized that under future 2025 Cumulative Conditions, some transit corridors, including the California corridor in the northwest screenline and the Subway corridor in the southwest screenline, would operate near the Muni's capacity utilization standard of 85 percent. 2009 Housing Element policies that encourage new residential development along transit lines are intended to promote alternative transportation and could encourage a mode shift to transit, increasing the capacity utilization of those lines already near capacity under 2025 Cumulative Conditions. The impacts to the public transit system are considered less than significant if the increase in transit ridership can be absorbed within the existing available capacity of transit lines at the MLP locations. It is possible that the 2009 Housing Element policies that encourage a mode shift towards transit could result in and increase in transit ridership, which may exceed Muni's capacity utilization standard of 85 percent. Generally, as transit ridership increases, transportation agencies respond by expanding transit service and/or increasing transit frequency. However, given SFMTA fiscal emergencies, Muni may not be able to increase transit service to accommodate increased transit ridership resulting from the 2009 Housing Element policies that encourage residential development in transit-rich areas or other policies that encourage the use of alternative transportation in the City. Therefore, the 2009 Housing Element could result in a ***potentially significant*** transit impact. The 2009 Housing Element contains numerous policies to reduce the effects related to encouraging new housing along transit corridors; 2009 Housing Element policies 4.6, 12.1, 13.1 and 13.3 seek to ensure that new housing is provided with adequate public improvements, services, and amenities, and to reduce the reliance of residential development on vehicles. However, these policies may not be able to reduce the impact to a less than significant level, therefore, impacts to the City's transit system would remain ***potentially significant***.

2009 Housing Element Policy 1.8 requires single-use development projects to include housing within the developments, a stipulation not required in 1990 Residence Element Policies 1.7 and 1.3. In San Francisco, the commercial and industrial areas are largely located near or along established transit corridors and/or are in proximity to places of employment and neighborhood services. Introducing additional residential development in these areas could result in impacts related to the overall traffic system by encouraging development in some areas of the city that may already experience congested conditions. However, this policy could reduce the overall VMT, by providing housing in proximity to job cores and services. Combined with available modes of alternative transportation, these mixed-use developments could minimize the burden on the City's roadways by shifting a portion of person trips to alternative modes of transportation, including transit, walking and bicycling. As discussed above, the 2009 Housing Element policies that encourage increased transit ridership may result in ***potentially significant*** impacts on the City's transit system.

2009 Housing Element Policy 1.1 calls for promoting housing within adopted and ongoing community planning processes. Ongoing community planning projects include Japantown, Glen Park, the Northeast Embarcadero Study, and a number of planning projects in the Southeast sector of the City. As discussed in Policy 1.4, "*Community plans are an opportunity for neighborhoods to work with the City to develop a strategic plan for their future, including housing, services and amenities.*" Community planning processes are geared towards planning processes that consider transportation when planning for housing and vice

| Impact | 2009 Housing Element | Corresponding 1990 Residence Element Policy |
|--------|---|---|
| | Strategy for further review: MOH and Planning should continue to consider, within the context of a community planning process, zoning categories which require a higher proportion of affordable housing where increased density or other benefits are granted. Options include Affordable Housing Only Zones (SLI); Affordable Housing Priority Zones (UMU) or Special Use District Opportunities. | |
| | Implementation Measure 64: Planning staff shall support affordable housing projects in the development review process, including allowing sponsors of permanently affordable housing to take advantage of allowable densities provided their projects are consistent with neighborhood character. | |
| | Implementation Measure 79: Planning staff shall continue to use community planning processes to develop policies, zoning and standards that are tailored to neighborhood character. | Implementation Measure 2.2.1: Densities compatible with neighborhood character. |

As shown above, 2009 Housing Element promotes development on undeveloped sites to a greater extent than the 1990 Residence Element by using stronger language and providing a list of opportunity sites, one of which is undeveloped. The 2009 Housing Element generally promotes increased density through community planning processes (Policies 1.4, 1.6, and Implementation Measures 13 and 79) and for affordable housing (Policy 7.5 and Implementation Measures 36 and 64). The 2009 Housing Element also includes a strategy designed to reduce the amount of space required for non-housing functions (Implementation Measure 12). While the 2009 Housing Element contains a policy that advocates for family-sized housing units (Policy 4.1 and Implementation Measure 32), overall density increases from such policy would be speculative as less units would be accommodated within a given building envelope.

2009 Housing Element Policy 1.2 directs the City to use the current state of the economy as an opportunity to pursue available land for affordable housing, providing stronger direction than 1990

Elements might. The analysis of the 2004 and 2009 Housing Elements found that impacts to transit would be potentially significant under Cumulative Conditions. Policies that were not deleted under Alternative B include policies that advocate for zoning changes in many areas of the City that have undergone area planning processes, measures that call for rezoning of the City's industrial and commercial districts to provide mixed use neighborhoods, and encouraging housing along transit for specialized housing types. Therefore, it is possible that encouraging housing in mixed use districts and in industrial and commercial districts where either housing is located in proximity to jobs, services and/or transit could potentially shift some trips to transit. Given that Alternative B could potentially encourage increases in transit ridership, potentially above Muni's capacity utilization standard of 85 percent, and that SFMTA's fiscal emergencies may not allow for expanded transit service, Alternative B may result in a potentially significant impact on the City's transit system.

Parking Provisions

Alternative B does not contain any policies that would modify parking impacts. Therefore, Alternative B would have similar impacts as the No Project Alternative with respect to parking provisions. Alternative B retains two parking policies that commit the City to study the effects of parking requirements for secondary units and affordable housing. Therefore, Alternative B does not contain any policies that could result in reduced parking requirements. As discussed in the TIS, a reduced parking requirement is a strategy to shift modes of transportation to transit, bicycling or walking. It is therefore, anticipated that maintaining the current parking provisions would increase the number of vehicle trips citywide, above those anticipated for the 2004 and 2009 Housing Elements, but not in excess of those anticipated under future 2025 Cumulative Conditions. Therefore, it is more likely that the 37 intersections anticipated to operate at unacceptable levels of service under future 2025 Cumulative Conditions would continue to operate unacceptably. No changes are anticipated to the transit system under 2025 Cumulative Conditions because Alternative B does not include reduced parking provisions.

Residential Density Provisions

Alternative B is similar to the No Project Alternative in that it does not as aggressively promote increased residential density as the 2004 Housing Element. Alternative B includes Policies 2.2 and 2.3 from the 2004 Housing Element that could increase residential density more generally throughout the City as compared to the 2009 Housing Element policies that generally limit this strategy to affordable housing and through community planning processes. As discussed in the TIS, increased residential density is correlated with reduced auto ownership and reduced VMT, resulting in overall beneficial impacts to the City transportation network. Therefore, the 2004 Housing Element would result in more beneficial impacts to the City transportation network than Alternative B, and similar impacts to the transportation network as the 2009 Housing Element policies. Housing policies under Alternative B that would increase residential density could also promote the use of alternative transportation, shifting a portion of trips to transit. However, under Alternative B, impacts to the City's transit system would be similar to the No Project Alternative and would not be anticipated to affect future 2025 Cumulative transit conditions.

Conclusion

As discussed above, Alternative B can be expected to result in an overall increase in citywide vehicle trips as compared to the 2004 and 2009 Housing Elements because Alternative B does not promote the use of alternative transportation to the degree that the 2004 and 2009 Housing Elements do. However, the effects of future development on the roadway network would not be expected to exceed 2025 Cumulative Conditions. Furthermore, Alternative B does not propose any new residential development, and would therefore, not generate any new person trips.

Alternative B does contain policies that direct growth towards job cores, commercial areas and/or transit more so than the No Project Alternative, but not as aggressively as the 2004 and 2009 Housing Elements. Under 2025 Cumulative Conditions, the California and Subway transit corridors are anticipated to operate near Muni's transit capacity utilization in 2025. Although Alternative B would not add any new trips under 2025 Cumulative Conditions, Alternative B contains policies that encourage a mode shift to transit. A substantial mode shift to transit could adversely affect the public transit system. Given that Alternative B includes policies that could potentially encourage increases in transit ridership above Muni's capacity utilization standard of 85 percent, and that SFMTA's fiscal emergencies may not allow for expanded transit service, Alternative B may result in a potentially significant impact on the City's transit system.

Noise

Similar to the 2004 Housing Element and 2009 Housing Element, the City is neither within an airport land use plan area, nor within two miles of a public airport or public use airport, nor within the vicinity of a private airstrip. Therefore, Alternative B would have ***no impact*** with respect to airport noise.

2004 Housing Element Comparison

Unlike the 2004 Housing Element, Alternative B would not promote as much increased housing density, potentially resulting in less housing construction. This reduced amount of housing construction would result in less noise-generating activity associated with new housing construction. Similar to the 2004 Housing Element, Alternative B would not result in an increase in demolition, which would create demolition-related noise. Both Alternative B and 2004 Housing Element recognize the need for the retention and maintenance of existing housing, and therefore do not represent a shift in policy. Therefore, similar to the 2004 Housing Element, impacts from exposure of people to or generation of excessive groundborne vibration or groundborne noise would be less than significant.

Alternative B would reduce the amount of housing construction on in-fill sites in industrial and commercial areas as compared with the 2004 Housing Element. This would reduce the potential for exposing residents to higher noise levels associated with these types of non-residential uses; therefore, this impact would be incrementally less than under the 2004 Housing Element. However, as with the 2004 Housing Element, compliance with Title 24 may not mitigate exterior noise on private open space or other site-specific conditions may warrant acoustical monitoring and analysis beyond that required for Title 24 compliance. Therefore, as with the 2004 Housing Element, Alternative B would result in

**Table VII-3
Alternative C Concepts**

| Housing Concept | Direct Growth | Affect Parking | Increase Residential Density |
|--|----------------------|-----------------------|-------------------------------------|
| curb cuts would further exacerbate on-street parking supply, such as in Residential Parking Program areas, or c. on a Transit Preferential Street. | | | |
| <i>Notes: ¹ It is acknowledged that increasing density could affect local parking conditions, however, policies that specifically encourage increased density, yet maintain existing parking requirements, were not determined to have an effect on parking because off-street parking would continue to be supplied as determined by Planning Code requirements.</i> | | | |

Growth in Certain Areas

Alternative C analyzes additional housing element concepts designed to further encourage attainment of the City's housing needs. With respect to directing growth, Alternative C concepts more aggressively encourage increased residential development along transit lines and generally throughout the City. Similar to the 2004 and 2009 Housing Element, Alternative C includes additional policies that would direct growth to certain areas of the City to a greater degree than the 1990 Residence Element. While Alternative C concepts 2 and 3 specifically direct growth along transit lines, concepts 4 and 5 direct growth more generally throughout the City. Concepts 2 and 3 could result in an overall mode shift towards transit for those developments located along transit lines. It is therefore anticipated that under Alternative C, a greater amount of future residential growth would be located along transit, potentially reducing citywide vehicle trips. Without these policies, it is more likely that the 37 intersections anticipated to operate at unacceptable levels of service under future 2025 Cumulative Conditions would continue to operate unacceptably.

Alternative C would promote residential growth in proximity to transit lines more so than the 2004 and 2009 Housing Element and the No Project Alternative. The analysis of the 2004 and 2009 Housing Element found that impacts to transit would be potentially significant because the 2004 and 2009 Housing Elements include policies that could result in a mode shift towards transit. Under 2025 Cumulative Conditions the California and Subway transit corridors are anticipated to operate near Muni's capacity utilization standard of 85 percent. The analysis of the 2004 and 2009 Housing Element policies found that increased transit ridership may exceed Muni's capacity utilization standard and that given SFMTA's current fiscal emergencies, SFMTA may not be able to respond with increased transit service, therefore this impact was found to be potentially significant. Given that Alternative C would include policies that could promote housing in proximity to transit more so than the 2004 and 2009 Housing Elements, Alternative C would similarly result in a **potentially significant** impact to the City's transit system.

Parking Provisions

Similar to the 2004 Housing Element, Alternative C would allow for reduced parking requirements under specified conditions. Compared to the 2009 Housing Element, Alternative C would allow for parking

exemptions, while the 2009 Housing Element generally would not. Therefore, Alternative C would fall in between the 2004 and 2009 Housing Element effects related to parking provisions. As discussed in the TIS, a reduced parking requirement is a strategy to shift modes of transportation to transit, bicycling or walking. It is therefore anticipated that Alternative C could result in a greater portion of future residential trips shifting to alternative transportation modes based on reduced parking requirements than the 2009 Housing Element, and to a similar degree as the 2004 Housing Element policies. Any shift in transportation modes from vehicles to transit, bicycling or walking would be consistent with the City's Transit First Policy. However, as discussed above, any shift in transportation modes to transit could result in potentially significant impacts to the City's transit system under 2025 Cumulative Conditions. Therefore, transit impacts resulting from Alternative C could be *potentially significant*.

Residential Density Provision

Alternative C is intended to encourage greater attainment of new residential units to meet the City's housing needs. Therefore Alternative C, concepts 1-5 are designed to result in increased residential density as compared to the 2004 and 2009 Housing Elements. As discussed in the TIS, increased residential density is correlated with reduced auto ownership and reduced VMT, resulting in overall beneficial impacts to the City transportation network. Therefore, Alternative C would result in greater beneficial impacts to the City roadway network than the 2004 and 2009 Housing Elements. However, as discussed above, any subsequent shift to transit could result in ridership that exceeds Muni's capacity utilization standard under 2025 Cumulative Conditions. Therefore, transit impacts resulting from Alternative C could be *potentially significant*.

Conclusion

As discussed above, Alternative C can be expected to result in an overall decrease in citywide vehicle trips as compared to the 2004 and 2009 Housing Elements because Alternative C generally encourages greater residential density throughout the City, reduced parking requirements, and increased density along transit lines as compared to the 2004 and 2009 Housing Elements. Therefore, the effects of future development on the roadway network would not be expected to exceed 2025 Cumulative Conditions. Furthermore, the Alternative C does not propose any new residential development, and would therefore, not generate any new person.

Alternative C contains more aggressive policies that could encourage a greater shift towards alternative transportation, including transit. Therefore, similar to the 2004 and 2009 Housing Element, Alternative C could result in increased ridership that may exceed available transit capacity under 2025 Cumulative Conditions, resulting in *potentially significant* impacts to the City's transit system. Alternative C would have no impact on citywide pedestrian or bicycle facilities, loading areas, emergency vehicle access, or impacts from construction for the same reasons as the 2004 and 2009 Housing Elements.

which provide opportunities for, and do not unduly constrain, housing development.”³⁸ This statement articulates that implementation of the Housing Elements rests on the private market. The Housing Element is the regulatory system that provides opportunities for the private market to develop housing.

The affordability issues discussed in the comment are associated with policies included in the Housing Elements that would not result in physical environmental impacts. Table IV-8 (Project Description) of the Draft EIR identifies the policies in the 2004 and 2009 Housing Elements that would have the potential to result in physical environmental impacts, which are appropriately the focus of the Draft EIR analysis. Because those policies and programs in the 2004 and 2009 Housing Elements that specifically focus on mechanisms to improve the affordability of existing and future housing would not have physical environmental impacts, it would not provide useful information to the public or decision-makers to analyze alternatives to these policies in the context of the Draft EIR. Table VII-1 (Project Description) in the Draft EIR addresses this point and identifies those policies across the alternatives that could result in physical environmental impacts.

As the Housing Elements, the Draft EIR, and the commenter recognize, the total number of units identified in the RHNA can be accommodated under the existing zoning capacity and/or through development currently in the City’s pipeline, and neither Housing Element accordingly specifically recommends any citywide increases in allowable residential density. However, the 2004 and 2009 Housing Elements do discuss increasing density for certain areas or through the community planning process. As discussed in detail in Response to 7-4 on page VIII-73, these policies encourage the development of affordable housing.

Comment T-9

Amy Minter, Chatten-Brown & Carstens

In its analysis of Alternatives A and B, the DEIR claims that the additional density provided by the policies in the 2004 and 2009 Housing Elements are required to meet the housing requirements for the RHNA, and in particular these density increases are required to meet the affordable housing targets identified in the RHNA. This claim is without support for two reasons. First, as discussed in section I.C above, increased density was determined to not be required to meet the 1999 to 2006 RHNA, and is also not required to meet the City’s target of producing 31,193 new housing units by 2014.

³⁸ State of California, Department of Housing and Community Development, Housing Elements. Website: <http://www.hcd.ca.gov/hpd/hrc/plan/he/>. Accessed February 12, 2011.

Housing Needs

This section examines the type, amount and affordability of new housing construction needed in San Francisco, as determined by the Association of Bay Area Governments, through June 2014. It is based, in part, on the data presented in the preceding Sections.

A. REGIONAL HOUSING NEED ASSESSMENT

The Association of Bay Area Governments (ABAG), in coordination with the California State Department of Housing and Community Development (HCD), determine the Bay Area's regional housing need based on regional trends, projected job growth and existing needs. San Francisco's fair share of the regional housing need for January 2007 through June 2014 was calculated as 31,190 units, or about 4,160 units per year (Table I-39). This goal seeks to alleviate a tight housing market stemming from forecast household and employment growth as well as allocating regional household and employment growth to jurisdictions with established or planned transit infrastructures. More important, the regional housing needs assessment (RHNA) determination includes production targets addressing housing needs of a range of household income categories. A total of about 18,880 units or 61% of the RHNA target must be affordable to households making 120% of the area media income (AMI) or less.

**Regional Housing
Needs Assessment for
San Francisco,
2007-June 2014**

| Household Income Category | No. of Units | % of Total | Annual Production Goal |
|----------------------------------|---------------|---------------|------------------------|
| Extremely Low (≤ 30% AMI) | 3,294 | 10.5% | 439 |
| Very Low (31 - 50% AMI) | 3,295 | 10.6% | 439 |
| Low (51 - 80% AMI) | 5,535 | 17.7% | 738 |
| Moderate (81 - 120% AMI) | 6,754 | 21.7% | 901 |
| Above Moderate (over 120% AMI) | 12,315 | 39.5% | 1,642 |
| <i>Middle (120% - 150% AMI)</i> | <i>3,325</i> | <i>10.7%</i> | <i>443</i> |
| <i>Market (over 150% AMI)</i> | <i>9,990</i> | <i>28.8%</i> | <i>1,199</i> |
| TOTAL UNITS | 31,193 | 100.0% | 4,159 |

SOURCE: ABAG, Planning Department

All told, there is the potential for almost 8,300 new units on vacant or underutilized parcels in these medium- and high-density residential zones.

b. Housing in Neighborhood Commercial Districts

Both Planning Code regulations and General Plan policies encourage housing over commercial spaces in districts throughout the City. More recently, regional and national interest in transit-oriented development has grown considerably. The close proximity of neighborhood commercial districts to transit preferential streets makes in-fill sites in these districts particularly suitable for development. There is also a proven strong market for mixed-use development. Mixed-use projects, with commercial and residential components, accounted for a significant amount of the new building construction in the last decade. Opportunity sites in neighborhood commercial districts cover over 330 acres of land in the City. This represents the potential for roughly 22,350 new housing units over ground floor commercial spaces.

c. Better Neighborhoods Program

The Better Neighborhoods Program was initiated by the Planning Department to address the City's related housing and transportation challenges. It seeks to do so by strengthening the linkages between land use and transportation planning, so that each one effectively supports the other. Market and Octavia, Balboa Park, and the Central Waterfront were chosen as three pilot neighborhoods and selected to serve as a model for other areas in the City. Glen Park and Japantown were later added as compact versions of the Better Neighborhood planning process. These neighborhoods' proximity to transit and essential services are ideal for additional housing, including units in upper stories above commercial uses. The Market Octavia Plan, promising an additional 5,900 units, was adopted in mid-2008. The Central Waterfront Plan was adopted, along with three other Eastern Neighborhoods, at the end of 2008. Balboa Park was also adopted in December 2008. The Central Waterfront Neighborhood Plan allows for the potential development of about 1,100 to 1,500 new units while Balboa Park could mean some 800 to 3,150 additional units.

Development opportunities in the Better Neighborhood areas vary. About 2,100 units can be built in vacant or near parcels in the Market and Octavia area while underdeveloped parcels can accommodate about 4,570 units. The demolition of the Central Freeway and its replacement with Octavia Blvd. in the Market and Octavia Plan Area freed up about seven acres for redevelopment. All told, these publicly owned parcels have the zoned capacity to accommodate over 1,000 units and have been included in the overall estimate for the area. In Central Waterfront, vacant or near vacant parcels have the zoned capacity to accommodate 865 units. Underdeveloped sites, mostly industrial uses such as warehouses, can be redeveloped and yield over 1,000 units. Balboa Park, on the other hand, can see over 3,100 units in vacant or near vacant properties. Another 600 units can be built in underdeveloped parcels that have existing uses such as single-storey commercial buildings or gasoline stations.

d. Housing in Industrial Areas and the Eastern Neighborhoods

A significant portion of new housing construction (over 40%) in the last decade occurred in the areas south of Market Street. These industrially zoned parts of the City provided a ready

San Francisco and continued actions towards achieving these goals. A primary component of meeting these goals is directing development towards transit-served areas, to reduce greenhouse gas emissions from transportation. The City's area plans serve to direct development to transit served areas, and numerous policies in Part II of the City's Housing Element also support this aim.

h. Community Acceptance

San Francisco has a strong tradition of public involvement in policy discussions and possesses a very engaged citizenry on development issues. This activism often takes the shape of organized opposition to housing projects across the City, especially affordable housing for low-income residents and even towards well planned and designed developments. Such vocal opposition poses very real impediments to project sponsors and can lead to significant time delays, additional cost, or a reduction in the number of residential units produced. The City is committed to the involvement of citizens in the planning process and to the need to expound on the importance of working towards citywide housing objectives. Two recently approved planning initiatives – the Market/Octavia plan and the Eastern Neighborhoods Community Planning plan and re-zoning – have engaged residents, property owners, workers, and other stakeholders and sought broad public community backing through participatory programs of education, public dialogue and input, and consensus building.

The number of Discretionary Review requests initiated by members of the public ranged from 281 in 2001 to 126 in 2008. The relationship between Discretionary Review requests and building permit applications (as a percentage of total permits filed) has been relatively constant with a recent high of 9% in 2005 and low of 6% in 2007. The current Discretionary Review process does not produce consistent or fair results, makes the development process more lengthy and costly for all involved, and takes time away from the Commission to address larger planning issues.

3 Governmental Constraints

Housing production in San Francisco is affected by a number of governmental regulations, from local policies and codes to state and federal land use regulations and state environmental laws. This section will examine the impacts of local governmental regulations on residential development as these can be addressed by local housing policy. These regulatory controls have been carefully crafted over time to balance citywide needs and address public concerns. These regulations were established to be consistent with the City's General Plan priorities to conserve and protect existing housing and neighborhood character. They also regulate new development to be compatible with and not detrimental to the area with respect to size, shape, traffic and its generated noise, open space and urban design requirements. The time required to administer and approve projects can add to the cost of housing production. But without these standards, an even greater check on new housing construction could result from public opposition to new development.

Addressing these constraints must be balanced against other citywide needs and will also be tempered by public concerns. Most of San Francisco's existing regulations were established to

be consistent with the City's General Plan priorities to conserve and protect existing housing and neighborhood character, regulating development to be compatible with neighborhood character, and not detrimental to the area with respect to size, shape, traffic and its generated noise, open space and urban design requirements. The time required to administer and approve projects can also add to the cost of housing production. But without these standards, an even greater check on new housing construction could result from public opposition to development.

To address these issues, the City has made a number of improvements to remove hurdles in the City's General Plan and Planning Code, including:

- Using community planning processes to adopt streamlined regulations around discretionary process and reducing Conditional Uses;
- Using community planning processes to increase development capacity, including height, density and required lot sizes;
- Reduction of parking and open space requirements.

a. Entitlements

Proposed developments that deviate from or exceed permitted development standards, or that bring up other planning or environmental concerns, are subject to additional assessment and would require conditional use approvals, variances, and discretionary reviews. All these special permits take longer to process as they require greater study and analysis, public notifications and hearings, and approvals from the Planning Commission or the Zoning Administrator. The Commission may impose conditions or mitigation measures.

1) Land Use Regulations and Community Plans. The Planning Code, in particular, can present constraints to housing development. Height and density limits, parking and open space requirements, for example, can constrain housing form and increase production costs; discretionary processes such as Conditional Use authorizations can extend both the timeline for and the cost of housing construction.

The San Francisco Planning Department has prepared a number of community plans intended to shape growth in our urban neighborhoods, by encouraging housing where it makes sense and by using that housing growth to strengthen neighborhoods. The community planning process provides a neighborhood-based forum to grapple with issues such as appropriate height and density. It also provides the opportunity to shape new regulations for development which streamline the housing approval process yet make sure development still is designed according to the appropriate neighborhood character.

In the past five years, the Planning Department has completed several plans for the Downtown area (Rincon Hill and Transbay), a series of "Better Neighborhoods Plans" (Market & Octavia, Balboa Park and the Central Waterfront), and the Eastern Neighborhoods Plans (East SoMa, Showplace Square/Potrero Hill, and Mission). Adoption of these plans into the City's General Plan enabled clearly stated housing development policies. Each new neighborhood plan is

costs to city agencies and non-profit corporations that provide affordable housing and other community development and human services.

Some of the funding programs above – such as CDBG, HOME – are expected to be stable sources of affordable housing funds. However, these are also subject to budgetary constraints. Similarly state funding sources are vulnerable to the budgeting process, although additional state funding became available with voters' approval of new bond issues in November 2002. Most local sources such as the Hotel Tax Fund and the Jobs-Housing Linkage Fund are even more dependent on economic trends. One significant local affordable housing bond (Proposition A) was fully committed in 2003; issuance of additional bonds fell short of receiving two-thirds of San Francisco voters' support.

| Funding Program | Funding Sources | Total Allocation | Set Aside for Pipeline Projects | Available for New Projects |
|--|--|----------------------|---------------------------------|----------------------------|
| Supportive Housing | CDBG, HOME, HOPWA | \$36,882,336 | \$31,782,336 | \$5,100,000 |
| Family Rental Housing | Affordable Housing Fund, Affordable Housing Bond funds | \$23,652,027 | \$23,652,027 | |
| Senior Rental Housing | Hotel Tax, Mission Bay and Affordable Housing Bond funds | \$30,876,817 | \$30,876,817 | |
| Single Family Homeowner Rehabilitation | CDBG, CERF | \$2,182,000 | | \$2,182,000 |
| Public Housing | | \$5,250,000 | \$5,250,000 | |
| Existing Affordable Preservation | | \$9,678,063 | \$9,678,063 | |
| Existing Non-Profit Housing Preservation | CDBG, HOME | \$2,906,293 | \$2,906,293 | |
| Homeownership | Tax Increment funds | \$28,615,355 | \$21,465,355 | \$7,150,000 |
| Housing Opportunities | CDBG, HOME, Tax Increment funds | \$1,651,557 | | \$1,651,557 |
| TOTALS | | \$141,694,448 | \$125,610,891 | \$16,083,557 |

**Federal, State and Local
Funding for Housing
Programs, San Francisco,
2008-2009**

SOURCE: Draft 2008-2009 Action Plan, Mayor's Office of Community Development, Mayor's Office of Housing, San Francisco Redevelopment Agency
CDBG: Community Development Block Grant HOME: Home Investment Partnership Program
HOPWA: Housing Opportunities for Persons with AIDS CERF: Code Enforcement Rehabilitation Fund

Some public funds are restricted to particular housing types and/or population groups; for example the elderly housing program (Section 202, Hotel Tax Fund), the disabled housing program (Section 811, Hotel and Tax Fund), and HOPWA (Housing Opportunities for Persons with AIDS). Administrative costs are also not covered by most public funding sources. Federal grants often carry a number of restrictions and regulations that can make the funds difficult to use. For example, some federal programs require matching grants while others are impossible to combine with other funds. Most affordable housing programs require three or more sources of funding to become feasible. Different funding sources may have to be tapped for pre-development, construction, and permanent financing costs – leading to considerable transaction and legal costs and delays in the development process.

C. QUANTIFIED HOUSING GOAL

The state Department of Housing and Community Development, with the Association of Bay Area Governments, determined San Francisco's fair share of the regional housing need for the period covering January 1999 through June 2006 at 20,372 units. Even with very aggressive policies and programs, given that San Francisco is a mature, built-up city with limited large tracts of undeveloped land and the previous decades' housing production record, the "fair share" of affordable housing units was not achieved. Table I-63 below shows that 86% of the state mandated production targets and 47% of the affordable housing production for the period covered by the 2004 *Residence Element* were achieved; this statistic is a result of the overproduction of market rate units. Appendix A provides details of the City's housing production performance in the evaluation of the 2004 *Residence Element*.

Table I-63
Annual Production Targets
and Average Annual
Production, San Francisco,
1999-2006

| Household Affordability | Housing Goals 1999-2006 | Actual Production 1999-2006 | % of Production Target Achieved | Production Deficit (Surplus) |
|----------------------------------|-------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| | Total | Total | | |
| Very Low Income (below 50% AMI) | 5,244 | 4,342 | 82.8% | 902 |
| Low Income (50% - 79% AMI) | 2,126 | 1,113 | 52.4% | 1,013 |
| Moderate Income (80% - 120% AMI) | 5,639 | 725 | 12.9% | 4,914 |
| Market Rate (over 120% AMI) | 7,363 | 11,293 | 153.4% | (3,930) |
| TOTALS | 20,372 | 17,473 | 85.8% | |

More than the performance in the production of very low- and low-income housing, the deficit of 5,750 units affordable to moderate income households has been seen as critical in turning the City's housing problem into a crisis of affordability. As Table I-64 below shows, housing construction in the last two years, along with projected pipeline completion by 2014, point to an exacerbation of construction deficit in housing affordable to low- and moderate-income households.

Table I-64
Housing Production Targets
and Estimated Annual
Production, San Francisco,
2007-2014

| Income Category | 2007- 2014 Total | 2007- 2014 Total | Interim/Long-term Development Factors (to 2014, +/-) | | | Total Units Produced 2007-2014 | Forecast Annual Production | Acquisition & Rehabilitation (to 2014, +/-) | |
|---------------------------|------------------------|------------------------|--|--------------------|-------------------|---|----------------------------------|--|--|
| | No. of Units | No. of Units | Land Use Change to Residential | Public Projects | Other Projects | | | Estimated Acquisition & Rehab 2007-2014 | Estimated Acquisition & Rehab 2015-2014 |
| Extremely Low (< 30% AMI) | 3,294 | 396* | 555 † | 1,406 † | 1,548 † | 3,904 | (810) | 240 | 1,500 |
| Very Low (31-49% AMI) | 3,285 | 395* | 555 † | 1,406 † | 1,548 † | 3,905 | (810) | 239 | 1,500 |
| Low (50-79% AMI) | 5,535 | 309 | 149 † | 0 | 27 † | 485 | 5,050 | 108 | 500 |
| Moderate (80-120% AMI) | 6,754 | 569 | 833 † | 573 † | 1,193 † | 3,168 | 3,586 | 5 | 0 |
| Market (over 120% AMI) | 12,313 | 4,349 | 4,723 | 3,250 | 6,759 | 19,081 | (6,766) | 0 | 0 |
| TOTALS | 31,183 | 6,483 | 6,816 | 6,634 | 11,075 | 31,543 | | 592 | 3,500 |

* Units affordable to Extremely Low and Very Low Income Households do not include those units that have been acquired and/or rehabbed as permitted by Housing Element Law.

** This does not include major projects under Planning review including ParkMerced, Treasure Island, or Candlestick Point / Hunters Point Shipyard Phase II which are expected to be completed after the 2014 reporting period. The limited pipeline assumption includes projects that are currently under construction, entitled projects (approved by Planning Department and Department of Building Inspection), and projects of 250 units or less currently under Planning Department review that are expected to be completed by 2014; also assumes SF Hope is completed by 2014.

† Based on affordable housing projects sponsored by the Mayor's Office of Housing, the SF Redevelopment Agency and the SF Housing Authority.

‡ Based on estimated interjurisdictional affordable housing units in projects under construction, entitled and under Planning or DBI review.

SOURCE: ABAG, SF Planning Department

009497

2. Housing Potential Under New Zoning Proposals

Through multi-year community planning efforts, the City of San Francisco has recently updated zoning controls for over 1/3 of the city. These planning efforts developed appropriate zoning, heights, bulks, and densities in balance with infrastructure and funding strategies to support new growth. A number of other planning efforts are underway including Balboa Park, the Transbay Terminal District, and Japantown which will result in increased residential development potential.

Table I-66 below details the estimated additional potential capacity with rezoning in planning initiatives currently underway.

Table I-66
Estimated New Housing
Construction Potential with
Proposed Rezoning of
Select Neighborhoods,
San Francisco, 2008

| Area | Under Current Zoning | | | With Proposed Rezoning * | |
|------------------------|----------------------|--------------|----------------|--------------------------|--|
| | Undeveloped | Soft Sites | Total Estimate | Total New Estimate | Additional Potential Units with Rezoning |
| Executive Park | 114 | 97 | 211 | 1,600 | 1,389 |
| Glen Park | 5 | 6 | 11 | 100 | 89 |
| Japantown | 99 | 514 | 613 | To be determined | |
| ParkMerced | 3 | 0 | 3 | 5,600 | 5,597 |
| Transbay Terminal | 44 | 78 | 122 | 1,200 | 1,078 |
| Visitacion Valley * | 885 | 460 | 1,345 | 1,200 | 0 |
| Western SoMa | 466 | 743 | 1,209 | 2,700 | 1,491 |
| India Basin | | | | 1,200 | 1,200 |
| Hunters Point Shipyard | | | 1,500 | 4,000 | 2,500 |
| Candlestick Point | | | | 7,500 | 7,500 |
| Treasure Island | | | | 8,000 | 8,000 |
| TOTALS | 1,616 | 1,898 | 5,014 | 33,100 | 28,844 |

* Rezoning of the Schlage Lock site.

SOURCE: SF Planning Department

3. Plans for Future Affordable Housing Construction

Stable government support in the last few years covered almost all of the affordable housing production. Public subsidies tend to fund very low and low-income housing, with very limited grants allocated for moderate-income home buyers. The revised and expanded inclusionary affordable housing requirement is expected to improve the provision of new housing for households earning moderate incomes. For example, an annual average of 209 inclusionary affordable units were built in the five years from 2004 to 2008 as a result of this change. In comparison, only 128 inclusionary units were built from 1992 to 2000, or an annual average of 16 units.

Housing Programs and Initiatives

The 2004 *Housing Element* retained most of the policies in the 1990 *Residence Element*, but consolidated and reorganized the City's 12 housing objectives. The 2004 *Housing Element* places greater emphasis on identifying appropriate locations for new housing citywide, especially increased density near downtown; on implementing area plans to build new neighborhoods in appropriate locations; on improving the livability of existing neighborhoods through good design, mixed-use development, increased density near transit, improved infrastructure and public amenities, and reduced parking requirements; on protecting the affordability of existing housing and building more new affordable housing; on streamlining the housing production process through program EIRs and Area Plan EIRs; on creating mixed-income communities; on providing more family housing; and on managing homelessness through supportive housing.

The objectives and policies of the 2004 *Housing Element* underscored four main housing themes: 1) increasing housing production, especially affordable housing; 2) preserving and maintaining the City's housing supply; 3) increasing housing densities in areas well served by transit in order to create a more livable City, meet the City's goals for housing production, revitalize neighborhoods; and 4) building supportive housing opportunities for the homeless and those at-risk of homelessness.

New Area Plans

A variety of new area plans were initiated during the 1999-2006 reporting period. These plans seek to capitalize on each area's unique assets for current and future residents, and strengthen neighborhoods by encouraging new housing in transit-rich areas where neighborhood shops and services are concentrated.

- The Better Neighborhoods Program was started in 2000 and used intensive community-based planning to incorporate recognition of citywide needs, including housing goals, into the planning process for each neighborhood. Three neighborhoods – Balboa Park, Central Waterfront, and Market and Octavia – were initially selected to serve as models for similar future programs in other parts of the City. The Market Octavia Plan was adopted and approved in 2008 and Balboa Park in April 2009. The Central Waterfront Plan was included in the Eastern Neighborhoods environmental review and plan adoption process in December of 2008.
- The Eastern Neighborhoods (EN) planning process is a large-scale community planning effort in several neighborhoods in the eastern portion of San Francisco originally including the South of Market, Mission, Potrero Hill/Showplace Square, Bayview, and Visitacion Valley neighborhoods. Eventually the Bayview, (adopted by the San Francisco Redevelopment Agency in June 2006), and Visitacion Valley (adopted in December 2008) neighborhoods underwent separate planning and plan adoption processes. The Central Waterfront was incorporated into the EN environmental review and plan adoption process. These EN plans were adopted in December 2008.

- In the Downtown area, the Rincon Hill plan was approved in 2005, allowing for 2,200 units; some 1,460 of these units have since been entitled. The Transbay Redevelopment Area was adopted in 2005 and will add approximately 2,600 new units. Successful completion and implementation of these plans will create vibrant new communities adjacent to employment centers and regional transit hubs, consistent with the policies and programs contained in the housing element.
- Area plans for India Basin and Japantown were initiated in 2007.

Program Environmental Impact Reports

A major new policy in the 2004 *Housing Element* encourages the preparation of detailed Program Environmental Impact Reports (EIR) and the use of subsequent community plan exemptions, where appropriate, for new planning areas in order to streamline environmental review by reducing duplication in the EIR process. Area Plans in these program areas would also seek to reduce the number of discretionary approvals required for specific affordable housing projects. The pilot project for this type of program EIR was the Market/Octavia Area Plan, which analyzed the area plan at a programmatic level while also providing project-level environmental review of former freeway parcels where the plan foresees specific residential growth. The Market/Octavia program EIR was completed in the summer of 2008; subsequently the Planning Department has established a community plan exemption processes, which enables new construction to benefit from the analysis completed in the Market and Octavia EIR. Other area plans adopted in 2008 also approved programmatic EIRs. The program EIR and community exemption model will streamline the entitlement process new infill housing units.

Affordable Housing

San Francisco faces a continuing shortage of affordable housing for very low and low-income residents. In response to the high projections of housing needs for San Francisco set forth in the 2004 and previous Housing Elements, San Francisco has instituted several strategies for producing new affordable housing units. These strategies seek to support affordable housing production by increasing site availability and capacity for permanently affordable housing, and to encourage the distribution of affordable housing throughout all neighborhoods, thereby offering diverse housing choices and promoting economic and social integration.

- *Planning Department - Inclusionary Housing Program.* In 2001, San Francisco greatly increased the capacity for affordable housing production through expansion of its Inclusionary Housing Program and increased fees to the Affordable Housing Fund. During the 1999-2006 reporting period, the inclusionary program produced 869 units, mostly in the South of Market. This is a twelvefold increase from the 73 units produced from 1992 (when the program first began) to 1998. The inclusionary program also contributed \$23 million to the Affordable Housing Fund in in-lieu fees.

In 2006, the program was further modified as follows: expanded coverage with a lower threshold to include projects with five or more new units; increased the percentage of affordable units required to 15% on-site and 20% off-site; increased the amount of

Supportive Housing

In 2006, San Francisco's Continuum of Care approach to homelessness was modified to focus on providing supportive housing opportunities for families and single persons under a Housing First model. The plan established a 10-year goal of producing 3,000 units of supportive housing, and over 1,500 units have been produced through 2007.

At-Risk Affordable Housing

The number of affordable housing units at risk of converting to market rate, including Single Resident Occupancy (SRO) units, has been substantially reduced by the Mayors Office of Housing (MOH) and the Redevelopment Agency (SFRA). At risk units were transferred to non profits and provided operating subsidies, ensuring their long term affordability. As called for in the 2004 *Housing Element* capital improvement projects were implemented for distressed public housing, and several public housing projects, such as Hayes Valley and Valencia Gardens, were rebuilt during the reporting period using federal HOPE VI funds.

The Residential Conversion and Demolition Guidelines, the Condominium Conversion Ordinance (which limits the annual number of apartments that can convert to condominiums), and the City's Rent Control policies all continue to limit the demolition or conversion of existing affordable housing.

OBJECTIVES AND POLICIES - IMPLEMENTATION PROGRAMS EVALUATION

The following review of past and current implementation programs is organized by the three primary themes of the 2004 *Housing Element*: 1) Construction and Conservation of Housing; 2) Affordability; and 3) Citywide and Regional Concerns.

1. CONSTRUCTION AND CONSERVATION OF HOUSING

Objectives 1, 2, and 3 detail San Francisco's strategy for increasing the overall net supply of housing. Production of new housing and increasing density of development was the primary strategy. Retaining the existing supply of housing, particularly rental housing, affordable units and residential units located in commercial and industrial areas, and maintaining existing housing in decent condition, were also important strategies for increasing the supply of housing in San Francisco. Several programs were successful in helping achieve these objectives, which continued several of the policies from the 1990 *Residence Element* related to retaining the existing housing stock, and combined two objectives from the 1990 *Residence Element* related to maintaining condition of housing and seismic safety.

OBJECTIVE 1

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

New Housing Production

From 1999-2006, San Francisco's housing stock added a net increase of 17,473 units. As stated previously, although San Francisco fell short of its RHNA targets, this still represents 86% of its overall housing production targets. This unit gain reflects the cumulative efforts of a range of public agency programs and private investment throughout the City. This total is the net balance of new construction, demolished units, alterations, and allowable acquisition/rehab.

Major Plans and Developments

A number of area and community planning efforts were also initiated between 1999 and 2006/ The resulting plans and rezoning in these areas increase potential housing capacity. As shown in Table A-2 below, these programs created capacity for growth estimated to be over 40,600 units.

**Planned Capacity &
Programs, Estimated
Growth**

| Program | Sub-Area | Program | Estimated Plan Growth |
|------------------------|---------------------------------|--------------|-----------------------|
| Eastern Neighborhoods | Mission | Area Plan | 1,700 |
| | East SoMa | Area Plan | 2,900 |
| | Central Waterfront | Area Plan | 2,000 |
| | Showplace Square & Potrero Hill | Area Plan | 3,200 |
| | Western SoMa | Area Plan | 2,700 |
| Better Neighborhoods | Market & Octavia | Area Plan | 6,000 |
| | Balboa Park | Area Plan | 1,800 |
| Downtown Neighborhoods | Rincon Hill | Area Plan | 4,100 |
| | Transbay | Area Plan | 3,400 |
| Bayshore | India Basin | Project/Plan | 1,300 |
| | Candlestick | Project/Plan | 7,500 |
| | Hunters Point | Project/Plan | 2,500 |
| | Schlage/Visitacion Valley | Project/Plan | 1,500 |
| Total | | | 40,600 |

In addition, there were several other initiatives pursued by the City from 1999-2006 to create more housing units. These include:

- **Secondary Units.** Allowing an additional on-site unit in existing residential structures is an effective and inexpensive way to realize greater housing potential. Several measures have been introduced in the last 20 years that sought to create additional housing

- *New Area Plans.* Through the Better Neighborhoods and other area plan programs, the Planning Department continues to explore ways to develop and enhance the quality and livability of existing residential neighborhoods. The Eastern Neighborhoods new area plans initiated during the 1999-2006 reporting period and recently adopted in 2008, identify core elements that help create vibrant neighborhoods, such as walkability, availability of services, transit access, housing choices, and unique character. These new area plans incorporate these ideas into the development of community goals and neighborhood improvements.
- *Housing Development in Residential Neighborhoods.* Almost 4,550 units of housing were developed in San Francisco's existing residential neighborhoods from 1999-2006, representing 30% of all housing production in the City during that time period. This figure includes all new units constructed in the city's traditionally residential RH and RM districts (Residential House and Residential Mixed). The City has been able to locate this substantial amount of new housing in existing residential areas without significant adverse impacts to prevailing neighborhood character. The Better Neighborhoods and Eastern Neighborhoods programs provide for an increase in the number of housing units built in these districts near transit and other services.
- *Parking Requirements.* Neighborhood planning policies seek to reduce parking requirements below one space per unit in areas near transit in order to increase density, discourage automobile use, and create more walkable neighborhoods.
- *Green Building – Quality of Life Improvements.* The City has made a substantial effort to incorporate green building principles and green design into development projects during the last several years. In 2006, the Planning Department and other permitting agencies began to expedite permits for Leadership in Energy and Environmental Design (LEED) certified gold buildings. Moreover, in 2008 the City adopted a Green Building Ordinance that requires new construction to meet green building standards.

OBJECTIVE 12

STRENGTHEN CITYWIDE AFFORDABLE HOUSING PROGRAMS THROUGH COORDINATED REGIONAL AND STATE EFFORTS.

- *Regional Grants.* San Francisco was successful in advocating for language in the 2007-2014 Regional Housing Needs Assessment (RHNA) process to direct more transportation money to jurisdictions that agree to take on greater housing growth. Recently, the Association of Bay Area Governments FOCUS program, which seeks to encourage growth near transit in the Bay Area, designated several neighborhoods in San Francisco as Priority Development Areas (PDAs). PDAs are regionally-designated areas prioritized for housing development, and therefore eligible for grant funding. Planned PDAs would be eligible for capital infrastructure funds, planning grants, and technical assistance while Potential PDA's would be eligible for planning grants and technical assistance, but not capital infrastructure funds. Currently, a number of neighborhoods have been identified as PDAs. These areas represent approximately 40% of the city's land area.

Table A-1 is a review of all the implementation programs of the 2004 *Housing Element*.

Review of Implementation Programs from 2004 Housing Element

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|--|---|--|---------------------------------|
| HOUSING SUPPLY | | | |
| OBJECTIVE 1 To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment demand. | | Somewhat successful | Continue/ Modify |
| Policy 1.1 Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households. Set allowable densities in established residential areas at levels that will promote compatibility with prevailing neighborhood scale and character where there is neighborhood support. | The City added a total of 17,473 net units, 35% of which are affordable. Of these affordable units, 2,214 are family housing, representing 56% of all affordable housing constructed or 15% of total housing production. | Somewhat successful, although RHNA targets not met. Given market conditions, the proportion of affordable housing has increased. | |
| Policy 1.2 Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities. | New area plans, including Market-Octavia, Eastern Neighborhoods, Rincon Hill and others, potentially increase housing capacity by over 55,000 and capitalize on existing neighborhood commercial and transit infrastructure where present. These plans also require a percent of larger family sized units. | Plans that will facilitate and guide growth in appropriate areas were successfully adopted. | |
| Policy 1.3 Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City. | The Planning Department successfully adopted the Eastern Neighborhoods plan that encourages housing in former industrial areas where residential neighborhoods are established and urban amenities are in place or are feasible. | Successful | |
| Policy 1.4 Locate in-fill housing on appropriate sites in established residential neighborhoods. | The Planning Department continues to encourage housing development on brownfield sites such as the former Schlage Lock factory, where clean-up costs are not prohibitive and residential neighborhoods can be established. | Successful | |
| Policy 1.5 Support development of affordable housing on surplus public lands. | The City continues to evaluate surplus federal or state lands as an affordable housing resource. | On-going | |

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| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|---|---|--|---------------------------------|
| <p>Policy 1.6 Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects.</p> <p>Policy 1.7 Encourage and support the construction of quality, new family housing.</p> <p>Policy 1.8 Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower-income households.</p> <p>Policy 1.9 Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.</p> | The Redevelopment Agency continues to prioritize affordable housing on lands it controls. | On-going | |
| | The Planning Department increased height limits, eliminated density requirements, modified off-street parking requirements, and generated additional funds for affordable housing through new impact fees in the Rincon Hill Plan Area. Similar changes are proposed for the Transbay Plan Area. | | |
| | The Planning Department continues to implement the Van Ness Avenue Plan, which requires residential units over commercial uses. There are currently 929 units in the development pipeline for this area. | On-going | |
| | The Planning Department adopted new zoning that requires a minimum percentage of larger family units, ranging from two to four bedrooms, in new major residential projects. | To be determined in the next reporting period | |
| | The Mayor's Office of Housing and the San Francisco Redevelopment Agency continues to administer programs for development of affordable family rental housing with priority given to projects that include affordable family units for the homeless and those at-risk of homelessness, and include supportive services for residents. | On-going | |
| | Student housing was increased due in part to nine Institutional Master Plans adopted during the 1999-2006 reporting period. | To be determined in the next reporting period. | |
| | New residential design guidelines were adopted easing infill development in existing neighborhoods. | On-going | |
| | RTO zoning adopted that encourages the creation of secondary units. | To be determined in the next reporting period. | |

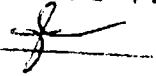
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| Objective/Policy/Implementation (Policy/Program) | Result | Evaluation | Continue/ Modify/ Delete |
|---|---|---|--------------------------------|
| REGIONAL AND STATE HOUSING NEEDS | | | |
| OBJECTIVE 12 Strengthen citywide affordable housing programs through coordinated regional and state efforts. | | Successful. The City continues to engage on a regional level, and strives to carry its fair share of regional growth. | Modify |
| Policy 12.1 Work with localities across the region to establish a better relationship between economic growth and increased housing needs. | The City continues to work with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to shape plans that meet regional housing, transportation, and job needs. | On-going | |
| Policy 12.2 Support the production of well-planned housing regionwide that address regional housing needs and improve the overall quality of life in the Bay Area. | The San Francisco Redevelopment Agency (SFRA) continues to serve as the lead agency and administrator of the HOPWA Program on behalf of the San Francisco Eligible Metropolitan Statistical Area (EMSA), which includes San Francisco, San Mateo and Marin counties. | On-going | |
| Policy 12.3 Encourage jurisdictions throughout the Bay Area to recognize their share in the responsibility to confront the regional affordable housing crisis. | At the state level, the City was successful in advocating for changes that direct more transportation money to jurisdictions, like San Francisco, that take on greater housing growth as part of the 2007-2014 Regional Housing Needs Allocation process. | On-going | |
| Policy 12.4 Foster educational programs across the region that increase public understanding of the need for affordable housing and generate support for quality housing projects. | At the regional level, the City successfully coordinated with the Association of Bay Area Governments (ABAG) to designate several neighborhoods in San Francisco as Priority Development Areas that, as regionally-designated areas prioritized for housing development, are eligible for various funds to assist with capital infrastructure, planning, and technical assistance expenses. | On-going | |
| Policy 12.5 Support the State of California in developing and implementing state affordable housing plans and programs. | | | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|--|---|------------|---------------------------------|
| HOUSING AFFORDABILITY | | | |
| OBJECTIVE 4 Support affordable housing production by increasing site availability and capacity. | | Successful | Continue |
| Policy 4.1 Actively identify and pursue opportunity sites for permanently affordable housing. | The City's Affordable Housing Fund, derived from payment of fees by office, entertainment, hotel, and retail developers as well as market rate housing developers, continues to be used to develop affordable housing. A total of \$65 million was collected during the 1999-2006 reporting period. | On-going | |
| Policy 4.2 Include affordable units in larger housing projects. | The City's Inclusionary Housing program, which requires new development to provide a percentage of affordable units, produced 826 units during the 1999-2006 reporting period. The City expanded the program in 2001 and 2005. An additional 546 units were produced in 2007-2008. | On-going | |
| Policy 4.3 Encourage the construction of affordable units for single households in residential hotels and "efficiency" units. | The Redevelopment Agency increased affordability requirements in redevelopment areas, resulting in 480 affordable units during the 1999-2006 reporting period. | On-going | |
| Policy 4.4 Consider granting density bonuses and parking requirement exemptions for the construction of affordable housing or senior housing. | Affordable housing special use districts (SUDs) that increase densities for more affordable units continue to be established. Almost all new area plans also include these policies as well as requiring additional affordable housing impact fees. | On-going | |
| Policy 4.5 Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures. | Developing housing on appropriate public land continues to be city policy. The Market Octavia Plan calls for the development of up to 900 units on former Central Freeway parcels. The development of additional affordable housing continues to be investigated for various other plan areas. | On-going | |
| Policy 4.6 Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production. | | | |

DW - 11
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Planning 1

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BY HAND DELIVERY

May 9, 2011

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City of San Francisco
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102

Re: Second Supplement to Appeal of Certification of Final Environmental Impact Report for the 2004 and 2009 Housing Elements and Related CEQA Findings, Environmental Findings and Statement of Overriding Considerations

Planning Department Case Nos. 2007.1275E and 2007.1275EM

Board of Supervisors Hearing Date: May 10, 2011 - 4:00 p.m.

On behalf of Pacific Heights Residents Association, Cow Hollow Association, Francisco Heights Civic Association, Greater West Portal Neighborhood Association, Jordan Park Improvement Association, Lakeshore Acres Improvement Club, Laurel Heights Improvement Association of San Francisco, Inc., Marina-Cow Hollow Neighbors & Merchants, Miraloma Park Improvement Club, Presidio Heights Association of Neighbors, St. Francis Homes Association, Sunset-Parkside Education and Action Committee, Inc., and Westwood Highlands Association (herein collectively referred to as Appellants), I hereby further supplement the appeal to the San Francisco Board of Supervisors filed on April 12, 2011 as to the San Francisco Planning Commission's March 24, 2011 certification of the Final Environmental Impact Report (EIR) for the 2004 and 2009 Housing Elements and adoption of related CEQA findings described above. Appellants are members of San Franciscans for Livable Neighborhoods (SFLN), an unincorporated association.

Attached hereto is additional evidence consisting of the map of San Francisco's Transit-Focused Neighborhoods attached to the August 17, 2007 Resolution of the Board of Supervisors authorizing City agencies to apply for Priority Development Area designations by the Association of Bay Area Governments (ABAG). (See Exhibit I attached hereto and color map attached thereto) The copy of this resolution submitted as Exhibit J to Appellants' May 1, 2011 supplement was obtained from the City's website and lacked the attachment.

According to this attached map and ABAG records, the areas planned for additional

Clerk of the Board of Supervisors
May 9, 2011
Page 2

housing development in Priority Development Areas are greater than the Plan Areas which have been approved or are under development as disclosed in the 2009 Housing Element. (Ex. 1; Ex. E to May 1, 2011 Supplement to Appeal, ABAG documents describing Priority Development Areas; 2009 Housing Element p. 7-8) The additional areas depicted on the City's Priority Development Area map include a very large area in the northeastern portion of San Francisco bounded by Market Street on the South and extending west past Van Ness Avenue, and a large corridor in the south extending along Mission Street. (Ex. 1) The ABAG documents describe planned Priority Development Areas for "Downtown and Transit Rich Corridors" as including "Downtown San Francisco, Geary Boulevard, Church St corridor along J line and 14 Bus/Mission St." (Ex. E to May 1, 2011 Supplement to Appeal, describing Priority Development Areas) The "entire Downtown and Transit Rich Corridors PDA could accommodate 95,000 housing units and 373,000 jobs," and includes as "areas planned for new housing" Yerba Buena Center area, Van Ness Avenue and Japantown along Geary Boulevard. (*Ibid.*) The EIR did not disclose that the "Downtown and Transit Rich Corridors" areas depicted on the City's map were being planned for increased density as Priority Development Areas, and thus failed to analyze the reasonably foreseeable effects of increased density housing development in these areas.

The City's Transit-Focused Neighborhoods map also states that "Port Development areas," "Special redvlpmnt. areas (Mayor's Office," the 1/4 mile areas surrounding Neighborhood Commercial streets with high frequency transit service and within community plans, and the 1/4 mile areas around major rail/ferry stations within community plans" were requested by the City to be designated as Priority Development Areas. (Ex.1) The EIR did not disclose that the "Port Development areas" described as an ABAG Priority Development Area were slated for increased density, and thus also failed to analyze the reasonably foreseeable effects of increased density housing development in these areas. (Ex. E to May 1, 2011 Supplement to Appeal, describing Priority Development Areas)

The San Francisco Planning Department map attached as Exhibit 2 depicts residential lots within 1,250 feet of transit and shows that these areas extend throughout large portions of residential areas in the City. (See Exhibit 2, SF Planning Department, 2003 map)

Very truly yours,



Kathryn R. Devincenzi

cc: Bill Wyco, Environmental Review Officer
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Clerk of the Board of Supervisors
May 9, 2011
Page 3

Attachments:

- Ex. 1 - City of San Francisco Master Report for File Number: 071176 and attached August 14, 2007 Resolution of the San Francisco Board of Supervisors with attached color map of San Francisco's Transit-Focused Neighborhoods
- Ex. 2 - SF Planning Department, 2003 color map

EXHIBIT 1



City and County of San Francisco

Master Report

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

| | | | | | | |
|---|--|---|---------------------------------|--|-----------------|------------------|
| File Number: 071176 | | File Type: Resolution | | Status: Passed | | |
| Enacted: 483-07 | | | Effective: | | | |
| Version: 1 | | Reference: | | In Control: Mayor | | |
| File Name: Application for ABAG Priority Development Area Designation | | | Introduced: 8/7/2007 | | | |
| Requester: | | Cost: | | Date Passed: 8/17/2007 | | |
| Comment No Fiscal Impact; No Economic Impact. | | Title: Resolution authorizing the San Francisco County Transportation Authority and the Mayor's Office of Housing to apply on behalf of the City and County of San Francisco for Priority Development Area designation by the Association of Bay Area Governments. | | | | |
| Indexes: | | | Sponsors: Peskin | | | |
| History of Legislative File | | 071176 | | | | |
| Ver | Acting Body | Date | Action | Sent To | Due Date | Pass/Fail |
| 1 | President | 8/7/2007 | RECEIVED AND ASSIGNED | Government Audit and Oversight Committee | | |
| 1 | Government Audit and Oversight Committee | 8/13/2007 | RECOMMENDED AS COMMITTEE REPORT | | | Passed |
| <i>Heard in Committee. Speaker: Douglas Shoemaker, Mayor's Office of Housing.</i> | | | | | | |
| 1 | Board of Supervisors | 8/14/2007 | ADOPTED | | | Passed |
| 1 | Mayor | 8/17/2007 | APPROVED | | | |

1 [Application for ABAG Priority Development Area Designation]

2
3 **Resolution authorizing the San Francisco County Transportation Authority and the**
4 **Mayor's Office of Housing to apply on behalf of the City and County of San Francisco**
5 **for Priority Development Area designation by the Association of Bay Area**
6 **Governments.**

7 WHEREAS, The Association of Bay Area Governments and the Metropolitan
8 Transportation Commission in coordination with the Bay Area Air Quality Management District
9 and Bay Conservation and Development Commission (collectively, the "regional agencies")
10 are undertaking a regional planning initiative called FOCUS; and

11 WHEREAS, FOCUS program goals support a future regional development pattern that
12 is compact and connected; and,

13 WHEREAS, The regional agencies seek local government partners to create a specific
14 and shared concept of where growth can be accommodated (priority development area) and
15 what areas need protection (priority conservation area) in the region; and,

16 WHEREAS, A priority development area must meet all of the following criteria: (a)
17 within an existing community, (b) near existing or planned fixed transit (or served by
18 comparable bus service) and (c) is planned, or is planning, for more housing; and,

19 WHEREAS, Local governments in the nine county San Francisco Bay Area are eligible
20 to apply for designation of an area within their community as a priority development area; and,

21 WHEREAS, The regional agencies intend to secure incentives and provide technical
22 assistance to designated priority development areas so that positive change can be achieved
23 in communities working to advance focused growth; and,

24 WHEREAS, the following zones and plan areas as indicated on the attached map meet
25 the criteria for PDA designation; and

1 WHEREAS, designating these zones and plan areas as PDAs will make them eligible
2 for regional capital and planning funds that may be prioritized for PDA areas; now therefore,
3 be it

4 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
5 authorizes the San Francisco County Transportation Authority and the Mayor's Office of
6 Housing to apply on behalf of the City and County of San Francisco for Priority Development
7 Area designation of the following zones and plan areas as ABAG priority development
8 area(s), as indicated on the attached map:

9 *The Bayview/ Hunters Point Project Area;*
10 *Shipyard/Candlestick Point Project Area;*
 Balboa Park
11 *Mission Bay Project Area;*
 Market-Octavia;
12 *Transbay Project Area*
 The Mission District;
13 *The South of Market;*
 The Central Waterfront;
14 *Potrero Hill and Showplace Square;*
15 *Treasure Island;*
 Visitation Valley/Executive Park;
16 *Downtown; and*
17 *various Port of San Francisco properties along the eastern and southeastern waterfront.*



City & County of San Francisco

San Francisco's Transit-Focused Neighborhoods prepared for ABAG's *Focusing Our Vision* Priority Development Areas (PDAs) Program

ABAG Priority Development Areas (PDAs)*

- * Includes
 - > Better Neighborhoods & Area Plans (Planning Department)
 - > Port development areas (Port of SF)
 - > Redevelopment areas (Redevelopment Agency)
 - > Special redvlpmnt areas (Mayor's Office)
 - > 1/4 mile surrounding Neighborhood Commercial streets with high frequency transit service and within community plans
 - > 1/4 mile radius around major rail/ferry stations within community plans

Muni

- Bus network
- Metro, streetcar, Central Subway (future)
- Proposed Bus Rapid Transit (BRT)

BART

- BART

Caltrain

- Caltrain

Ferries

- Ferry terminal
- Proposed ferry terminal

Regional Transit Center

- Transbay Transit Center



Data Sources: SFMTA, SFCTA, Planning Department, Redevelopment Agency, Mayor's Office, Port of SF, SFGOV
Date: 6/29/2007
Map: SFMTA Long Range Planning

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Clerk of the Board of Supervisors

May 1, 2011

Page 3

establishes a Plan Area "as a target area in which to develop new housing to meet San Francisco's identified housing projection target" and that the "Housing Element delineates specific policies and objectives to guide housing development in the Plan Area.." (Ex. L, January 9, 2007 Resolution of the Board of Supervisors as to Eastern neighborhoods, p. 1)

Although the EIR admits that the 2009 Housing Element promotes new housing development through community planning processes near transit and other infrastructure, it fails to discuss the potential effects on the existing environment of focusing growth on these targeted plan areas, repeating, as before, that the 2009 Housing Element itself "would not change allowable land uses or increase allowable building height and bulk." (DEIR p. V.B-57) The City thus sidesteps the CEQA requirement that the EIR evaluate the effects on the existing environment of reasonably foreseeable future development by asserting that the Housing Element approval did not concurrently change zoning or include adoption of area plans, an argument which the Court of Appeal squarely rejected.

Moreover, the 2009 Housing Element calls for zoning changes to accommodate affordable housing. 2009 Housing Element Policy 7.3 encourages granting "zoning accommodations" for affordable housing including granting exceptions to open space requirements, exposure requirements or density limits and states that current City policy allows affordable housing developers to pursue these zoning accommodations "through rezoning and application of a Special Use District." (2009 Housing Element p. 30) As an example, the proposed Special Use District for a mixed-use affordable housing project at 800 Presidio Avenue deviated from Planning Code requirements as to height limit, density limits, rear yard requirements, usable open space requirements, and sunlight and dwelling unit exposure, and was proposed to provide no on-site parking spaces for residents of the approximately 48 affordable units in the project. (Ex. O - excerpts from documents relating to proposed Special Use District at 800 Presidio Avenue.) Structures constructed pursuant to such exceptions could significantly clash with existing neighborhood character and patterns, yet the EIR did not analyze the potential impacts of pursuing this policy.

Similarly, the EIR fails to evaluate the impacts on the existing environment from population growth indirectly generated by the proposed project as required by CEQA, asserting that impacts would only occur "if new housing would generate more residents than planned for by ABAG projections." (Draft EIR p. V.D-9) The EIR thus improperly uses the ABAG new housing production target as the baseline against which environmental effects are assessed rather than the existing environment and also incorrectly claims that "the RHNA process does not necessarily encourage or promote growth, but rather requires communities to anticipate projected growth." (Draft EIR p. V.D-7) The EIR admits elsewhere that the "intent of the Housing Element policies is to accommodate future housing growth, as anticipated by ABAG regional projections" and describes objectives of the proposed Housing Elements as to "[p]rovide a vision for the City's housing and growth management through 2014," to "[e]nsure capacity for the

Clerk of the Board of Supervisors
May 1, 2011
Page 5

the project study area, impacts from contributing traffic to existing traffic volumes at intersections along the 19th Avenue corridor and along Sunset Boulevard and other streets, increased noise levels above existing ambient conditions from project-related traffic and light rail and operation of stationary noise sources, and effects on regional air quality and cumulative air quality. (See Ex. B, excerpts from Draft EIR for Parkmerced Project, pp, II.3-4, 11-34)

The Draft EIR for the Treasure Island/Yerba Buena Island Redevelopment Project published on July 12, 2010, before the comments and responses were prepared for the EIR for the 2004 and 2009 Housing Elements, identified significant unavoidable impacts on adversely altering scenic vistas from public vantage points, traffic impacts on operating conditions at the eastbound off-ramp and the Bay Bridge toll plaza and on queuing on San Francisco streets approaching the Bay Bridge at various times, significant impacts at various intersections in San Francisco, exceeding the available transit capacity of the Muni bus line serving the islands, increased traffic congestion in downtown San Francisco due to the project which would increase travel times and impact certain Muni bus line operations, significant cumulative queuing impacts at the Bay Bridge toll plaza during AM and PM peak hours, significant project and cumulative impacts at several intersections in San Francisco, project-related traffic substantially increasing ambient noise levels in the project vicinity above existing ambient noise levels, project operations violating an air quality standard or contributing substantially to an existing or projected air quality violation, and wind hazards occurring at publicly accessible locations in the Development Plan Area. (Ex. C - excerpts from Draft EIR for the Treasure Island/Yerba Buena Island Redevelopment Project, pp. S.7, 16-18, 20-23, 25, 29, 31)

The EIR for the 2004 and 2009 Housing Element did not present any of this information as to significant impacts of proposed plan areas to decisionmakers, and thus failed as an informative document.

In addition, the 2009 Housing Element contains a new Objective 13 prioritizing sustainable development in constructing new housing, new Policy 13.1 supporting "smart" regional growth that locates new housing close to jobs and transit and new Policy 13.3 that promotes sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle share and limit "the need for a private car." However, the EIR fails to adequately analyze the effects of implementing these new policies, which are clearly intended to support the Sustainable Communities Strategy promulgated by the Association of Bay Area Governments (ABAG) to encourage substantial new housing development in Priority Development Areas and other areas served by transit. The EIR fails to acknowledge the fact that by resolution adopted on August 14, 2007, the San Francisco Board of Supervisors designated as Priority Development Areas that are planned "for more housing" the areas described as plan areas or major projects in the 2009 Housing Element. (Ex. J. - August 14, 2007 Resolution of the San Francisco Board of Supervisors; 2009 Housing Element p. 9) On October 28, 2008, the Board of Supervisors adopted a subsequent resolution authorizing the



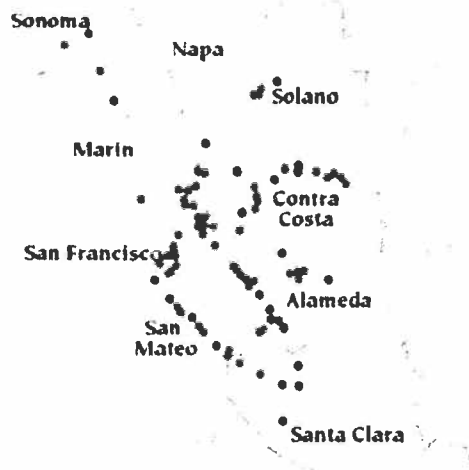
Priority Development Area Showcase

FOCUS Priority Development Areas

Priority Development Areas (PDAs) are locally-identified, infill development opportunity areas within existing communities. This showcase:

- Highlights local planning efforts to create complete communities through the FOCUS Program
- Demonstrates the variety of communities throughout the Bay Area that are pursuing transit-oriented development
- Provides information about each area, including maps, key facts, implementation needs, and a description of the goals and vision for the area

The compact growth envisioned through these PDAs is based in large part on local aspirations and community context. The PDAs reflect the diversity of the communities in the Bay Area. Explore the links on this page to learn more about each PDA.



FOCUS Priority Development Area Application Materials

FOCUS applications for Priority Development Area designation are accepted on a rolling basis. Local governments in the nine county San Francisco Bay Area are invited to apply for regional designation of an area within their community as a Priority Development Area. These areas help inform regional and state agencies where incentives and assistance are needed to support local efforts that encourage infill development near transit. Many local governments are already participating and have been eligible to apply for a variety of capital funds and planning grants for the Priority Development Areas within their jurisdiction.

Applying to Become a PDA

Applications for Priority Development Area designation will be reviewed and evaluated, and areas that meet the designation criteria will be recommended for regional adoption as designated Planned or Potential Priority Development Areas. In general, these categories relate to readiness for funding: a Planned area would be eligible for capital infrastructure funds, planning grants, and technical assistance while a Potential area would be eligible for planning grants and technical assistance, but not capital infrastructure funds. Click [here](#) to learn more about the application review process.

Changing the Status of an Existing PDA

A Potential PDA can move to Planned status once a plan has been completed for the area. Anything less than adoption by the City Council or Board of Supervisors ("accepting" the plan, moving forward on implementation without adoption, etc.) is not sufficient to meet this requirement. To complete the status change, applicants should submit a copy of the adopted plan and the adopting resolution to the [FOCUS Staff](#) for your jurisdiction. Applicants will also be asked to complete the PDA Assessment survey. Click [here](#) for more details about the review process for revision requests.

Revisions to an Existing PDA

To revise an existing PDA, local governments should contact the [FOCUS Staff](#) for their jurisdiction. Local staff will be asked to submit an updated application (map, narrative, jobs and housing numbers, etc.) to provide accurate and up-to-date information about the revised area.

If the revision is to a Potential PDA, then the applicant should submit an updated infrastructure budget. If the revision is to a Planned PDA, then the applicant should submit an updated PDA Assessment Survey. A new resolution is not required.

Application Materials - Click on each item to download

- [Application Guidelines for Priority Development Area Designation](#)
The application guidelines include a program overview, eligibility for applicants and areas, designation criteria definitions, application review process, timeline for priority development area designation, application form and submission instructions, and contact information.
- [Application for Priority Development Area Designation](#)
The application has six parts. Some information can be filled in directly in the Microsoft Word document, while some information will need to be provided as a separate attachment.
- [Station Area Planning Manual for Part 1\(e\) of the Application](#)
Use the Station Area Planning Manual as a guide to identify a Place Type that most closely aligns with the vision for the area being submitted.
- [Infrastructure Budget for Part 6 of the Application](#)
This Microsoft Excel spreadsheet is provided for applicants to enter information about the infrastructure improvements needed and funding sources available to realize the vision for the priority area.
- [PDA Assessment Survey](#)
This Microsoft Excel spreadsheet is provided for applicants to enter detailed information about the priority area. Applicants for new PDAs will be asked to complete this spreadsheet if [FOCUS Staff](#) decides to recommend adoption as a Planned PDA after review of the application. This should be also completed by applicants requesting changes to an existing Planned PDA or moving from a Potential PDA to Planned status.
- [Sample Local Government Resolution](#)
This sample local government resolution is provided as a template for requesting support from the applicant's council or board of supervisors for participation in the FOCUS program through PDA designation.

Application Submission Instructions

1. Fill out the Application in the Microsoft Word Document and compile the documents requested in the application form for each area.

2. Submit an electronic version of the application form and associated documents requested in the application for each area to FOCUS@abag.ca.gov.
3. Mail one hard copy of the application and attachments for each area to the following mailing address:

Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050
Attn: Jackie Reinhart

Physical address:

Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607-4756
Attn: Jackie Reinhart

Contact Information

For questions regarding the application, please contact Jackie Reinhart, ABAG Regional Planner at JackieR@abag.ca.gov or 510-464-7994. However, prior to submitting an application, you are encouraged to contact the [FOCUS Staff](#) for your jurisdiction and discuss the goals for the proposed area.

FOCUS

a development and conservation strategy
for the San Francisco Bay Area



Application Guidelines for Priority Development Area Designation

FOCUS is a regional, incentive-based development and conservation strategy for the San Francisco Bay Area. FOCUS is led by the Association of Bay Area Governments and the Metropolitan Transportation Commission in coordination with the Bay Area Air Quality Management District and the Bay Conservation and Development Commission. It is partially funded by a regional blueprint planning grant from the State of California Business, Transportation, and Housing Agency.

FOCUS is a partnership of four regional agencies:

www.bayareadivision.org • FOCUS@abag.ca.gov • 510-464-7993



I. FOCUS Overview

FOCUS is a regional incentive-based development and conservation strategy for the San Francisco Bay Area. Regional agencies address climate change, transportation, housing, the economy, and other issues that transcend city boundaries but impact all members of the region. FOCUS unites the efforts of four regional agencies into a single program that encourages future population growth in areas near transit and within the communities that surround the San Francisco Bay. Concentrating housing in these areas offers housing and transportation choices for all residents, while helping to reduce traffic, protect the environment, and enhance existing neighborhoods. FOCUS also guides conservation efforts towards the region's most important natural resources.

FOCUS is led by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), with support from the Bay Area Air Quality Management District (BAAQMD) and the Bay Conservation and Development Commission (BCDC)—in partnership with congestion management agencies, transit providers and local governments throughout the Bay Area. It is partially funded by a Blueprint Grant from the State of California Business, Transportation, and Housing Agency.

Applications are accepted on a rolling basis for Priority Development Area designation. Priority Development Areas support focused growth by accommodating growth as mixed use, infill development near transit and job centers, with an emphasis on housing. Local governments who meet the application criteria are invited to submit an application for an area within their jurisdiction. Participation in this designation process is voluntary. Applications received are reviewed on a quarterly basis.

The designation of Priority Development Areas informs regional agencies where incentives and assistance are needed to support local efforts in creating complete communities. Regional agencies have developed programs for technical assistance, planning grants, and capital infrastructure funding for which these areas are eligible to apply. This designation helps connect those jurisdictions with funding opportunities, but many of the funding programs are still highly competitive. Those jurisdictions with Priority Development Area goals closely aligned with program criteria can be more successful than other areas. Over 100 Priority Development Areas have been adopted by the ABAG Executive Board. To learn more about the FOCUS Initiative and adopted Priority Development Areas, visit the Focused Growth website at www.bayareavision.org.

II. Eligibility for Applicants and Areas

Any town, city, or county government within the nine county San Francisco Bay Area can apply as the lead applicant for priority area designation. Multiple jurisdictions can submit a joint application for an area. As part of the application, the lead applicant will need to provide a copy of a resolution adopted by the town/city council or board of supervisors showing support for involvement in the FOCUS process. Private and other public entities cannot be lead applicants but can partner with or show support for the lead applicant. In the case of a multiple jurisdiction application for designation of an area, a transit agency or county congestion management agency may be the lead applicant. The lead transit agency or congestion management agency will need to contact regional agency staff for approval, and a resolution from each participating jurisdiction will still be required as part of the application.

Applicants must demonstrate that an area proposed for designation as a priority development area meets all of the following criteria:

- The area is within an existing community.
- The area is near existing or planned fixed transit (or served by comparable bus service).
- The area is planned or is planning for more housing.

III. Designation Criteria Definitions

The following definitions are intended to clarify the designation criteria.

Area - means the planning area being proposed for designation as a priority development area under the FOCUS program. Since the program seeks to support area planning, the recommended area size is 100 acres, which is approximately a ¼ mile radius.

- A *planned area* is part of an existing plan that is more specific than a general plan, such as a specific plan or an area plan.
- A *potential area* may be envisioned as a potential planning area that is not currently identified in a plan or may be part of an existing plan that needs changes.

Existing Community – means that the area is within an existing urbanized area, lies within an urban growth boundary or limit line if one is established, and has existing or planned infrastructure to support development that will provide or connect to a range of services and amenities that meet the daily needs of residents making non motorized modes of transportation an option.

Housing – means the area has plans for a significant increase in housing units, including affordable units, which can also be a part of a mixed use development that provides other daily services, maximizes alternative modes of travel, and makes appropriate land use connections.

Near Transit – means (1) the area around an existing rail station or ferry terminal (typically a half-mile around the station), (2) the area served by a bus or bus rapid transit corridor with minimum headways of 20 minutes during peak weekday commute periods, or (3) the area defined as a planned transit station by MTC's Resolution 3434.

IV. Application Review Process

Applications received will be reviewed on a quarterly basis. The quarters for the year include: January to March, April to June, July to September, and October to December. Applications received within a quarter will be reviewed at the start of a new quarter. For instance, the review process for an application received in February will begin in April.

Applying to Become a PDA

For new PDAs, the application review process involves the following steps:

1. Upon receipt, applications will be checked for completeness and eligibility.
2. FOCUS staff will recommend designation of eligible areas as a Planned or Potential Priority Development Area based on the planning status for the area's development vision and submission of the supporting local government resolution. To qualify for Planned PDA Status, the plan for the area should:
 - a. Include a map designating the land uses for the plan area
 - b. Identify densities/development intensities for plan land uses
 - c. Include implementing actions/an implementation plan
3. If staff recommends designation as a Planned PDA, the applicant will be asked to complete a PDA Assessment Survey, to provide more detailed information about the priority area.
4. Staff recommendations will be presented to ABAG's Regional Planning Committee (RPC) for approval and then to ABAG's Executive Board for regional adoption.

Changing the Status of an Existing PDA

To change the status of a PDA from Potential to Planned, contact the FOCUS Staff person for your jurisdiction. He or she will review the adopted plan to ensure that it:

1. Includes a map designating the land uses for the plan area

2. Identifies densities/development intensities for plan land uses
3. Includes implementing actions/an implementation plan

Applicants for a status change will be asked to complete a PDA Assessment Survey. Upon review of the plan and the completed PDA Assessment Survey, FOCUS Staff will submit the revision request to the ABAG Planning Director for approval. This revision does not need to be approved by the RPC or Executive Board.

Revisions to an Existing PDA

To revise an existing PDA, contact the FOCUS Staff person for your jurisdiction. The applicant will be asked to submit an updated application (map, narrative, jobs and housing numbers, etc.) to provide accurate and up-to-date information about the revised area.

If the revision is to a Potential PDA, then the applicant should submit an updated infrastructure budget. If the revision is to a Planned PDA, then the applicant should submit an updated PDA Assessment Survey. A new resolution is not required.

Requests to revise an existing PDA will be reviewed by the FOCUS Staff for your jurisdiction, who will assess whether the revised PDA will:

1. Result in a recognizable "neighborhood," as identified by the local jurisdiction or planning done to date
2. Remain consistent with the PDA eligibility criteria

After review by FOCUS Staff, the revision request will be submitted to the ABAG Planning Director for approval. This change does not need to be approved by the RPC or Executive Board.

V. Application Form and Submission Instructions

The following are the basic steps in accessing and submitting an application:

1. Download an electronic version of the application (Application for Priority Development Area Designation) from the FOCUS website: www.bayareavision.org
2. After reviewing the application requirements, contact the ABAG Regional Planner for your jurisdiction and discuss the goals for the proposed area. These contacts are listed on the FOCUS website at <http://www.bayareavision.org/initiatives/contacts.html>.
3. Fill out an application and compile the documents requested in the application form for **each** area. A sample local government resolution, Excel files for entering information about infrastructure needs and funding sources, and the Station Area Planning Manual are also available on the FOCUS website.
4. Submit an electronic version of the application form and associated documents requested in the application for each area to FOCUS@abag.ca.gov.
5. Mail one hard copy of the application and attachments for each area to:

Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050
Attn: Jackie Reinhart

VI. Contact Information

For questions regarding the application, please contact Jackie Reinhart, ABAG Regional Planner, at JackieR@abag.ca.gov or 510-464-7994.

Enter information in the spaces provided and submit the requested attachments.

| Part 1 - APPLICANT INFORMATION & AREA DETAILS | | |
|--|-----------------------------|------------------------------|
| Attach resolution showing local support for involvement in FOCUS | | |
| a. Lead Applicant -City/County | | |
| Contact Person | | |
| Title | | |
| Department | | |
| Street Address | | |
| City | | |
| Zip Code | | |
| Phone Number | | |
| Fax Number | | |
| Email | | |
| b. Area Name and Location | | |
| c. Area Size (minimum acreage = 100) | | |
| d. Public Transit Serving the Area (existing and planned). From this list, please identify at least one route that has minimum 20-minute headways. | | |
| e. Place Type (Identify based on the Station Area Planning Manual) | | |
| | Current Conditions (Year:) | Future Goal (Horizon Year:) |
| f. Total Housing Units | | |
| g. Total Jobs | | |

| Part 2 - ADDITIONAL AREA INFORMATION | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| a. Is the proposed priority area currently recognized in the General Plan (i.e., called out as TOD, infill etc.)? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Have other plans (any targeted planning efforts including specific plans, precise plans, area plans, and supporting environmental studies) been developed within the last 15 years that cover the priority area? Note: If yes, please attach brief list of individual planning efforts and date completed (including web links to electronic versions if available). In the list, identify the primary plan for the area. | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the proposed priority area within the boundaries of a redevelopment area? | <input type="checkbox"/> | <input type="checkbox"/> |

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Part 3 – MAPS OF PRIORITY DEVELOPMENT AREA

Attach map(s) showing the proposed boundaries, land use designations and zoning, major transit services, and any other relevant information about the proposed priority area. In your electronic submission, please include GIS files of the PDA boundaries, if available. Photos of current conditions in the priority area are optional.

Part 4 – NARRATIVE

Attach separately a maximum two-page (8½ x 11 with 12 point font) narrative that addresses the following questions and provides any other relevant information.

- What is the overall vision for this area?
- What has to occur in order to fully realize this vision? What has occurred there recently (past 5 years)?
- Describe relevant planning processes, and how community members were involved in developing the vision and/or plan for the area.
- Describe how this priority area has the potential to be a leading example of smart growth for the Bay Area.

Part 5 – POTENTIAL ASSISTANCE REQUESTED (check all that apply)

Note: Assistance is not being offered at this time. This information will aid the development of a tools and incentives package for designated areas.

| TECHNICAL ASSISTANCE | REQUEST FOR PLANNING GRANTS | REQUEST FOR CAPITAL GRANTS |
|---|---|---|
| <input type="checkbox"/> Assistance with policies to implement existing plan | <input type="checkbox"/> Funding for new area-wide specific plan or precise plan | <input type="checkbox"/> Funding for transportation projects (including pedestrian/bicycle) |
| <input type="checkbox"/> Assistance with photo- simulations to depict future conditions | <input type="checkbox"/> Funding to update existing area-wide specific plan or precise plan | <input type="checkbox"/> Funding for housing projects |
| <input type="checkbox"/> Assistance with local workshops and tours | <input type="checkbox"/> Funding for EIR to implement existing area-wide plan | <input type="checkbox"/> Funding for water/sewer capacity |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Other: | <input type="checkbox"/> Funding for parks/urban greening |
| | | <input type="checkbox"/> Funding for streetscape improvements |
| | | <input type="checkbox"/> Other: |

Part 6 – INFRASTRUCTURE BUDGET FOR PRIORITY AREA

A spreadsheet for detailing the infrastructure improvements needed to realize the vision for the priority area and available funding sources is provided. Please complete these worksheets with all currently available information and attach.

E-mail this completed application form and attachments requested to FOCUS@abag.ca.gov. In addition to electronic submission, mail one hard copy of this application and attachments requested in this application form to the following address:

Association of Bay Area Governments
P.O. Box 2050

FOCUS

a development and conservation strategy
for the San Francisco Bay Area

Application for Priority Development Area Designation

Oakland, CA 94604-2050

Attn: Jackie Reinhart

For questions regarding the application, please contact Jackie Reinhart, ABAG Regional Planner, at JackieR@abag.ca.gov or 510-464-7994.

FOCUS is a regional, incentive-based development and conservation strategy for the San Francisco Bay Area. FOCUS is led by the Association of Bay Area Governments and the Metropolitan Transportation Commission in coordination with the Bay Area Air Quality Management District and the Bay Conservation and Development Commission. It is partially funded by a regional blueprint planning grant from the State of California Business, Transportation, and Housing Agency.

www.bayareavision.org



September 2010

010472

Plan BayArea

Executive Summary of the Initial Vision Scenario

In 2008, Senate Bill 375 (Steinberg) was enacted. The state law requires that our Regional Transportation Plan contain a Sustainable Communities Strategy that integrates land-use planning and transportation planning. For the 25-year period covered by the Regional Transportation Plan, the Sustainable Communities Strategy must identify areas within the nine-county Bay Area sufficient to house all of the region's population, including all economic segments of the population. It must also attempt to coordinate the resulting land-use pattern with the transportation network so as to reduce per capita greenhouse-gas emissions from personal-use vehicles (automobiles and light trucks).

The Initial Vision Scenario for Plan Bay Area is a first-cut proposal that identifies the areas where the growth in the region's population might be housed. This proposal builds upon a rich legacy of integrative planning in the Bay Area. For over a decade, the region and its local governments have been working together to locate new housing in compact forms near jobs, close to services and amenities, and adjacent to transit so that the need to travel long distances by personal vehicle is reduced. Compact development within the existing urban footprint also takes development pressure off the region's open space and agricultural lands. We have referred to this type of efficient development as "focused growth," and the regional program that supports it is called FOCUS.

Planning for New Housing and Supporting Infrastructure

The Initial Vision Scenario is constructed by looking first at the Bay Area's regional housing needs over the next 25 years. This analysis was performed using demographic projections of household growth. It is not a forecast of the region, and does not take into account many factors that constrain the region's supply of new housing units, such as limitations in supporting infrastructure, affordable housing subsidies, and market factors. The principal purpose of the Initial Vision Scenario is to articulate how the region could potentially grow over time in a sustainable manner, and to orient policy and program development to achieve the first phases of implementation. Under the assumptions of the Initial Vision Scenario, the Bay Area is anticipated to grow by over 2 million people, from about 7,350,000 today to about 9,430,000 by the year 2035. This population growth would require around 902,000 new housing units. The Initial Vision Scenario proposes where these new units might be accommodated.

In a departure from previous regional growth scenarios, this Initial Vision Scenario is designed around places for growth identified by local jurisdictions. These places are defined by their character, scale, density, and the expected housing units to be built over the long term. Using "place types," areas with similar characteristics and physical and social qualities, ABAG asked local governments to identify general development aspirations for areas within their jurisdictions. These places were mostly the Priority Development Areas (PDAs) already identified through the

FOCUS program. They also included additional Growth Opportunity Areas, some similar to PDAs and others with different sustainability criteria.

Based on local visions, plans and growth estimates, regional agencies distributed housing growth across the region, focusing on PDAs and Growth Opportunity Areas. ABAG in some cases supplemented the local forecast with additional units based on the typical characteristics of the relevant locally-selected place type. ABAG also distributed additional units to take advantage of significant existing and planned transit investment, and it assigned some units to locally identified areas that present regionally significant development opportunities for greater density.

The Initial Vision Scenario accommodates 97 percent of new households within the existing urban footprint. Only 3 percent of the forecasted new homes require "greenfield development" (building on previously undeveloped lands). Priority Development Areas and Growth Opportunity Areas contain about 70 percent of the total growth (743,000 households).

Among counties, three take the lion's share of growth: Santa Clara, Alameda and Contra Costa absorb a little over two-thirds of the total. These same counties also are anticipated to take the majority of the region's job growth (64 percent). The region's three major cities do a lot of the heavy lifting. Thirty-two percent of the forecast and proposed housing growth occurs in San José, San Francisco and Oakland. Seventeen percent goes to medium-sized cities like Fremont, Santa Rosa, Berkeley, Hayward, Concord, and Santa Clara.

The analysis embodied in the Initial Vision Scenario is founded on the location of housing. Employment forecasting and distribution in this Scenario is not directly related to land use policy. Employment location can have a powerful influence on travel demand, vehicle miles traveled, and vehicle greenhouse-gas emissions. In light of these factors and considering economic competitiveness, transit sustainability, and a balanced relationship between employment and housing, regional agencies will be embarking, with local partners, on further analysis regarding appropriate employment locations in relation to future housing growth and the transportation network. This will inform the development of the Detailed Scenarios.

The Initial Vision Scenario reflects the transportation investments from MTC's current Regional Transportation Plan (known as the Transportation 2035 Plan) with an Express Lane backbone system. It also includes some proposed improvements to the region's transit network. These include increased frequencies on over 70 local bus and several express bus routes, improved rail headways on BART, eBART, Caltrain, Muni Metro, VTA light-rail, and Altamont Commuter Express, and more dedicated bus lanes in San Francisco and Santa Clara counties, all resulting in overall growth in transit capacity. However, the Bay Area's transit system is financially unsustainable with operators unable to afford to run the current service levels into the future, much less expanded headways contemplated under the Initial Vision Scenario. MTC's Transit Sustainability Project will propose a more sustainable transit system for inclusion in the Detailed Scenarios to be tested.

Measuring Performance Against Targets

The Initial Vision Scenario results in a 12 percent per capita greenhouse gas emissions reduction from personal-use vehicles in 2035, compared to a 2005 base year. This reduction falls short of

1 [Application for ABAG Priority Development Area Designation]

2
3 **Resolution authorizing the San Francisco County Transportation Authority and the**
4 **Mayor's Office of Housing to apply on behalf of the City and County of San Francisco**
5 **for Priority Development Area designation by the Association of Bay Area**
6 **Governments.**

7 WHEREAS, The Association of Bay Area Governments and the Metropolitan
8 Transportation Commission in coordination with the Bay Area Air Quality Management District
9 and Bay Conservation and Development Commission (collectively, the "regional agencies")
10 are undertaking a regional planning initiative called FOCUS; and

11 WHEREAS, FOCUS program goals support a future regional development pattern that
12 is compact and connected; and,

13 WHEREAS, The regional agencies seek local government partners to create a specific
14 and shared concept of where growth can be accommodated (priority development area) and
15 what areas need protection (priority conservation area) in the region; and,

16 WHEREAS, A priority development area must meet all of the following criteria: (a)
17 within an existing community, (b) near existing or planned fixed transit (or served by
18 comparable bus service) and (c) is planned, or is planning, for more housing; and,

19 WHEREAS, Local governments in the nine county San Francisco Bay Area are eligible
20 to apply for designation of an area within their community as a priority development area; and,

21 WHEREAS, The regional agencies intend to secure incentives and provide technical
22 assistance to designated priority development areas so that positive change can be achieved
23 in communities working to advance focused growth; and,

24 WHEREAS, the following zones and plan areas as indicated on the attached map meet
25 the criteria for PDA designation; and

1 WHEREAS, designating these zones and plan areas as PDAs will make them eligible
2 for regional capital and planning funds that may be prioritized for PDA areas; now therefore,
3 be it

4 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
5 authorizes the San Francisco County Transportation Authority and the Mayor's Office of
6 Housing to apply on behalf of the City and County of San Francisco for Priority Development
7 Area designation of the following zones and plan areas as ABAG priority development
8 area(s), as indicated on the attached map:

9 *The Bayview/ Hunters Point Project Area;*
10 *Shipyard/Candlestick Point Project Area;*
Balboa Park
11 *Mission Bay Project Area;*
12 *Market-Octavia;*
13 *Transbay Project Area*
14 *The Mission District;*
15 *The South of Market;*
16 *The Central Waterfront;*
17 *Potrero Hill and Showplace Square;*
18 *Treasure Island;*
19 *Visitation Valley/Executive Park;*
20 *Downtown; and*
21 *various Port of San Francisco properties along the eastern and southeastern waterfront.*
22
23
24
25



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 071176

Date Passed:

Resolution authorizing the San Francisco County Transportation Authority and the Mayor's Office of Housing to apply on behalf of the City and County of San Francisco for Priority Development Area designation by the Association of Bay Area Governments.

August 14, 2007 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 071176

I hereby certify that the foregoing Resolution was ADOPTED on August 14, 2007 by the Board of Supervisors of the City and County of San Francisco.

8/17/2007

Date Approved

Angela Cavillo

Angela Cavillo
Clerk of the Board

Mayor Gavin Newsom

EXHIBIT 1

1 [Application to Amend San Francisco's Priority Development Area Designation]

2
3 **Resolution authorizing the San Francisco County Transportation Authority to apply on**
4 **behalf of the City and County of San Francisco for amendments to the Priority**
5 **Development Area Designation by the Association of Bay Area Governments.**
6

7 WHEREAS, The Association of Bay Area Governments ("ABAG") and the Metropolitan
8 Transportation Commission in coordination with the Bay Area Air Quality Management District
9 and Bay Conservation and Development Commission (collectively the "regional agencies")
10 are undertaking a regional planning initiative called FOCUS; and,
11

12 WHEREAS, The FOCUS program goals support a future regional development pattern
13 that is compact and connected; and,

14 WHEREAS, The regional agencies have worked with local government agencies to
15 designate Priority Development Areas ("PDAs") where local jurisdictions have engaged in
16 community-based planning to identify where growth can be accommodated consistent with
17 FOCUS goals; and,

18 WHEREAS, The regional agencies as well as the State of California's Department of
19 Housing and Community Development intend to provide funding to support the planning,
20 design and implementation of housing and related transportation Infrastructure for qualifying
21 projects located within PDAs on a competitive application basis; and,

22 WHEREAS, The PDAs within the City and County of San Francisco meet the following
23 criteria set by the regional agencies: (a) within an existing community, (b) near existing or
24 planned fixed-guideway transit or a comparable bus service, (c) are planned for more
25

Supervisor Sean Elsbernd, Supervisor Carmen Chu
BOARD OF SUPERVISORS

Page 1
10/7/2008

p:\elsbernd\legisl\conf\resolutions\19th ave pda amend.doc

1 housing, and (d) are designated as PDAs by an official adoption process of that jurisdiction's
2 legislative body; and,

3 WHEREAS, The Board of Supervisors of the City and County of San Francisco
4 adopted Resolution 483-07 on August 6, 2007, designating the PDAs in San Francisco; and,

5 WHEREAS, The City and County of San Francisco has been awarded over \$3 million
6 in State Bond funds for planning and construction of projects within the designated PDAs in
7 2008; and,

8 WHEREAS, The regional agencies have called for local jurisdictions to submit any
9 ~~requests for revisions and amendments to the PDA designations before October 31, 2008;~~

10 including an officially-adopted Resolution from those jurisdictions' legislative bodies; and,

11 WHEREAS, The amendment to the PDA designation for San Francisco to add the 19th
12 Avenue corridor between Sloat Boulevard and the San Mateo County line allows this corridor
13 to be eligible for these funds to address transit, pedestrian and other transportation
14 improvements in anticipation of housing growth in the area; now, therefore, be it

15 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
16 authorizes the San Francisco County Transportation Authority to apply on behalf of the City
17 and County of San Francisco for amendments to the PDA designation accommodating the
18 inclusion of the 19th Avenue Corridor.



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 081281

Date Passed:

Resolution authorizing the San Francisco County Transportation Authority to apply on behalf of the City and County of San Francisco for amendments to the Priority Development Area Designation by the Association of Bay Area Governments.

October 28, 2008 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 081281

I hereby certify that the foregoing Resolution
was ADOPTED on October 28, 2008 by the
Board of Supervisors of the City and County
of San Francisco.

10/30/2008

Date Approved

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom



HOUSING ELEMENT



PART I: DATA AND NEEDS ANALYSIS

MARCH 2011 PLANNING COMMISSION ADOPTED

C. QUANTIFIED HOUSING GOAL

The state Department of Housing and Community Development, with the Association of Bay Area Governments, determined San Francisco's fair share of the regional housing need for the period covering January 1999 through June 2006 at 20,372 units. Even with very aggressive policies and programs, given that San Francisco is a mature, built-up city with limited large tracts of undeveloped land and the previous decades' housing production record, the "fair share" of affordable housing units was not achieved. Table I-63 below shows that 86% of the state mandated production targets and 47% of the affordable housing production for the period covered by the 2004 *Residence Element* were achieved; this statistic is a result of the overproduction of market rate units. Appendix A provides details of the City's housing production performance in the evaluation of the 2004 *Residence Element*.

Table I-63
Annual Production Targets
and Average Annual
Production, San Francisco,
1999-2006

| Household Affordability | Housing Goals 1999 - 2006 | Actual Production 1999-2006 | % of Production Target Achieved | Production Deficit (Surplus) |
|----------------------------------|---------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| | Total | Total | | |
| Very Low Income (below 50% AMI) | 5,244 | 4,342 | 82.8% | 902 |
| Low Income (50% - 79% AMI) | 2,126 | 1,113 | 52.4% | 1,013 |
| Moderate Income (80% - 120% AMI) | 5,639 | 725 | 12.9% | 4,914 |
| Market Rate (over 120% AMI) | 7,363 | 11,293 | 153.4% | (3,930) |
| TOTALS | 20,372 | 17,473 | 85.8% | |

More than the performance in the production of very low- and low-income housing, the deficit of 5,750 units affordable to moderate income households has been seen as critical in turning the City's housing problem into a crisis of affordability. As Table I-64 below shows, housing construction in the last two years, along with projected pipeline completion by 2014, point to an exacerbation of construction deficit in housing affordable to low- and moderate-income households.

Table I-64
Housing Production Targets
and Estimated Annual
Production, San Francisco,
2007-2014

| Income Category | Period 2007- 2014 | Production 2007- 2014 | Estimated Incomplete Development Pipeline (in 2014) ** | | | Dis- counted Other Pipeline Total | Estimated Pipeline Capacity | Acquisition & Transfer (sell and lease conversion projects) | |
|---------------------------|-------------------------|-----------------------------|--|----------------------|-------------------|---|-----------------------------------|---|---|
| | No. of Units | No. of Units | Units in con- struction | Entitled Projects | Other Pipeline | | | Proposed & Sublet 2007-2014 | Estimated Proposed & Rents (2015-2014) |
| Extremely Low (< 30% AMI) | 3,294 | 396* | 555 † | 1,405 † | 1,548 † | 3,904 | (810) | 240 | 1,500 |
| Very Low (31-49% AMI) | 3,296 | 396* | 556 † | 1,406 † | 1,548 † | 3,905 | (810) | 239 | 1,500 |
| Low (50-79% AMI) | 5,536 | 309 | 149 † | 0 | 27 † | 485 | 5,050 | 108 | 500 |
| Moderate (80-120% AMI) | 6,754 | 589 | 833 † | 573 † | 1,193 † | 3,168 | 3,586 | 6 | 0 |
| Market (over 120% AMI) | 12,315 | 4,349 | 4,723 | 3,250 | 6,759 | 19,081 | (6,766) | 0 | 0 |
| TOTALS | 31,193 | 6,483 | 6,816 | 6,634 | 11,075 | 31,543 | | 592 | 3,500 |

* Units affordable to Extremely Low and Very Low Income Households do not include those units that have been acquired and/or rehabbed as permitted by Housing Element Law.

** This does not include major projects under Planning review including Park Merced, Treasure Island, or Candlestick Point / Hunters Point Shipyard Phase II which are expected to be completed after the 2014 reporting period. The limited pipeline assumption includes projects that are currently under construction, entitled projects (approved by Planning Department and Department of Building Inspection), and projects of 250 units or less currently under Planning Department review that are expected to be completed by 2014; also assumes SF Hope is completed by 2014.

† Based on affordable housing projects sponsored by the Mayor's Office of Housing, the SF Redevelopment Agency and the SF Housing Authority.

‡ Based on estimated inclusionary affordable housing units in projects under construction, entitled and under Planning or DBI review.

SOURCE: ABAG; SF Planning Department

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such as middle income and extremely low income households that require specific housing policy. In addition to planning for affordability, the City should plan for housing that serves a variety of household types and sizes.

POLICY 1.2

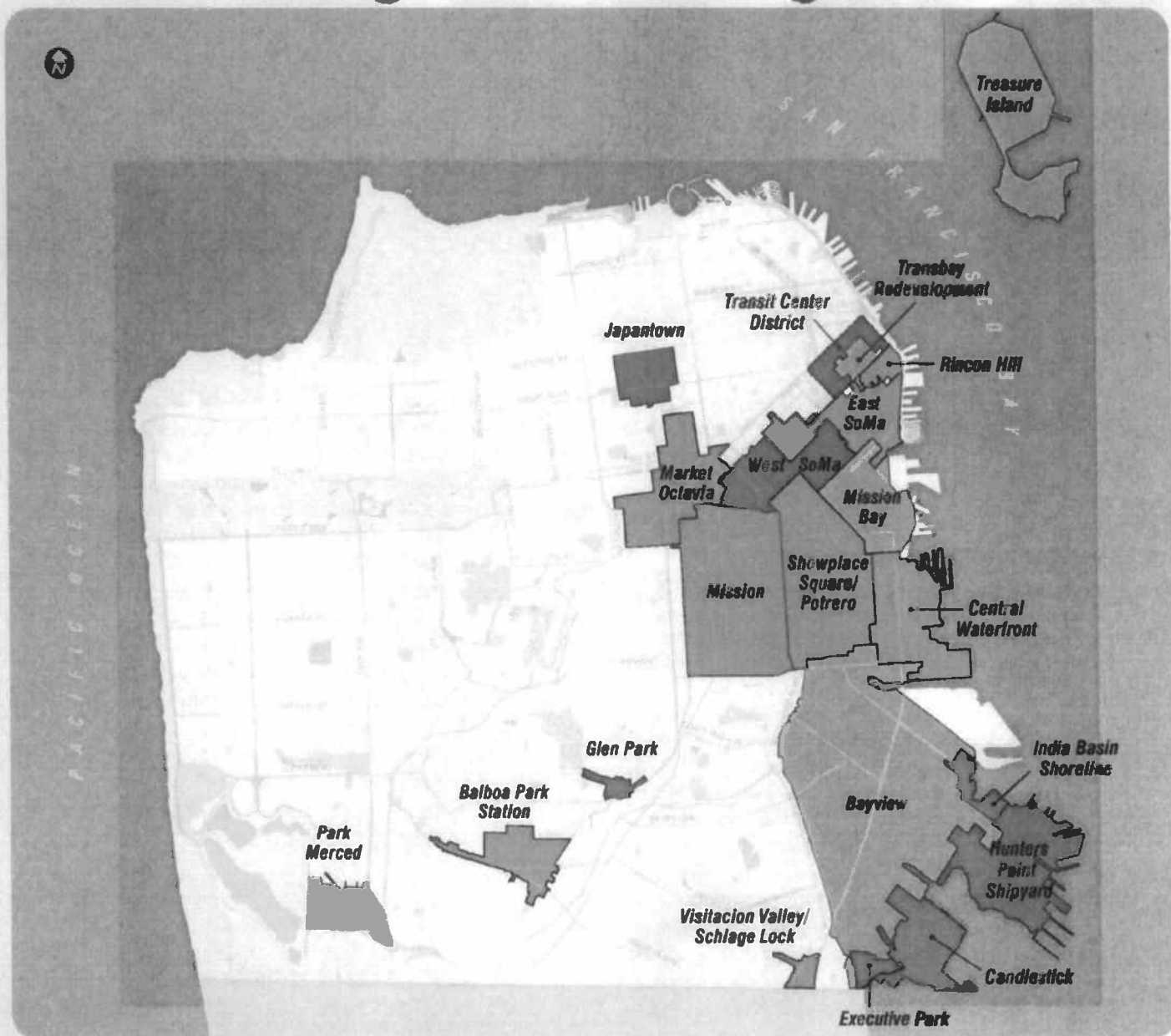
Focus housing growth and infrastructure-necessary to support growth according to community plans. Complete planning underway in key opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard.

In order to increase the supply and affordability of housing, the City has engaged in significant planning for housing through Area Plans (portions of the General Plan which focus on a particular part of the City), Redevelopment Plans (community revitalization plans authorized and organized under the provisions of the California Community Redevelopment Law), and major development projects created in partnership with private sponsors. Adopted community plans include Balboa Park, Market and Octavia and the Central Waterfront neighborhoods; the Eastern Neighborhoods program including the Mission, South of Market, Showplace Square and Potrero Hill; Candlestick, and Hunters Point Shipyard; and several Redevelopment Area Plans, most recently Visitacion Valley/Schlage Lock.

Plans underway include Japantown, Glen Park, Western SoMa and Executive Park. Other major projects in development with the City include Treasure Island, Park Merced and the Transbay Transit Center. These ongoing community planning efforts should continue. These projects could result in a community accepted housing vision for the neighborhood, related zoning changes and neighborhood specific design guidelines that will encourage housing development in appropriate locations.

Together, these planning efforts could provide capacity for significantly more than the 31,000 units allocated for this planning period (2007-2014). However these plans will require significant investment in infrastructure and supporting services in order to support this growth. Each adopted plan contains related programs for affordable housing (directing the mix of housing types, tenures and affordability needs), infrastructure and community services, they also contain design guidelines and community review procedures. The City should prioritize public investment in these plan areas, according to each plans' infrastructure and community improvement program. These plans will also require diligence in their application: each plan contains numerous policies and principles intended to ensure neighborhood consistency and compatibility, and it is up to Planning Department staff and the Planning Commission to uphold those principles in project review and approvals.





Plan Areas

0 Miles 1

MAP 01

- Adopted Area Plan
- Pending Adoption
- Plan Areas Under Development
- Plan Areas In Coordination With Redevelopment Authority or Other Groups

| Plan Area / Major Project | Estimated New Housing Construction Potential* |
|---|---|
| Balboa Park Area Plan | 1,800 |
| Market/Octavia Area Plan | 6,000 |
| Central Waterfront Area Plan | 2000 |
| Mission Area Plan | 1700 |
| East SOMA Area Plan | 2900 |
| Showplace Square/Potrero Hill Area Plan | 3200 |
| Rincon Hill Area Plan | 4,100 |
| Visitation Valley Redevelopment Plan | 1,500 |
| Transbay Redevelopment Plan | 3,400 |
| Mission Bay Redevelopment Plan | 3,000 |
| Hunters Point Shipyard/ Candlestick Point | 10,000 |
| Total Adopted Plans & Projects: | 39,600 |
| Executive Park | 1,600 |
| Glen Park | 100 |
| Japantown | To be determined |
| Park Merced | 5,600 |
| Transit Center District | 1,200 |
| West SOMA | 2,700 |
| Treasure Island | 7,000 |
| Total Plans & Projects Underway: | 18,200 |
| TOTAL | 57,800 |

* From individual NOP and EIR, rounded

POLICY 1.3

Work proactively to identify and secure opportunity sites for permanently affordable housing.

While in previous years land prices have dramatically increased, current land prices seem to have stabilized. This may provide opportunity for sites for permanently affordable housing development that should be aggressively pursued.

Publicly-owned land offers unique opportunity for development of affordable housing. The City should regularly review its inventory of surplus, vacant or underused public property, through an annual reporting process that provides such information to the Mayors Office of Housing.

Public property no longer needed for current or foreseeable future public operations, such as public offices, schools or utilities should be considered for sale or lease for development of permanently affordable housing. The City should ensure that future land needs for transit, schools and other services will be considered before public land is repurposed to support affordable housing. Where sites are not appropriate for affordable housing, revenue generated from sale of surplus lands should continue to be channeled into the City's Affordable Housing Fund under the San Francisco Administrative Code Sections 23A.9 - 11.

The City's land-holding agencies should also look for creative opportunities to partner with affordable housing developers. This may include identifying buildings where air rights may be made available for housing without interfering with their current public use; sites where housing could be located over public parking, transit facilities or water storage facilities; or reconstruction opportunities where public uses could be rebuilt as part of a joint-use affordable housing project. Agencies should also look for opportunities where public facilities could be relocated to other, more appropriate sites, thereby making such sites available for housing development. For example, certain Muni fleet storage sites located in dense mixed-use or residential areas could be relocated, thereby allowing in-fill mixed use or residential development. The City should proactively seek sites for affordable housing development by buying developments that are no longer moving towards completion. This may include properties that have received some or all City land use entitlements, properties that have begun construction but cannot continue, or properties that have completed construction, but whose owners must sell.

POLICY 1.4

Ensure community based planning processes are used to generate changes to land use controls.

Community plans are an opportunity for neighborhoods to work with the City to develop a strategic plan for their future, including housing, services and amenities. Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate. Community plans also develop or update neighborhood specific design guidelines, infrastructure plans, and historic resources surveys,

as appropriate. As noted above, in recent years the City has undertaken significant community based planning efforts to accommodate projected growth. Zoning changes that involve several parcels or blocks should always involve significant community outreach. Additionally zoning changes that involve several blocks should always be made as part of a community based planning process.

Any new community based planning processes should be initiated in partnership with the neighborhood, and involve the full range of City stakeholders. The process should be initiated by the Board of Supervisors, with the support of the District Supervisor, through their adoption of the Planning Department's or other overseeing agency's work program; and the scope of the process should be approved by the Planning Commission. To assure that the Planning Department, and other agencies involved in land use approvals conduct adequate community outreach, any changes to land use policies and controls that result from the community planning process may be proposed only after an open and publicly noticed process, after review of a draft plan and environmental review, and with comprehensive opportunity for community input. Proposed changes must be approved by the Planning Commission and Board of Supervisors at a duly noticed public hearing. Additionally, the Department's Work Program allows citizens to know what areas are proposed for community planning. The Planning Department should use the Work Program as a vehicle to inform the public about all of its activities, and should publish and post the Work Program to its webpage, and make it available for review at the Department.

POLICY 1.5

Consider secondary units in community plans where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.

Secondary units (in-law" or "granny units") are smaller dwelling units within a structure containing another much larger unit, frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors, people with disabilities and others who, because of modest incomes or lifestyles, prefer or need small units at relatively low rents.

Within a community planning process, the City may explore where secondary units can occur without adversely affecting the exterior appearance of the building, or in the case of new construction, where they can be accommodated within the permitted building envelope. The process may also examine where existing secondary units can be legalized, for example through an amnesty program that requires building owners to increase their safety and habitability. Secondary units should be limited in size to control their impact.

POLICY 1.6

Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings. However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density.

Within a community based planning process, the City may consider using the building envelope, as established by height, bulk, set back, parking and other Code requirements, to regulate the maximum residential square footage, rather than density controls that are not consistent with existing patterns. In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. In some areas, such as RH-1 and RH-2, existing height and bulk patterns should be maintained to protect neighborhood character.

POLICY 1.7

Consider public health objectives when designating and promoting housing development sites.

A healthy neighborhood has a balance of housing and the amenities needed by residents at a neighborhood level, such as neighborhood serving retail, particularly stores offering fresh produce, childcare and medical services. Community planning efforts should include requirements, incentives or bonuses to encourage necessary amenities as appropriate.

Land use and transportation planning decisions are directly related to environmental health and justice issues in San Francisco. For example, SFDPH environmental health inspectors frequently observe that families live in buildings that cause a variety of health outcomes such as asthma and lead poisoning. Understanding the impacts of past uses on the soil, the proximity to currently operating heavy industrial uses, and the surrounding air quality are critical when developing housing.

In 2007 the San Francisco Department of Public Health completed the Healthy Development Measure Tool (HDMT), a system to evaluate health impacts of new development. The HDMT proposes a checklist for evaluating a range of project types from smaller housing developments to neighborhood wide community plans. The HDMT covers six topics: environmental stewardship, sustainable and safe transportation, public infrastructure (access to goods and services), social cohesion, adequate and healthy housing, and a healthy economy, with over 100 benchmarks in total. The level of analysis the tool provides can be very useful in developing housing policy and programs for a large area, as it can aide in identifying gaps in services and amenities to be addressed at a policy level. Because of HDMT tool's breadth, it is important that it be used in the appropriate context. Therefore the HDMT should be used to provide a general review of overall context, particularly in the development of community plans.

POLICY 1.8

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

San Francisco has a strong tradition of mixed-use neighborhoods, allowing residents to take advantage of the City's rich mix of services and amenities on foot and by transit. Mixed-use buildings in San Francisco allow residents to live above street-front commercial space, services or institutional uses. Housing should continue to be considered as a joint use with all compatible non-residential uses. While separation of some uses will always be required to protect public health, the majority of the City's non-residential uses, such as retail, services and workplaces, are compatible with, and can be improved by, the inclusion of housing.

**POLICY 1.9**

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

New commercial or other non-residential development projects increase the City's employment base, thereby increasing the demand for housing. Similarly, institutions of higher education provide needed services and contribute to the intellectual and cultural life of the City, while at the same time create a demand for housing by students, which can pressure on existing housing stock.

2. Changes to the Housing Stock, 2000 - 2008

Despite the economic downturn at the beginning of the new millennium, housing production in San Francisco seemed unaffected. Accounting for new production, demolitions, and alterations, the City has seen a net increase of over 18,960 housing units – an annual average of almost 2,010 units – in the last nine years. In comparison, a net total of 9,640 housing units were added between 1990 and 1999 or an annual rate of about 964 units per year. The three-year spike in demolitions between 2003 and 2005 is a result of extensive public housing renewal projects, all of which have since been replaced with new affordable housing. Table I-23 also shows a growing trend – roughly 15% in the last nine years – of new units from the conversion of commercial buildings.

| Year | Units Completed from New Construction | Units Demolished | Units Gained or Lost from Alterations | Net Change in Number of Units |
|-------|---------------------------------------|------------------|---------------------------------------|-------------------------------|
| 2000 | 1,859 | 61 | (1) | 1,797 |
| 2001 | 1,619 | 99 | 259 | 1,779 |
| 2002 | 2,260 | 73 | 221 | 2,408 |
| 2003 | 2,730 | 286 | 52 | 2,496 |
| 2004 | 1,780 | 355 | 62 | 1,487 |
| 2005 | 1,872 | 174 | 157 | 1,855 |
| 2006 | 1,675 | 41 | 280 | 1,914 |
| 2007 | 2,197 | 81 | 451 | 2,567 |
| 2008 | 3,019 | 29 | 273 | 3,263 |
| TOTAL | 19,011 | 1,199 | 1,754 | 19,566 |

Table I-23
New Housing Construction, Demolitions and Alterations, San Francisco, 2000-2008

SOURCE: SP Planning Department

a. Type and Location of New Construction, 2000 - 2008

Most of the new construction in the last nine years has occurred in larger structures, with 85% of the housing developed in buildings with more than ten units (Table I-24). South of Market absorbed most of the new housing development since 2000, accounting for over 8,070 new units or almost 43% of all new housing during that period; Downtown and the Western Addition follow with roughly 3,465 and 1,504 respectively, together accounting for over 26% of new housing (Table I-25 and Map I-4). The largely residential districts of the Richmond, Inner and Outer Sunset, Ingleside, Central and South Central, combined, netted only 13% of the additional units to the City's housing stock.

2. Housing Potential Under New Zoning Proposals

Through multi-year community planning efforts, the City of San Francisco has recently updated zoning controls for over 1/3 of the city. These planning efforts developed appropriate zoning, heights, bulks, and densities in balance with infrastructure and funding strategies to support new growth. A number of other planning efforts are underway including Balboa Park, the Transbay Terminal District, and Japantown which will result in increased residential development potential.

Table I-66 below details the estimated additional potential capacity with rezoning in planning initiatives currently underway.

Table I-66
Estimated New Housing
Construction Potential with
Proposed Rezoning of
Select Neighborhoods,
San Francisco, 2008

| Area | Under Current Zoning | | | With Proposed Rezoning * | |
|------------------------|----------------------|------------|----------------|--------------------------|--|
| | Undeveloped | Soft Sites | Total Estimate | Total New Estimate | Additional Potential Units with Rezoning |
| Executive Park | 114 | 97 | 211 | 1,600 | 1,389 |
| Glen Park | 5 | 6 | 11 | 100 | 89 |
| Japantown | 99 | 514 | 613 | To be determined | |
| ParkMerced | 3 | 0 | 3 | 5,600 | 5,597 |
| Transbay Terminal | 44 | 78 | 122 | 1,200 | 1,078 |
| Visitation Valley * | 885 | 460 | 1,345 | 1,200 | 0 |
| Western SoMa | 466 | 743 | 1,209 | 2,700 | 1,491 |
| India Basin | | | | 1,200 | 1,200 |
| Hunters Point Shipyard | | | 1,500 | 4,000 | 2,500 |
| Candlestick Point | | | | 7,500 | 7,500 |
| Treasure Island | | | | 8,000 | 8,000 |
| TOTALS | 1,616 | 1,898 | 5,014 | 33,100 | 28,844 |

* Rezoning of the Schlage Lock site.

SOURCE: SF Planning Department

3. Plans for Future Affordable Housing Construction

Stable government support in the last few years covered almost all of the affordable housing production. Public subsidies tend to fund very low and low-income housing, with very limited grants allocated for moderate-income home buyers. The revised and expanded inclusionary affordable housing requirement is expected to improve the provision of new housing for households earning moderate incomes. For example, an annual average of 209 inclusionary affordable units were built in the five years from 2004 to 2008 as a result of this change. In comparison, only 128 inclusionary units were built from 1992 to 2000, or an annual average of 16 units.

EXHIBIT C



PLANNING DEPARTMENT

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MEMORANDUM

DATE: May 6, 2004

FOR HEARING ON: May 13, 2004

TO: Members of the Planning Commission

FROM: Lawrence B. Badiner, Acting Director of Planning

ITEM: Case No. 2000.465M
Resolution of Adoption of the Update and
Amendment of the *Housing Element of the General Plan*

STAFF CONTACT: Teresa Ojeda, 558-6251

REVIEWED BY: Amit Ghosh, Chief of Comprehensive Planning

ACTION REQUESTED: Adopting a Resolution of Adoption of the Update and
Amendment to the *Housing Element of the General Plan*

The *Housing Element* of the *General Plan* contains the objectives, policies and implementing programs guiding housing development in San Francisco. It is one of seven mandatory elements of the *General Plan* and state mandate requires its periodic update. The current *Housing Element* – called the *Residence Element* – was adopted on September 13, 1990. An underlying principle of the *General Plan* is “the provision for the housing needs of all economic segments of the community.”

Part I of the *Housing Element Proposal for Adoption* describes and analyzes changes in San Francisco's population, household and housing stock characteristics since 1990. It evaluates existing and projected housing needs resulting from population and job growth and projections. Part I also identifies special user groups and their housing needs. An inventory of land suitable for residential development is included in Part I and is followed by an examination of potential governmental and non-governmental constraints to housing production.

Part II of the *Housing Element Proposal for Adoption* contains a comprehensive set of housing objectives, policies and implementing programs. It continues many existing City housing policies that emphasize affordable housing production, permanent housing affordability, and the protection of existing housing stock. Six new policies reinforce current housing policies by expanding land capacity necessary to increase housing production; directing new housing to appropriate locations, especially in areas well served by transit and other urban amenities; and emphasizing design and density controls to enhance existing neighborhood character.

000016

special user groups such as the homeless, physically disabled, elderly, minorities, families with children, and artists, and specifies the housing affordability levels needed by these households. *Part I* also contains an inventory of land suitable for residential development and examines potential constraints to meeting the City's housing needs. It notes that meeting the estimated housing need will require a rate of housing production far greater than what has been achieved in previous years.

Objectives, Policies and Implementing Programs

Part II contains a comprehensive set of housing objectives and policies that are the framework for decision-making, priority setting and program implementation. It continues many existing City housing policies that emphasize affordable housing production, permanent affordability, and the protection of the existing housing stock. New policies strive to expand land capacity necessary to increase housing production, will direct new housing to appropriate locations, especially in areas well served by transit and other urban amenities, and will emphasize design and density controls that enhance existing neighborhood character.

Objectives and policies are general in nature and are followed by related implementation actions. For these implementation actions to succeed, three major prerequisites must be met:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed while incentives are identified and provided; and
- Adequate financing must be available for both private and non-profit housing development.

Two *General Plan* priority policies form the basis upon which inconsistencies in this Element and other parts of the *General Plan* are resolved. These are:

- That the City's supply of affordable housing be preserved and enhanced; and
- That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

Table I-59
Estimated Housing Potential With Proposed Re-Zoning of Select Neighborhoods

| Area | Under Current Zoning | | | With Proposed Re-Zoning* | |
|--|----------------------|--------------|----------------|--------------------------|---|
| | Undeveloped | Soft Sites | Total Estimate | Total New Estimate | Additional Potential Units with Re-zoning |
| Better Neighborhoods Program | | | | | |
| Balboa Park | 276 | 210 | 486 | 800 to 3,150 | 314 to 2,664 |
| Central Waterfront | 317 | 367 | 684 | 1,100 to 1,500 | 416 to 816 |
| Market & Octavia | 1,470 | 575 | 2,045 | 7,500 to 13,000 | 5,455 to 10,955 |
| Sub-Total | 4,515 | 1,152 | 3,215 | 9,400 to 17,650 | 6,185 to 14,435 |
| Eastern Neighborhoods Community Planning Area | | | | | |
| South of Market | 1,112 | 266 | 1,378 | 6,000 to 11,400 | 4,622 to 10,022 |
| Mission | 961 | 128 | 1,089 | 4,600 to 6,600 | 3,511 to 5,511 |
| Potrero / Showplace Square | 321 | 25 | 346 | 3,800 to 6,900 | 3,454 to 6,554 |
| South Bayshore | 1,731 | 296 | 2,027 | 1,800 to 3,600 | - 227 to 1,573 |
| Visitation Valley | 390 | 183 | 573 | 1,313 | 740** |
| Sub-Total | 4,515 | 898 | 5,413 | 17,513 to 29,813 | 12,100 to 24,400 |
| TOTALS | 9,030 | 2,050 | 8,628 | 26,913 to 47,463 | 18,285 to 38,835 |

* Re-zoning proposals include a range of scenarios.

** Re-zoning of the Schlage Lock site.

6. Housing on Public Land

Most San Francisco city agencies do not own large tracts of land that do not serve as part of their stated mission. There are occasional exceptions, for example when new technology results in operational changes or when departmental objectives change over time. A few city agencies, notably MUNI and the San Francisco Unified School District, have found over time that some of their parcels can be disposed of or can be utilized for a mixture of other uses.

- a. San Francisco Municipal Railways: MUNI, in particular, has been exploring new uses for its surplus sites where future housing development might be possible.

IMPLEMENTATION 11.5

- The Planning Department will continue to study the construction methods and design components of well-designed housing that enhances the existing urban fabric of San Francisco.
- The Planning Department will continue to use the Residential Design Guidelines when reviewing projects.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the immediate neighborhood and the City.

POLICY 11.6

Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit.

Increased allowable densities should not detract from established neighborhood characteristics. In many cases, design and efficient site uses can make use of maximum housing densities while keeping resulting units affordable and compatible with neighboring structures.

IMPLEMENTATION 11.6

- The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods.

Appendix C

PRELIMINARY WORK PROGRAM FOR IMPLEMENTING THE HOUSING ELEMENT

| Objective & Policy Implemented | Implementation Action | Resources Needed | | Target Dates |
|--|--|------------------|---------------------------|------------------|
| | | Staff | Other Resources | |
| Housing Element | Complete and hold hearings on Housing Element | 0.5 FTE | | June 2003 |
| Policies 1.1, 1.2, 1.3, 1.6, 1.8, 11.1, 11.2, 11.6, 11.8, 11.9 | Complete and hold hearings on new <i>Land Use Element</i> , which for the first time would establish the policy basis for the Citywide Action Plan (CAP) in one element of the <i>General Plan</i> . | 2.0 FTE | \$50,000 | December 2004 |
| Policies 11.5, 11.8 | Complete public information exchange, draft and hold hearings on amendments to the <i>Urban Design Element</i> to establish the policy basis for the CAP. | 2.0 FTE | \$100,000 | December 2004 |
| Policies 10.4, 11.2 | Update <i>Community Facilities Element</i> for form the policy basis for the CAP. | To be determined | | |
| Policies 1.1, 1.2, 1.3, 1.4, 1.6, 1.7, 2.4, 4.1, 4.4, 5.1 | Complete Eastern Neighborhoods planning process and draft permanent zoning controls | 5.0 FTE | | September 2002 |
| | Visitation Valley | | | |
| | South of Market, Showplace Square/Potrero Hill, Mission, South Bayshore. Complete Environmental Impact Report (EIR). | | \$500,000 | December 2004 |
| Policies 11.1, 11.2, 11.3, 11.7, 11.8 | New Downtown Neighborhoods and Transit Corridor Plans | | | |
| | Adopt permanent zoning controls for Rincon Hill, Ball Park Special Use District | 0.5 FTE | S.F. Redevelopment Agency | December 2004 |
| | General Plan amendments and adopt permanent zoning controls for Transbay Terminal and Mid-Market Redevelopment Areas | 0.5 FTE | S.F. Redevelopment Agency | December 2004 |
| | Draft and hold hearings for permanent controls in other downtown neighborhoods and other transit-served corridors | 4.0 FTE | \$350,000 | December 2006 |
| Policies 11.1, 11.2, 11.3, 11.7, 11.8 | Better Neighborhoods Programs | | | |
| | Complete EIR, draft zoning amendments and continue program implementation of Market and Octavia | 1.5 FTE | | June 2004 |
| | Preliminary zoning schemes for Central Waterfront and Balboa Park Specific Plans | 0.5 FTE | \$800,000 | To be determined |
| | Begin Geary Boulevard Better Neighborhood program | 3.0 FTE | \$600,000 | To be determined |
| Policy 2.6 | Complete planning studies requested by the Board of Supervisors; analyze and process Board-sponsored Code amendments | 1.5 FTE | \$50,000 | On-going Program |
| | Study various means for encouraging legalization of housing in appropriate areas and for keeping units affordable | | To be determined | |
| Policy 1.4 | Approval of new in-fill housing construction | On-going Program | | |
| | | | | |



City and County of San Francisco

Board of Supervisors

San Francisco Housing Development

(OLA #: 005-03)

LEGISLATIVE ANALYST REPORT

To: Members of the Board of Supervisors

From: Willow Schrager, Melissa Sills, and Greg Wagner with Adam Van de Water, Office of the Legislative Analyst

Date: June 11, 2003

RE: San Francisco Housing Development

Summary and Scope of Work

Supervisor McGoldrick requested that the Office of the Legislative Analyst (OLA), working with graduate students at UC Berkeley's Goldman School of Public Policy, research barriers to residential housing development in San Francisco and provide possible courses of action the Board of Supervisors could take to overcome them. As part of this analysis, the OLA is requested to compare San Francisco to other comparable cities and to consult with appropriate stakeholders in the development of any recommendations or conclusions.

Executive Summary

San Francisco consistently falls short of its housing production goals. Over the past decade, housing production has not kept pace with employment and population growth. As a result, housing has become unaffordable for many of the city's residents, commuting to jobs in the city has increased, and many of the city's households are becoming overcrowded. These trends threaten the health of the City's economy, citizens, and natural environment. If the City does not take new steps to stimulate housing production, these trends are expected to continue.

There are several strategies the City can pursue to meet housing production goals. These strategies involve reducing the direct costs of construction and the uncertainty costs of the development process. By reducing these costs, the City can encourage housing production and create more competition in the development market. This report details the following strategies for stimulating housing production:

- ✓ Rezone land use;
- Relax floor-to-area restrictions for housing development downtown;
- ✓ Increase height and density allowances along major transit corridors;
- ✓ Provide direct subsidies to affordable housing developers;
- ✓ Alter parking requirements;
- Maintain consistency of development fees;
- Pursue program environmental impact reports;
- Revise conditional use requirements; and
- Minimize time delays associated with discretionary review.

Many of these policy changes will create significant cost savings to housing developers. The City benefits from these cost savings because more profitable development opportunities draw new developers into the market and increase the overall housing supply. The City can also benefit by making regulatory changes designed to increase affordable housing production or increases in developer fees that can be used to fund City services.

Many of these strategies can be packaged to create comprehensive approaches to neighborhood development. Comprehensive approaches involve one community-wide planning process that allows for substantial community input and requires significant upfront investments from the planning department. Developers are willing to fund such programs, however, in exchange for the cost-savings they create in the long-run. The City also benefits in the long-run from increased housing development, well-planned communities, and happy residents.

v and moderate income levels will continue to place additional pressure on the housing market.

Table 3. Projected Occupational Growth by Income Category

| Income Category | Job Growth | Percent New Jobs |
|-----------------|------------|------------------|
| Very Low | 11,770 | 48% |
| Low | 2,070 | 9% |
| Moderate | 7,120 | 29% |
| Above Moderate | 3,310 | 14% |
| TOTAL | 24,270 | 100% |

*Source: California Employment Development Department. Available: <http://www.ceddmis.ceddmnet.gov>

As shown in Table 3, San Francisco's workforce will continue to need housing growth at all income levels and especially for very low income workers. City efforts to increase housing affordability and growth should begin with an understanding of how City regulations impact housing prices and supply.

Effects of Regulation on Housing Prices and Supply

Growth controls and regulations drive up the price of housing. Because regulations can reduce the ability of housing suppliers to respond to the demand for housing, vacancy rates decline as demanders compete for existing units, and housing prices rise accordingly. There is a substantial body of economic research showing that, when controlling for other factors, higher levels of regulation prevent housing construction from responding to increases in demand, and consequently drive up housing prices. In the late 1980's Lawrence Katz and Kenneth Rosen found that the presence of strong growth controls increased housing prices between 17 percent and 38 percent. In a more recent analysis of 56 U.S. cities, Stephen Malpezzi found San Francisco to have the highest level of housing regulations of any city and, consequently, the highest rent and purchase prices for housing. Based on this study, Malpezzi concluded that a high-regulation city would have rent prices 17 percent higher and purchase prices 51 percent higher than a city with low levels of regulation.

In addition to housing prices, high levels of regulation also affect the quantity of housing supplied. In the same study discussed above, Malpezzi estimates that high-regulation environments reduce development permits by 42 percent relative to low-regulation environments. Thus, fewer projects will go forward into development where regulation is high and housing supply will be restricted. The Malpezzi study also showed that high regulation levels have the indirect effect of reducing home ownership rates by about 10 percentage points.⁵

Although regulation has been shown to increase housing prices and reduce housing supply, regulation may also create substantial benefits for the City. Housing development regulation allows the City to control traffic and congestion and protect the environment. Regulation also allows the City to prepare for the new infrastructure and public services costs associated with new residential development. If the City cannot provide the infrastructure and services new residents will need, for example, it may be beneficial to slow growth through regulation. Finally, many of San Francisco's regulations on housing development benefit current residents by granting them the power to maintain their neighborhood character through development reviews.

Restricting housing growth, however, can also impose a number of costs on the City. The current disparity between housing supply and need threatens to weaken the economy by giving other cities a comparative advantage in the labor market. High housing prices lead to commuting and overcrowding which reduce the productivity and health of employees and citizens. In addition, the transportation system and natural environment of the Bay Area continues to be heavily burdened by high levels of commuting. The diversity of the City is also threatened as housing prices escalate and economically less-advantaged groups are pushed out of the San Francisco housing market. These groups may include low-income workers, racial and ethnic minorities, large families, seniors, and young adults. Lastly, homeownership, which may create numerous social benefits including improved maintenance of the housing stock, greater political stability, and less gentrification, is very low in San Francisco.

When the City chooses to create or maintain regulations on the housing market, it should do so because the benefits of these regulations outweigh the costs. Successful regulation, however, requires government to have extensive information about markets, costs, and benefits. This report provides information about the costs and benefits of the current regulatory environment in San Francisco. Ultimately, the recommended strategies are those that will reduce costs while maintaining or increasing benefits to the City.

Direct and Uncertainty Costs of Housing Development

Housing supply will increase in San Francisco as barriers to development are lifted or altered. Barriers to development include high direct costs of construction and high uncertainty costs associated with the development process. Direct costs are the explicit financial costs of creating housing, and include things such as land, labor, construction materials and fees. In San Francisco, the direct costs to housing development are among the highest in the nation. San Francisco is a mature city and much of the land available for residential development has been built out. In addition, the city is surrounded on three sides by water, which limits expansion. Construction costs are also relatively expensive due to higher labor wages and low-density construction. These factors drive up the price of development and, as a result, reduce the supply of housing overall because fewer projects are profitable. Many of these direct costs cannot feasibly be reduced through local policy, at least in the short term. For example, the costs of construction materials are determined in the national market, and labor costs are determined through negotiations largely outside of the City's control. Land costs are one of the few direct costs that can vary substantially over time. Unlike construction costs, which are relatively fixed over time, the cost of acquiring a given piece of land is determined by the value of the housing that can be built on it, making land much more expensive in a city like San Francisco where housing prices are high. To the extent that new housing supply can lower housing prices, land values will decline over time, further lowering costs and allowing even more new housing to be built.

cost of parking, they may be more likely to make the decision to forgo paying for it, which in turn would lead developers to favor housing construction with lower parking ratios. One study of San Francisco real estate data finds that demand for units without parking is strong: on average, single family units without parking sold 5 days faster than units with parking, and condominium units without parking sold 40 days faster than units with parking.²⁵ Although developers are currently allowed to unbundle parking, many are hesitant to do so. Some developers may fear lower return on parking spaces if their price is determined explicitly on the market, rather than being folded into housing prices. In addition, both lenders and developers may be wary of unbundling because there is little precedent to provide highly-predictable estimates of the price an unbundled parking space will fetch on the market. In other words, many developers are simply hesitant to experiment with non-traditional methods of parking provision. Explicit encouragement of unbundling in City policy may help to legitimize the practice.

6. Maintain Development Fees

The City charges developers a variety of fees for permitting and to offset development impacts. It is within the City's power to reduce or waive those fees in order to lower costs and stimulate housing development. However, fee reductions would have substantial negative impacts on the City's planning and approval functions, and are unlikely to lead to a significant increase in housing production.

Currently, fees account for approximately 3 percent of development costs on average. While this can be a meaningful amount, it is small relative to other costs such as land (19 percent) and building construction (50 percent). Fees in San Francisco are roughly in line with those of other central cities, and are much lower than those in suburban areas, where infrastructure does not exist and must be built along with new housing.²⁶

Economic theory holds that if fees are clearly defined and consistently applied, they will be absorbed in lower land costs and will not be a barrier to development. Fees are an expected cost of development, and will not unduly discourage housing development if they are predictable and can be planned for at the early stages of the development process.

Development fees are an important source of funding for City planning functions, and since they can be applied in ways that do not discourage development, the cost to the City of waiving or reducing fees would outweigh the benefits. In many cases, developers would be happy to accept increased fees in exchange for greater certainty in other aspects of the development process. The City can, however, encourage housing development by taking steps to ensure that fees are predictable, transparent, and evenly applied. Any increase in fees should be phased in so as not to impact housing already making its way through the development process.

Strategies to Reduce the Uncertainty Costs of Development

San Francisco can pursue a number of strategies to reduce the uncertainty costs of development, including:

- (1) Pursuing program environmental impact reports;
- (2) Revising conditional use requirements; and
- (3) Reducing the costs of discretionary review.

Uncertainty in the permitting process, both in terms of likelihood of approval and the estimated length of the process, is one of the greatest challenges for developers in San Francisco. Because of the complicated and politicized nature of the approval process in San Francisco, developers can neither predict the length of the process nor the final outcome. The result is to make the costs associated with this process highly uncertain, which means more risk for developers, lenders, and investors. As with any economic venture, higher risk must be balanced by the potential for higher profits. This uncertainty is a significant barrier to housing production, and partially accounts for the high prices consumers face: it forces developers and lenders to raise their required profit margins on all projects to cover their losses on projects that are unpredictably delayed. These increases in profit margins are ultimately passed on to renters and homebuyers.

The cost of delays to developers can range from \$1000 to \$2500 per day.

Prior to initiating the permit approval process, developers must secure land and pay for engineering and architectural design. These up-front "soft costs" often cannot be financed, and are lost entirely if development does not go forward. But even more costly than losing these investments due to a decisive rejection by the City are the costs associated with ongoing delays during the approval process. Every time that permitting or review is delayed, developers must continue to pay interest on financing, legal fees, and must continue to pay the landowner to hold the land ("land carrying costs"). These costs are highly variable, but reasonable estimates place them near \$1000 to \$2500 per day, depending on the specifics of the development.²⁷

San Francisco is known, and in some cases feared by developers, for its complex and politicized permitting process. Outside developers trying to enter the San Francisco housing market face tremendous barriers due to their lack of parochial understanding. In order to improve their chance of approval and minimize delays and associated monetary costs, developers must be well versed in the intricacies of the City's approval process, making local development experience crucial to success. Developers potentially face hearings before three different elected and politically appointed review boards, regardless of their compliance with all written zoning regulations. As a result, political connections are often another necessary condition for approval. Through these two avenues—the necessity of local experience and political connections—uncertainty in the permitting process works to limit competition in the housing development market in San Francisco.

If the City can increase certainty, reduce delays, and depoliticize the permit approval process, lower costs to developers and increased competition within the housing development market will result. Reducing uncertainty and depoliticizing the development process will draw new developers into the market, creating competition that lowers profit margins, while at the same time minimizing loss of profit due to unpredictable outcomes. These changes will translate into lower costs to renters and buyers, and will stimulate housing production.

1. Pursue Program Environmental Impact Reports

Floor-to-area restrictions (FAR), designed to protect airspace and limit office development downtown, could be relaxed for housing development. Currently, the City places limits on the total amount of square footage of building space that can be built on a given block. In some cases developers can exceed this limit, but they must purchase the air space from historical buildings in the area. Because office space is more profitable than housing, it is often not profitable to acquire land and airspace for housing downtown. Relaxing the FAR for housing, but not for commercial space, would give housing a comparative advantage. This area of the city is a desirable location for new housing because it is a transit-intensive and an employment center. The downtown area is also one of the few locations in the city that could accommodate very high-density projects in close proximity to transit without altering the character of the neighborhood.

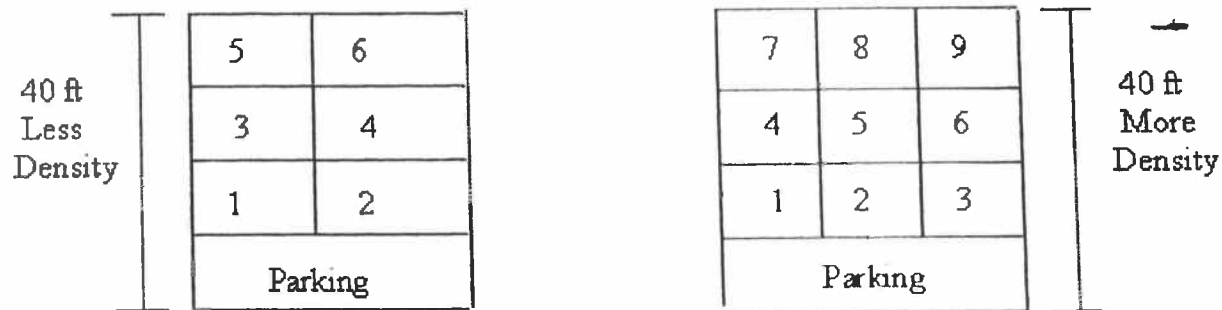
Housing developers assert that lifting the FAR for housing would have a significant impact on housing development. When interviewed, developers estimated that new housing production could be as high as 10,000 and 25,000 units over time.¹⁰ These are only estimates, and the true increase in housing production that would result from a change in the FAR would depend on several economic factors including how the demand for resident uses of land in downtown would change relative to commercial uses and what additional requirements the City would place on developers. At a minimum, we can conclude that if the lifting of FAR leads to an annual increase of even one high-density development, then this policy change would substantially increase housing production for the City. For example, one new very large development in downtown could produce three hundred or more additional housing units, which represents about 20 percent of the City's annual housing shortfall.

Relaxing the FAR would make housing development more profitable downtown and allow developers to reap substantial gains. The City can share these gains with developers by requiring more affordable housing units or increasing fees that could be targeted toward affordable housing development in exchange for relaxing the FAR. If the City does not place such requirements on developers, some of the gains will accrue to landowners in downtown because they may now be able to charge higher prices for their land. Any additional requirements on developers in downtown, however, would require an economic study to ensure the new burdens will not be set at a level so high as to outweigh the benefits of the change, making development unfeasible. Alternatively, the City could start by asking developers to include more affordable units in exchange for relaxing of FAR and observe the response of developers. Based on this response, the City could alter the original request.

3. Increase Height and Density Allowances

Many San Francisco neighborhoods have strong restrictions on the density of new housing developments. These restrictions are often designed to maintain the character of the neighborhoods and reasonable levels of congestion and traffic. Along high-transit corridors, however, the city is better able to accommodate more residents and higher-density housing. Higher density housing should be also be targeted at high-transit neighborhoods and areas where substantial public services are already in place to sustain new residents. If implemented well, altering density allowances for some areas of the city would reduce the direct costs associated with development and, therefore, lead to more housing production. Figure 2 shows how increasing density allowances could increase housing production:

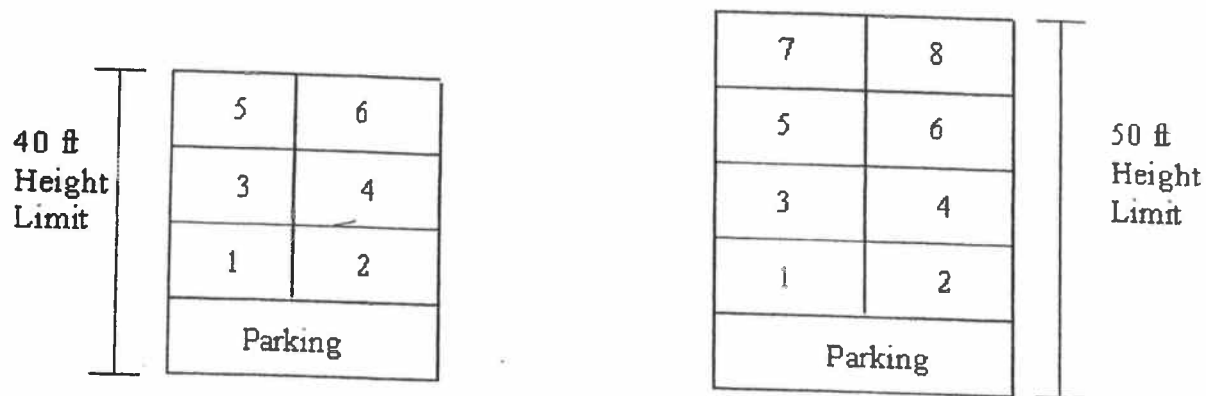
Figure 2. Increased Density Allowances Produce More Housing at Lower Costs



Increased density allowances allow for more units to be built and make more projects profitable by spreading some of the costs across more units. The City could link these increased density allowances with higher levels of affordable housing. Furthermore, lower costs per unit mean that developers will not have to compensate as much for the production of an affordable unit as the value of the unit will be closer to the cost of producing that unit.

Raising the current height limitations along transit corridors and in residential-commercial neighborhoods would also encourage increases in housing production generally and could allow for the construction of more affordable units. As Figure 3 shows, the City could raise height limitation from 40 feet to 50 feet, which would allow developers to build an extra floor of housing.

Figure 3. Increased Height Allowances Produce More Housing at Lower Costs



Changes to current height restrictions would allow developers to take on some projects that are not currently profitable. For many developments, the cost of adding an additional story or a small number of additional units is small in proportion to the cost of the development as a whole. Because additional units are built at lower cost, the average cost per unit in the development is usually lowered as developers are able to build upward.¹¹ In exchange for the additional profits higher height limits may bring, developers could be required to provide more affordable housing units or increased fees to fund affordable housing. For example, a developer could be allowed to build an extra story, provided that some of the units on that additional story are designated as affordable.¹² Density and height changes along transit corridors will have positive impacts on general and affordable housing production and allow for the introduction of new housing units where infrastructure and services are already in place to serve new residents.

4. Provide Direct Subsidies to Affordable Housing Developers

Construction of affordable housing is often directly subsidized by government. High land and construction costs in San Francisco make direct subsidies particularly important to housing production for low income residents. Although other policy changes could stimulate both affordable and market rate housing development, one of the primary barriers to affordable housing construction is the limited pool of money available for direct subsidies.

Affordable housing developers in San Francisco face many of the same barriers as developers of market rate housing. They may encounter high competition for available land, uncertainty in the approval process, and opposition from nearby residents. But affordable housing developers are constrained even further by the fact that they cannot recover high development costs through charging higher sale prices or rents.

New affordable housing, particularly housing reserved for residents at very low income levels, will not be provided by the market without significant public intervention. It can cost well over \$200,000 per unit to develop affordable housing. However, housing that serves a family making 25 percent of the Area Median Income (AMI) (or \$19,375 for a family of three) can be rented for only \$533 per month, which amounts to only \$6,396 per year. Given this wide disparity between development costs and the amount of money that can be recovered through the rental price of these units, it is impossible for developers to provide them at a profit. In fact, a subsidy of well over \$100,000 per unit would be required to make such a development feasible. A development with housing units priced for income levels somewhere near 70 percent of AMI would be required for a developer to break even and recover basic development costs.¹³ Even at that income level, it would be impossible to obtain financing on the market for such a development, since financiers will not make loans for developments without a substantial projected profit margin.

Some affordable housing production has been achieved through inclusionary housing policies, which require developers to provide a certain percentage of affordable units in market rate housing developments. However, only about 5 percent of affordable housing has been produced through inclusionary requirements in the last few years, and although the new inclusionary housing policy adopted in 2002 is expected to increase that amount, it will not be enough to meet the city's large affordable housing deficit.¹⁴

Historically, the federal government has provided significant funding for affordable housing construction. Over the last few decades, however, annual federal funding for housing construction has declined by nearly \$15 billion, leaving local governments responsible for a significant amount of new construction.¹⁵ In 2000-2001, local funding sources were responsible for 86 percent of publicly subsidized affordable housing construction. In recent years San Francisco has provided funding for affordable housing construction primarily through tax-increment financing from Redevelopment Areas and the 1996 Proposition A affordable housing bond, with additional support from other sources such as the hotel tax and job-housing linkage program.¹⁶

The number of units produced using local funding sources depends on a number of factors. One such factor is the income level that the new housing serves. Housing for very low income residents (below 50 percent of AMI) requires larger subsidies per unit than housing for higher income categories. Thus the City can choose to provide deeper subsidies, which will produce fewer units but serve the neediest people, or more modest subsidies, which will produce more total housing units serving low to moderate income groups. The question of whether to produce fewer highly subsidized units for the lowest income categories or a larger number of units for slightly higher income categories is a policy decision that must be made by City leaders.

So-called "demand-side" strategies, which aim to make housing affordable by increasing the purchasing power of lower-income individuals, have been studied in great detail. For example, subsidies could be used to help moderate income individuals purchase new homes. While such approaches do not directly increase housing production, they can have an impact on the share of new units that are consumed by low- and moderate income individuals.

Although such programs are outside the scope of this paper, there is a large body of literature on their effectiveness, and the City may view them as a compliment to policies emphasizing housing production. It should be noted, however, that using subsidies to ensure permanent affordability of rental units can in many cases distribute the benefits of the subsidies over a larger number of individuals and over a greater length of time. For example, depending on how they are structured, down-payment assistance programs may help an individual to purchase a home at an affordable price, but then allow that individual to later sell the housing unit at market rate. While such programs help to build wealth among lower-income residents, they confer the benefits of the subsidy to one person at one time, without maintaining the affordability of the housing unit over the long-term.

The Proposition A housing has been a primary source of affordable housing subsidies since the first bonds were issued in 1998, and will continue to be until the remaining funds are expended over the next few years. That bond was used to subsidize construction of over 1,300 units of affordable housing, or roughly four full years worth of affordable housing production at the city's average rate of 320 units per year over the last 10 years. A large portion of the units funded by Proposition A have been dedicated to very low income levels. Bond funds can also be an effective means of investing in housing production because they can be used to leverage other funding sources. This is particularly true in light of State-imposed restrictions on the ability of local governments to access other funding sources.

All of the funds from the Proposition A bond are now either spent or committed. As a result, the City will face a dramatic reduction in the pool of subsidies available for affordable housing construction in the coming years. Proposition B, which would have authorized a second affordable housing general obligation bond issue in 2002, did not receive the two-thirds of votes required for approval under State law. However, some State legislators are currently considering a proposal that would allow local governments to determine for themselves the threshold for voter approval of new expenditures. If such a proposal were adopted, San Francisco could potentially lower the threshold for voter approval of housing investment funds from the current 67 percent level, increasing the likelihood that new funding sources will be approved.

In any case, San Francisco will face extraordinary barriers to meeting the projected need for affordable housing without identifying significant new funding sources in the near future, even if other regulatory changes are made to stimulate affordable housing production.

5. Alter Parking Requirements

Current parking requirement regulations are a major barrier to new housing development in San Francisco because they increase direct costs to developers and reduce flexibility to maximize housing production on a given piece of land.

Currently, the City requires one parking space for every new housing unit in many zoning classifications (this requirement is also known as the one-to-one parking ratio). This requirement is much higher than in many dense urban areas. In general terms, strict parking requirements reduce a developer's ability to adapt physical design of a new building (and thus the financial viability of a new development) to match the particular characteristics of a given parcel of land. There are two ways that parking requirements can inhibit developers from maximizing the housing potential of a given site. First, parking spaces are relatively costly to construct, especially in a dense urban area such as San Francisco, where a parking lot can be easily constructed on an adjacent piece of land. Estimates of the cost of constructing parking range from \$17,000 to \$50,000 per space. This expense adds to the average development cost per unit, and therefore increases the amount of money that must be recovered in sale prices or rental rates. For affordable units, the increased costs mean greater subsidies must be provided to make development financially viable. Second, parking occupies physical space that could otherwise be used for additional housing units. In addition, the requirements can reduce the height or density of developments because only a limited number of parking spaces can be economically constructed given the geometry of the land parcel, thus limiting the units accompanying them.

The Cost of Providing Parking

At a cost of \$17,000 to \$50,000 per space, parking construction can be a significant component of development costs. These costs must be recovered by developers either through increased sale value of the new housing, or through increased development subsidies in the case of affordable or rent-restricted units.

In market rate developments, especially those serving higher income levels, a parking space often adds substantial value to the sale price per housing unit. A 1996 statistical analysis of home sale prices estimates that a parking space can increase the sale value per unit by \$38,000 to \$46,000, although some developers anecdotally estimate this figure at a higher amount.¹⁷ Thus, in some cases, parking costs can be recovered through higher sale value, and may even be desirable to developers when they can be sold at a profit. However, in some market rate projects, developers would be able to increase profits by reducing parking and adding additional housing units. The extent to which this will occur will depend on the specific characteristics of sites and developments, and is very difficult to estimate. However, some portion of market rate developments would surely take advantage of increased flexibility in parking requirements.

In more modestly priced developments the cost of parking provision can be a liability to developers. This is especially true in developments serving lower-income groups. In such developments, the cost of parking provision is difficult to recover through higher sale prices, and therefore higher subsidies or lower levels of affordability are required to offset the costs of construction. For example, an affordable housing developer who would otherwise have constructed units to serve very low-income groups (less than 50 percent of AMI) may be forced to make a higher portion of units in a development serve moderate income groups (80 percent of AMI) in order to recover the higher construction costs associated with parking through higher rents. The Planning Department estimates that a \$52,200 capital subsidy is required for development of a low income housing unit (50 percent to 79 percent of AMI).¹⁸ If parking is not provided for such a unit, the cost savings could eliminate the need for half of the subsidy required for development.

Table 4 below calculates the cost savings for reduced parking under three scenarios, and compares those savings to the estimated amount of subsidies needed to produce the units. While imperfect, this comparison gives a rough estimate of the possible reduction in affordable housing costs that could result from lowering parking requirements. Lower subsidies could save local government money, or the savings could be used to fund additional affordable housing projects. The three scenarios assume reductions of 25 percent, 50 percent and 75 percent in the amount of parking spaces constructed for affordable housing units after eliminating the one-to-one parking requirement.

Table 4. Cost Savings from Parking Reductions in Affordable Housing Developments as a Percentage of Annual Subsidies

http://sfgov.org/site/bdsupvrs_page.asp?id=17966

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| | Annual Average Production, 1989-1998 | | Total Capital Subsidies per Year (Millions of \$) | | Cost Savings of Parking Reduction (Millions of \$) | | Cost Savings as a Percent of Annual Subsidies | |
|---|---|------------|---|------------|--|------------|--|------------|
| | Very Low Income | Low Income | Very Low Income | Low Income | Very Low Income | Low Income | Very Low Income | Low Income |
| Scenario 1: 25% reduction in parking spaces | 220 | 152 | 37.29 | 7.9 | 1.375 | .950 | 3.7% | 12% |
| Scenario 2: 50% reduction | 220 | 152 | 37.29 | 7.9 | 2.75 | 1.9 | 7.4% | 24.1% |
| Scenario 1: 75% reduction | 220 | 152 | 37.29 | 7.9 | 4.125 | 2.85 | 11.1% | 36.1% |

Source: Annual average production and capital subsidy needs estimates are from SF Planning Department Housing Element Draft for Public Review, 2001, p. 100 and 101, respectively. These figures assume a \$25,000 cost per parking spaces, which is based on estimates from several sources including the Housing Element, SPUR, Reducing Housing Costs by Rethinking Parking Requirements and Nonprofit Housing Association of Northern California, Rethinking Residential Parking.

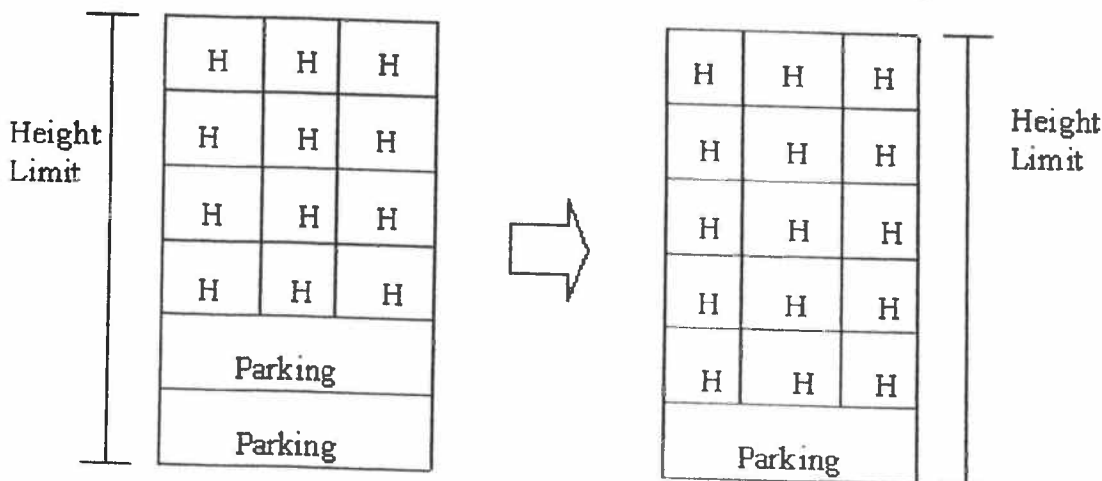
Table 4 shows that direct cost savings to affordable housing developers resulting from increased flexibility in parking requirements could have a major effect in offsetting the need for capital subsidies from the public sector. With materials, construction and land costs somewhat fixed over the medium term, parking is one of the few direct costs to developers that could be reduced by a relatively costless policy change.

Furthermore, the lower cost associated with parking ratio reductions can reduce the price of housing, making it more accessible to people with lower incomes. For example, one economic study found that 20 percent more San Francisco households would qualify for mortgages for units without parking than for units with parking.¹⁹

Use of Floor Area for Parking

A parking space can occupy 400 square feet of floor space or more, including circulation space and the area used for ramps and driveways in parking structures.²⁰ Given housing units of 800 square feet or less, these parking spots can take up a large proportion of space that could be dedicated to housing. Figure 4 shows how reduced parking requirements can be used to allow for a greater number of housing units in a development on a given land parcel with a set height limit:

Figure 4. Reduced Parking Requirements Can Allow for More Housing



In some developments, parking requirements may also restrict housing by impeding a developer's ability to build up to the height limit on a given land parcel. It can be very expensive to build multi-level parking facilities, and even more expensive to build parking underground. As a result, the total number of housing units can be limited by the number of parking spaces that fit on the first level. For example, Figure 5 models a development on a piece of land that is large enough to accommodate 10 parking spaces on the first level, but with a height limit that would allow more than 10 units of housing. In this case, the developer will have to determine whether it is economical to build additional parking facilities that will allow construction of additional units. For the additional units to be built, the revenue they create would have to outweigh the costs of constructing additional parking.

High direct costs dramatically reduce the supply of low- and moderate-income housing because developers are unable to sell or rent units to low- and moderate-income residents. Thus, for-profit developers rarely take on projects benefiting low- and moderate income residents because these projects result in the lowest rate of return.

Uncertainty costs include the level of risk developers take on when they choose to build. All developers experience uncertainty in the building process because real estate markets can change in short periods of time and, therefore, developers build margins into their profit estimates to protect against these fluctuations. The development process in San Francisco, however, introduces added risk surrounding the permit and approval process. When the development process is highly uncertain, developers will build high margins (20 percent or more) into their estimates to protect against possible loss and only take on projects that allow them margins at this level. Reducing the uncertainty in the process will allow developers to reduce their margins and take on more projects, including projects that include more affordable units.

Taken together, high direct and uncertainty costs reduce competition in San Francisco's housing market. Competition is reduced by high direct costs because new developers have greater difficulty gaining financial backing even for small (but costly) start-up developments. The inaccessibility of land represents a high fixed cost to entering the market. Competition is also reduced by high uncertainty costs because new developers face the costs of acquiring political capital necessary to increase certainty surrounding the development process. New developers must also acquire information about a complicated set of regulations in San Francisco. These investments in political capital and information also represent fixed costs of entering the market and, therefore, act as barriers. Strategically reducing barriers to development and increasing competition will improve the long-term health of the local housing market.

Strategies to Reduce the Direct Costs of Development

San Francisco can pursue a number of strategies to reduce the direct costs of development, including:

- (1) Rezoning land use to increase the supply of land available for housing development;
- (2) Relaxing Floor-to-Area restrictions for housing development downtown;
- (3) Increasing height and density allowances along major transit corridors;
- (4) Providing direct subsidies to affordable housing developers;
- (5) Altering parking requirements; and
- (6) Maintaining consistency of development fees.

The current development conditions often create a lose-lose scenario for both developers and the City. Reducing the direct costs will result in an overall gain which can be shared. Gains to developers will lead to increases in housing supply and more competition in the market. In some cases, if direct costs are reduced for developers, the City will benefit from these gains through higher fees, and the increased provision of affordable and reasonably priced units associated with a healthier housing market. The City will also benefit because lower direct costs mean that a greater number of affordable housing units can be built with current subsidy levels.

1. Rezone land use

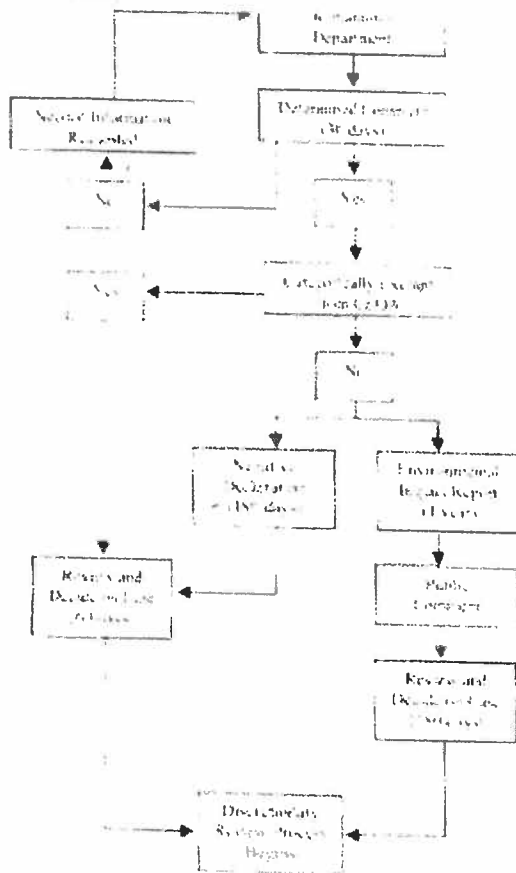
Land use regulations designate land that can be used for commercial, industrial, or residential purposes. Although zoning can benefit the City, economic analyses have revealed that land use regulations also drive up the price of land. In the early 1990's, Krisandra Guidry, James Shilling, and C.F. Sirmans showed that the average lot price in unrestrictive cities was \$23,842, compared to \$50,659 in restrictive cities.⁶ While land use regulations have a direct effect on land prices, they also have an indirect effect on housing prices because they increase the direct costs of building housing. Along with Philip Srinivasan, Shilling also found that cities with land use regulations have housing prices 3 percent higher than cities without these regulations.⁷

In San Francisco, about 65 percent of land available for development is zoned for commercial/industrial uses, and less than 3 percent of the City's land is currently undeveloped and available for residential development.⁸ One way to address the direct costs of land in San Francisco is to rezone some land for residential purposes. Much of the land in the Eastern areas of San Francisco is currently zoned only for industrial or commercial purposes. These land use regulations were created decades ago to protect industrial space in the city. However, the manufacturing industry has declined over time and adjustments could be made to ensure the best use of available land.

The Planning Department's City-Wide Action Plan includes numerous options to rezone some of the Eastern areas of the city to accommodate residential housing and mixed use buildings. This study outlines three options for rezoning the Eastern neighborhoods to provide more land for residential purposes. All of the options maintain industrial spaces, but some offer more housing than others. The plans under consideration show that rezoning in these areas could have a large effect on potential housing construction. For example, if the City pursued a moderate option (Option B, see Figure 1), the housing capacity of the city would increase by about 22,600 units. Moderate land use rezoning of Eastern neighborhoods could result in 8,000 new units produced over the next two decades, which would make up almost 25 percent of the annual shortfall in new housing production.⁹ Other options under consideration would allow even higher amounts of new construction.

Benefits to the City will be maximized if efforts to change land use target areas that have sufficient infrastructure to accommodate residents without tremendous public costs and/or allow for appropriate time horizons to create the necessary infrastructure. Also, changes in land use should focus on land that is underutilized for industrial purposes so that displacement of current land users is minimized. These rezoning efforts will be most effective if they take a neighborhood approach that focuses on producing jobs and commercial centers in addition to residential space. Although the planning of these areas would be costly for the City, the new neighborhoods could generate significant revenue for the City in the long-run.

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project design fits all Planning Codes (5,000) for a decision by the permit are subject to appeal to the Board and review, been approved by the other degree of political uncertainty. High-density residential would remove and encourage developers to conform to

development and improve community participation in the planning process and community acceptance of new housing, as described below.

Comprehensive Approaches to Housing Development

Specific area plans are a concept officially adopted under the California Environmental Quality Act (CEQA) in 1979, although they have been used infrequently in San Francisco. Specific area planning allows local governments to formulate plans for neighborhood-wide development, and to conduct an EIR for the changes to the neighborhood as a whole, rather than on a project-by-project basis. This approach can also be used to build consensus through public involvement prior to development, allowing development to take place smoothly once developers commit to specific projects.

There are several advantages to the comprehensive approach of increasing residential development. First, it helps achieve consensus around a vision for change, identifying appropriate amounts of new housing development in appropriate locations. Second, if done correctly, it allows for extensive community involvement during the planning process, not only in debates over specific projects. Third, it reduces uncertainty for developers and therefore encourages housing development.

Specific area planning has been used with mixed outcomes in San Francisco along the Van Ness corridor, Rincon Hill, and more recently through the Better Neighborhoods pilot program in Hayes Valley, Balboa Park, and the Central Waterfront. Expanded use of specific area planning could provide a major boost to housing production in a way that is acceptable to nearby residents.

The recent planning process for the Octavia Boulevard area illustrates the potential for area planning to maximize community input and achieve neighborhood support for new housing. The Planning Department has devoted significant time and resources to community outreach, and in general residents have responded with support for moderate-density housing development. There will be potential for 7,500 to 13,000 new housing units under the plan, 4,500 to 5,300 of which are expected to be developed over the next 20 years.³³ Many people involved have noted that the process has helped to establish a very positive relationship between the Planning Department and neighborhood residents.

If a neighborhood-level EIR is funded, developers will have the advantage of greater certainty about development costs. Developers will save a significant amount of time and money by knowing that an EIR has been completed. Furthermore, they will know that extensive community outreach has already taken place, and that the community is generally supportive of the neighborhood plan. This will reduce the probability of a project being held up through appeals and permit approval problems.

Although the community input and consensus-building process minimizes the risk of a long DR process, a neighborhood-level EIR alone will not reduce all uncertainty associated with Conditional Use requirements and Discretionary Review. In order to remove uncertainty and streamline housing development, the City may wish to alter CU and DR requirements in areas where an extensive community planning process has taken place. For example, the City could waive the automatic CU trigger for buildings over 40 feet and limit DR for projects that meet criteria explicitly set forth in the neighborhood plan. A highly public planning process will serve the same goals the CU and DR regulations, namely to allow public input and review of projects that could have negative impacts on existing residents. Thus some limitation on CU requirements and DR would be justified. If such limitations are put in place, however, it is crucial that the City conduct aggressive outreach and allow ample opportunity for community input during the planning phase.

Facilitate Infill Development

Specific area planning and the associated community outreach process will be more costly to the City than the current project-by-project planning that is dominant in San Francisco. These costs result from increased expenditure for community outreach and staffing. If the program is to be expanded or enhanced, new funding sources will be necessary. In exchange for the benefits developers in these neighborhoods will derive from the increased certainty and community outreach associated with planning process, the City could charge substantially higher permitting fees. The fees could be channeled into a fund that would be used to pay for future neighborhood planning efforts. As long as the higher fees are exacted in a consistent and transparent manner, and as long as they are set at a reasonable level, they will do little to inhibit housing production if they are accompanied by increased certainty. As discussed above, predictable fees are not a major barrier to housing production because they can be planned for in the early stages of development, and over time the added cost will be partially absorbed in lower land prices. Of course, if fees are raised but policy changes are ineffective in increasing certainty, the higher fees will serve to discourage housing production.

Conclusion

This study suggests that the Board of Supervisors may use its legislative powers to increase housing development in San Francisco by taking any of the following actions: rezoning land use for residential purposes, relaxing the floor-to-area restrictions for housing downtown, increasing density allowances along transit corridors, providing direct subsidies for affordable housing development, allowing flexibility in parking requirements, pursuing program environmental impact reports, revising conditional use requirements, and minimizing time delays caused by discretionary review. Each of these recommendations may stand alone, or any number of them may be combined into a package to effectively promote housing development. Some of these changes have already been proposed in various forms at the Board of Supervisors.

An expanded neighborhood planning program such as the one described above allows planning to be tailored to individual neighborhoods, and thus has the potential to successfully combine many of the enumerated alternatives, as appropriate. Implementation of area planning could simultaneously add certainty to the development process, increase community participation, and create additional revenue for city government.

Different packages of policy changes will have different magnitudes of effect on housing production, and will do so over different lengths of time. For example, zoning changes have the potential to greatly increase housing construction, but the majority of this increase will occur over the long term. Other changes, such as relaxing parking requirements, may have smaller total impacts, but do more to increase affordable housing production. Any of these changes must be evaluated against the City's short term and long term housing goals.

Whether or not the City should take measures to spur housing development is a policy matter for the Board of Supervisors.

Bibliography

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FINAL NEGATIVE DECLARATION

Date of Publication of Preliminary Negative Declaration: December 20, 2003

Lead Agency: Planning Department, City and County of San Francisco
1660 Mission Street, Suite 500, San Francisco, CA 94103
Agency Contact Person: Rick Cooper Telephone: (415) 558-5974

Project Title: 2000.465E - Housing Element of the San Francisco General Plan
Project Sponsor/Contact: Rick Cooper Telephone: (415) 558-5974

Project Address: Citywide
Assessor's Block and Lot: N/A
City and County: San Francisco

Project Description: The proposed revision of the Housing Element of the *San Francisco General Plan* (General Plan) is an update of the 1990 Residence Element of the *San Francisco General Plan*. The Housing Element is a public policy document that comprehensively addresses issues of housing needs for San Francisco residents and households. Included in the Housing Element is San Francisco population, employment and housing data analysis. Eight new policies are proposed to be added to the 63 policies and 11 objectives that have been modified or retained from the 1990 Residence Element.

Building Permit Application Number(s), if Applicable: N/A

THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance), and 15070 (Decision to Prepare a Negative Declaration), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached.

-Over-

Mitigation measures, if any, included in this project to avoid potentially significant effects: None

Final Negative Declaration adopted and issued on May 13, 2004

In the independent judgment of the Planning Department, there is no substantial evidence that the project could have a significant effect on the environment.

PAUL E. MAITZER
Environmental Review Officer

cc: Teresa Ojeda, Planner
Susan Brandt-Hawley
O. Chavez (cover page only)
L. Fernandez/Master Decision File

004185

INITIAL STUDY

PROJECT DESCRIPTION

Background

The Housing Element is one of the major sections of the *San Francisco General Plan* (General Plan), which is required by the State of California for rational, comprehensive planning. State law requires that a city's General Plan and its elements be periodically updated in order to prepare for future growth and development. The Housing Element is a policy document that consists of general goals and policies to guide the City and private and non-profit developers in providing housing for existing and future residents.

According to the 2000 Census by the U.S. Census Bureau, San Francisco's population increased by 6.6 percent (from 678,974 persons to 723,959 persons) between 1980 and 1990, and 7.3 percent (up to 776,733 persons, an addition of 52,774 persons) between 1990 and 2000. Between 1990 and 2000, San Francisco households increased from 305,584 to 329,700, about 7.9 percent growth, and an average of about 2,400 per year in the last decade. Employment in San Francisco in the last two decades has also grown. Between 1990 and 2000, there was an increase in employment of 9.5 percent, equivalent to over 55,000 jobs. However, housing production lagged behind these population increases, averaging about 1,000 units per year.

The Association of Bay Area Governments (ABAG) has estimated in *ABAG Projections 2002* that San Francisco's population will increase to around 798,600 persons by 2005, and to about 809,200 persons by 2010, for a total increase of almost 32,500 people. The California State Department of Housing and Community Development (HCD) and ABAG have projected that over 2,700 new housing units per year need to be built in order for San Francisco to meet its share of the projected regionwide housing demand. However, since recent housing construction in San Francisco did not meet the projected annual target, 3,200 additional new units would need to be built between 2001 and 2006 to address the HCD-identified need.

The proposed update of the Housing Element would add eight new policies, as well as reorganize, clarify and update existing objectives and policies of the 1990 Residence Element, in order to guide the City in addressing its housing production. The update is one component of a comprehensive planning effort called the Citywide Action Plan (CAP), lead by the San Francisco Planning Department. As part of the CAP, the Housing Element is being updated to provide a policy basis for more specific planning efforts, such as Better Neighborhoods Program, the Eastern Neighborhoods Community Plans for the Mission District, Bayview, Showplace Square/Potrero Hill, and the Downtown Neighborhoods, such as the C-3-O District and Rincon Hill district. It is important to note, however, that the proposed update of the housing element is not a blueprint for future development, but rather a set of policies to guide the City's consideration of future development plans and proposals with regard to housing.

Description

Part I of the revised Housing Element is the Data and Needs Analysis section, which provides a statistical baseline for amending the housing objectives, policies and implementation strategies. It includes San Francisco population and employment trends, housing data and inventories of land available for increased housing development. Data and information were collected from the U.S. Census Bureau (2000 Census), the Association of Bay Area Governments (ABAG Projections 2002), the California State Employment Development Department, the San Francisco Department of Building Inspection and other government sources. This section functions to provide a foundation for the proposed changes to the Element.

Part II of the revised Housing Element sets forth objectives, policies and implementing strategies to address the City's housing needs. The objectives and policies are revised in the following ways: 1) the entire section is reorganized; 2) some objectives and policies are re-worded; and 3) eight new policies are added.

Following is a list of the proposed new policies, as well as the modified objectives and policies as proposed,

The 2003 update of the Element is a statement of the City's goals and proposed methods for the provision of housing, as was the 1990 update. Although the Data Needs and Analysis section provides background statistical information regarding the supply and demand for housing in the City, the goals and objectives themselves do not present any specific proposals, either in terms of the number or locations of housing units to be built.

In general, the proposed update of the Housing Element encourages increased housing production, particularly affordable housing, in appropriate areas in order to plan for projected population and household growth. While the supply and demand for housing is examined statistically in Part I, the new policies of the Element do not contain any concrete proposals for producing additional housing, nor do they quantify a specific amount of growth, either in the City as a whole or in specific locations. Rather, if approved, the revised Housing Element would be used to frame the discussion of future Area Plans, rezoning proposals and specific development proposals, in the same way that all of the elements of the General Plan provide a framework for decision-making about the future of the City.

Insofar as the proposed revisions to the Housing Element do not specify any development, and as the adoption of the new and revised Objectives and Policies would not include any proposals for specific new development, rezoning or Area Plans, there would be no measurable physical environmental effects that would occur as a result of their adoption. It is only through the subsequent approval of any development, rezoning, Planning Code revision, or Area Plan that there could be physical change and consequent environmental effect. At such time that area/neighborhood plans, rezoning and/or housing projects are proposed, each will undergo a community planning process, as well as appropriate environmental review in compliance with CEQA.

In extensive public hearings before the Planning Commission and in several published articles and letters, concerns have been expressed that the proposed update of the Housing Element would essentially form a plan for development in specific areas of the City, and that its approval would cause severe adverse environmental impacts such as traffic congestion, large on-street parking deficits, and loss of neighborhood character. As described above it would be improper and misleading to attempt to speculate what the results, in terms of planning and rezoning efforts, and ultimately in terms of levels and locations of development would occur as a result of adoption of the Housing Element, or to further speculate about indirect or secondary effects from planning and rezoning responses that are presently unknown.

The Housing Element is not a plan for developing specific areas of the City. Rather it is a Citywide expression of goals and objectives related to the production of housing throughout the City. Under existing zoning, the city presently has sufficient land and zoning capacity to theoretically allow for more housing production than the market can practically deliver. Under the proposed Housing Element revisions, as long as existing zoning controls remain in place, there would be no change in the theoretical housing production capacity. While the Housing Element revisions would suggest some broad policy preferences for certain locations and types of housing production, that housing could be proposed and approved under current zoning controls and General Plan policies, and the supply of potential locations for such new housing exceed the practical expectations of how much new housing will actually be proposed or developed within the City.

More specifically, while there is the potential for increases in housing along all of the City's various transit corridors (e.g., Mission Street, Market Street, Geary Boulevard, Van Ness Avenue, Judah Street, Taraval Street) it should not be assumed that all of those corridors, or the full length of those corridors will be rezoned for, or experience large amounts of new development. Environmental review is not practical, nor meaningful for theoretical housing production allowed by maximum zoning capacity as that capacity is not fully realized and environmental review of that maximum capacity would be misleading. In the absence of specific rezoning proposals for specific areas of the city, there is no basis for assuming development beyond that allowed by the present zoning, nor predicting any specific areas or amounts of new development potential resulting from the Housing Element revisions that could then be translated into population increases, transportation impacts, etc., required for environmental impact analysis.

Hence, the Housing Element revisions alone, do not provide a basis for assuming or analyzing new housing development potential or location. As existing zoning controls would remain in place, there is no evidence to

EXHIBIT D

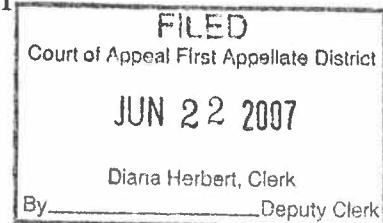
NOT TO BE PUBLISHED IN OFFICIAL REPORTS

California Rules of Court, rule 8.1115(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 8.1115(b). This opinion has not been certified for publication or ordered published for purposes of rule 8.1115.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION FOUR



SAN FRANCISCANS FOR LIVABLE
NEIGHBORHOODS,

Plaintiff and Appellant,

v.

CITY AND COUNTY OF SAN
FRANCISCO,

Defendant and Respondent.

A112987

(San Francisco County
Super. Ct. No. 504780)

Appellant San Franciscans for Livable Neighborhoods (SFLN) challenges the denial of its petition for a writ of mandate to compel respondent City and County of San Francisco (the City) to set aside the approval of the housing element of its general plan and to prepare an environmental impact report (EIR) pursuant to the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.)¹ Appellant claims that there is substantial evidence to support a fair argument that amendments to the housing element may have a significant impact on the environment, thus requiring the preparation of an EIR. We agree and reverse.

¹ All statutory references are to the Public Resources Code unless otherwise specified.

Carmel-by-the-Sea v. Board of Supervisors (1986) 183 Cal.App.3d 229, 235, 246 [rezoning that would permit development near wetlands]; *Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 Cal.App.3d 151, 156-157 [general plan amendment in connection with proposed shopping center].) Although it may be technically true that the Housing Element is not linked to any specific rezoning, ordinance changes, or future development,⁵ as the City emphasizes, it is not a vague policy document, completely unconnected to future development or potential physical changes to the environment. The Housing Element identifies areas for potential development, encourages development in neighborhood commercial areas, promotes the construction of “well-designed housing that enhances existing neighborhood character,” “[s]trongly encourage[s] housing project sponsors to take full advantage of allowable building densities,” and advocates reducing or removing minimum parking requirements in order to increase the land available for housing development. While no specific developments are connected with these policies, given the expected population growth and the number of construction projects already underway, the possibility of future development is not merely theoretical. (Cf. *Pala Band, supra*, 68 Cal.App.4th at pp.575-576.) The initial study recognizes that the updated Housing Element is “one component of a comprehensive planning effort called the Citywide Action Plan (CAP),” and that the Housing Element was “updated to provide a policy basis *for more specific planning*

⁵ For this reason, *Laurel Heights Improvement Assn. v. Regents of University of California, supra*, 47 Cal.3d 376, is less helpful than SFLN suggests. In *Laurel Heights*, the court concluded that an EIR must analyze the effects of future expansion if it is a “reasonably foreseeable consequence of the initial project.” (*Id.* at p. 396.) *Laurel Heights* did not involve the amendment of a general plan, but instead addressed the sufficiency of an EIR that was prepared in connection with the proposed relocation of the School of Pharmacy at the University of California, San Francisco (UCSF). (*Id.* at p. 387.) It was undisputed that UCSF intended to expand its use of a specific facility once space became available, and the “general type of future use” was therefore reasonably foreseeable. (*Id.* at p. 396.)

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San Franciscans for Livable Neighborhoods

FILED
San Francisco County Superior Court

APR 06 2009

GORDON PARK-LI, Clerk

BY: [Signature] Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN FRANCISCO

SAN FRANCISCANS FOR LIVABLE
NEIGHBORHOODS,

Petitioner and Plaintiff,

v.

CITY AND COUNTY OF SAN FRANCISCO, and DOES
I-X,

Respondents and Defendants.

) No. CPF04 504 780

) **PEREMPTORY**

) **WRIT OF MANDATE**

) Action Filed: November 30, 2004

) Hearing Date: January 27, 2009

) Dept. 302, 9:30 a.m.

) Honorable Charlotte W.

TO THE CITY & COUNTY OF SAN FRANCISCO ("City"):

YOU ARE HEREBY COMMANDED immediately upon receipt of this writ to set aside and void the approval of the Final Negative Declaration which you adopted and issued on May 13, 2004 in San Francisco Planning Commission Resolution No: 16786, in connection with your approval of the 2004 amendments to the housing element of the City's general plan and San Francisco Planning Commission Resolution No. 16787.

YOU ARE FURTHER COMMANDED to prepare, consider and certify an environmental impact report ("EIR") pursuant to the provisions of the California Environmental Quality Act, Public Resources Code §§ 21,000 *et seq.* ("CEQA"), concerning any potentially significant effects to the existing environment that may result, based on a fair argument

1 supported by substantial evidence, from any and all changes in the City's 1990 Residence
2 Element that are embodied in the amended housing element, and to fully comply with the
3 requirements of CEQA by June 30, 2009, concerning said proposed amendments to the housing
4 element of the City's general plan. Among the proposed amendments to the housing element of
5 the City's general plan that will be analyzed as part of the project considered in said EIR are the
6 proposed omission of 1990 Residence Element Policy 2-4 to adopt specific zoning districts that
7 would set density categories (Slip Op. 17, 22; JN 81-84) and the proposed omission of 1990
8 Residence Element Objective 2 "To increase the supply of housing without overcrowding or
9 adversely affecting the prevailing character of existing neighborhoods." (Slip Op. p. 22; JN p.
10 80)
11

12 Until you prepare, consider and certify said EIR and fully comply with the requirements
13 of CEQA in relation to the changes from the City's 1990 Residence Element embodied in the
14 amended housing element, YOU ARE COMMANDED to refrain from enforcing, relying upon,
15 approving or implementing the following changes from the 1990 Residence Element, together
16 with the accompanying interpretative text and implementation actions which are stated along
17 with such matters in the 2004 Housing Element:
18

- 19 1. New Policy 11.8 to "Strongly encourage housing project sponsors to take full
20 advantage of allowable building densities in their housing developments while
21 remaining consistent with neighborhood character" as interpreted by explanatory
22 text providing that the "Department should strongly support projects that
23 creatively address residential parking and open space requirements, resulting in
24 higher densities with a full range of unit sizes" and that the Department will
25 "study the impacts of reduced parking and private open space provisions and will
26 consider revising the Planning Code accordingly." (Slip Op. p. 17-18; 1 AR 284-
27 285)
- 28 2. New Policy 11.1 to "Use new housing development as a means to enhance
neighborhood vitality and diversity" as interpreted by explanatory text that
"[m]inimum density requirements and maximum parking standards should be
used to encourage a mix of unit sizes in areas well served by transit and
neighborhood retail." (Slip Op. p. 18; 1 AR 276)

3. Modified Policy 11.9 to "Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character." (Slip Op. p. 17, 1 AR 285)
4. Modified Policy 11.6 to "Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit" together with Implementation 11.6 which states that: "The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods." (Slip Op. p. 18; 1 AR 283)
5. Modified Policy 11.5 to "Promote the construction of well-designed housing that enhances existing neighborhood character." (Slip Op. p. 18; 1 AR 280)
6. New Policy 1.7 to "Encourage and support the construction of quality, new family housing." (Slip Op. p.18)
7. New Implementation 1.6 that the "Planning Department will review the following incentives for commercial project developments in the Downtown C-3 District: "no residential parking requirement; and no density requirements for residential projects." (Slip Op. 18-19; 1 AR 220)
8. New Policy 11.7 stating that "Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units." (1 AR 284; 15 AR 4196)
9. New Policy 1.2 to "Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities" including its implementation by a specialized type of zoning called "Transit Oriented Neighborhood Commercial District (NC-T) Zoning" controls that "provide increased housing densities above the ground floor and reduced residential parking requirements on linear shopping streets and along transit corridors." (1 AR 216; 204)
10. New language added to Policy 1.1 to "Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhoods [sic] support," and accompanying new interpretative text stating that "along transit-preferential streets" "residential parking requirements" "should be, if appropriate, modified," and that there "is a reduced need for automobile use" in "neighborhood commercial districts" where "[p]arking and traffic problems can be further addressed by community parking facilities and car-sharing programs, and other creative transportation programs." (1 AR 215)

1 11. New Implementation 1.1 which states that a "citywide action plan (CAP) should
2 provide a comprehensive framework for the allocation of higher density, mixed-
3 use residential development in transit-rich areas with stable urban amenities in
4 place. In these areas, specific CAP strategies should include: higher densities and
5 reduced parking requirements in downtown areas or through a Better
6 Neighborhoods type planning process; pedestrian-oriented improvements to
7 enhance the attractiveness and use of transit." (1 AR 215-216)

8 Notwithstanding the foregoing, with respect to 2004 Implementation 1.6, YOU ARE
9 COMMANDED to refrain from enforcing, relying upon, approving or implementing only the
10 new added language consisting of "no residential parking requirement; and no density
11 requirements for residential projects" and with respect to 2004 Implementation 1.1, YOU ARE
12 COMMANDED to refrain from enforcing, relying upon, approving or implementing only the
13 new implementation added to Implementation 1.1 set forth above.

14 Your approval of the above-specified policies or implementation actions as amendments
15 to the City's housing element on May 13, 2004 as part of San Francisco Planning Commission
16 Resolution No. 16787 is hereby set aside and revoked until you comply fully with CEQA as set
17 forth herein.

18 The City need not conduct environmental review "on policies that were evaluated
19 before the adoption of the 1990 Residence Element." (Slip Op. p. 15) Pursuant to Public Resources
20 Code section 21168.9, and for the reasons set forth in the arguments of counsel and as set forth
21 below, the Court finds that:

22 a) The policies, objectives and implementation measures of the 2004 Housing Element
23 listed above, are severable from the remaining policies, objectives and implementation measures.
24 This finding is based on the Court of Appeal's holding that environmental review of the entire 2004
25 Housing Element is not necessary under CEQA and *Black Property Owners v. City of Berkeley*
26 (1994) 22 Cal.App.4th 974 because the 2004 Housing Element makes no changes to many policies
27 and objectives in the 1990 Residence Element; and,

1 (b) The City's reliance on the remainder of the 2004 Housing Element without the
2 above policies will not prejudice complete and full compliance with CEQA. The Court relies on
3 the San Francisco Planning Department Director's sworn testimony that the City has begun an
4 environmental impact report of the 2004 Housing Element in accordance with CEQA, and the
5 Court's continuing jurisdiction of this matter through a return to the writ will assure compliance
6 with CEQA mandates; and,

7 (c) Consistent with the Court of Appeal holding that "[s]everal Housing Element policies
8 incorporated no text change whatsoever from the 1990 Residence Element, and no purpose would be
9 served in conducting environmental review on policies that were evaluated before the adoption of the
10 1990 Residence Element," the Court finds that the remaining policies in the 2004 Housing Element
11 do not violate CEQA.

12 In addition, the Court further finds that consistent with Public Resources Code section
13 21168.9(c) and *Laurel Heights Improvement Assoc. v. Regents of the Univ. of Cal.* (1988) 47 Cal.3d
14 376, the Court exercises its equitable powers in fashioning an appropriate remedy under CEQA, and
15 finds that there are compelling public policy reasons to allow the City and County of San Francisco to
16 rely on the remaining portions of the 2004 Housing Element, save for the policies listed above, to wit
17 that the provision of housing, particularly affordable housing, is a "priority of the highest order" as
18 acknowledged by case law and the state Legislature, and that San Francisco must strive to provide its
19 fair share of regional housing needs.

20 YOU ARE FURTHER COMMANDED to certify the environmental impact report and
21 fully comply with the provisions of the California Environmental Quality Act, Public Resources
22 Code §§ 21000 *et seq.*, concerning the proposed housing element amendments described herein
23 by June 30, 2009, and to make and file a return to this Court upon taking action in compliance
24 with this writ, setting forth what you have done to comply, and this Court shall retain jurisdiction
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1 over this action to determine whether the City's actions have fully complied with the mandates
2 of this peremptory writ.

3 IT IS ORDERED THAT THE COURT SHALL ISSUE THE FOREGOING WRIT:

4
5 DATE: 04-06-09

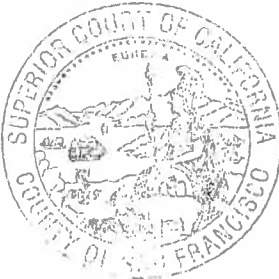
Charlotte W. Woolard
6 THE HONORABLE CHARLOTTE W. WOOLARD
7 JUDGE OF THE SUPERIOR COURT
8
9
10

11 DATE: 4-6-09

GORDON PARK-LI, Clerk of the Superior Court

12 By: [Signature] Deputy Clerk

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14 ERICKA LARNAUTI
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1 KATHRYN R. DEVINCENZI (SB #70630)
2 22 Iris Avenue
3 San Francisco, CA 94118
4 Telephone: (415) 221-4700
5 Facsimile: (415) 346-3225
6
7 Attorney for Petitioner/Plaintiff
8 San Franciscans for Livable Neighborhoods
9

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 IN AND FOR THE COUNTY OF SAN FRANCISCO
9

10 SAN FRANCISCANS FOR LIVABLE
11 NEIGHBORHOODS,

12 Petitioner and Plaintiff,

13 v.

14 CITY AND COUNTY OF SAN FRANCISCO, and DOES
15 I-X,

16 Respondents and Defendants.
17
18
19

) No. CPF04 504 780
)
) ~~PROPOSED~~
)

) **AMENDMENT TO**
)

) **PEREMPTORY**
)

) **WRIT OF MANDATE**
)

16 Action Filed: November 30, 2004
17
18
19

Hearing Date: May 18, 2009

Dept. 302, 9:30 a.m.

Honorable Charlotte W. Woolard
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20 TO THE CITY & COUNTY OF SAN FRANCISCO ("City"):

21 In addition to the changes embodied in the City's 2004 Housing Element which this Court
22 restrained in the Peremptory Writ of Mandate issued by this Court on April 6, 2009:
23

24 Until you prepare, consider and certify an environmental impact report ("EIR") pursuant
25 to the provisions of the California Environmental Quality Act, Public Resources Code §§ 21,000
26 *et seq.* ("CEQA") concerning any potentially significant effects to the existing environment that
27 may result, based on a fair argument supported by substantial evidence, from any and all changes
28

1 in the City's 1990 Residence Element that are embodied in the amended housing element, and
2 fully comply with the requirements of CEQA concerning said proposed amendments to the
3 housing element of the City's general plan, YOU ARE FURTHER COMMANDED to refrain
4 from enforcing, relying upon, approving or implementing the following changes from the 1990
5 Residence Element, together with the accompanying interpretative text set forth below:
6

7
8 12. Language added to modified Implementation 1.3 which states with respect to
9 "Downtown areas and areas subject to a Better Neighborhoods type planning
10 process" that "[p]lanning and zoning code changes should include floor-to-area
11 ratio exemptions." (See 15 AR 4187, 1 AR 217, 1990 RE p. 131)

12 13. Modified Objective 11 which states that "IN INCREASING THE SUPPLY OF
13 HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING
14 PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S
15 DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL
16 NEIGHBORHOODS." (See 15 AR 4195, 1 AR 276, 1990 RE p. 106)

17 14. Language added to Modified Policy 4.4 to: Consider granting "parking
18 requirement exemptions for the construction of affordable or senior housing."
19 (See 15 AR 4190, 1 AR 243, 1990 RE p. 97)

20 ~~15. Modified Policy 4.5 to "Allow greater flexibility in the number and size of units
21 within established building envelopes, potentially increasing the number of
22 affordable units in multi-family structures." (See 15 AR 4190, 1 AR 244, 1990
23 RE p. 81)~~

24 ~~16.15.~~ Modified Objective 1, which states "TO PROVIDE NEW HOUSING,
25 ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN
26 APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING
27 NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE
28 HOUSING CREATED BY EMPLOYMENT DEMAND" as interpreted by
modified explanatory text stating "New residential development must be of a
character and stability that enhances the City's neighborhoods and maintains the
quality of life for existing and future residents. How this new residential
development can be accommodated without jeopardizing the very assets that
make living in San Francisco desirable must be discussed. In order to enhance the
city's livability, the supply of housing must be increased and new housing
developments should respect the scale and character of the surrounding
neighborhood." (1 AR 213; 1990 RE p. 75, 15 AR 4187)

1 Your approval of the above-specified objectives, policies or implementation actions as
2 amendments to the City's housing element on May 13, 2004 as part of San Francisco Planning
3 Commission Resolution No. 16787 is hereby set aside and revoked until you comply fully with
4 CEQA as set forth herein.
5

6 The findings and other orders set forth in the Court's April 6, 2009 Peremptory Writ of
7 Mandate, including those beginning at page 4, line 18 and continuing through page 6, line 2,
8 apply with equal force to the proposed changes in the 2004 Housing Element described herein,
9 which the Court incorporates by reference.

10 IT IS ORDERED THAT THE COURT SHALL ISSUE THE FOREGOING WRIT:
11

12
13 DATE: 05-29-09

Charlotte W. Woolard
14 THE HONORABLE CHARLOTTE W. WOOLARD
JUDGE OF THE SUPERIOR COURT



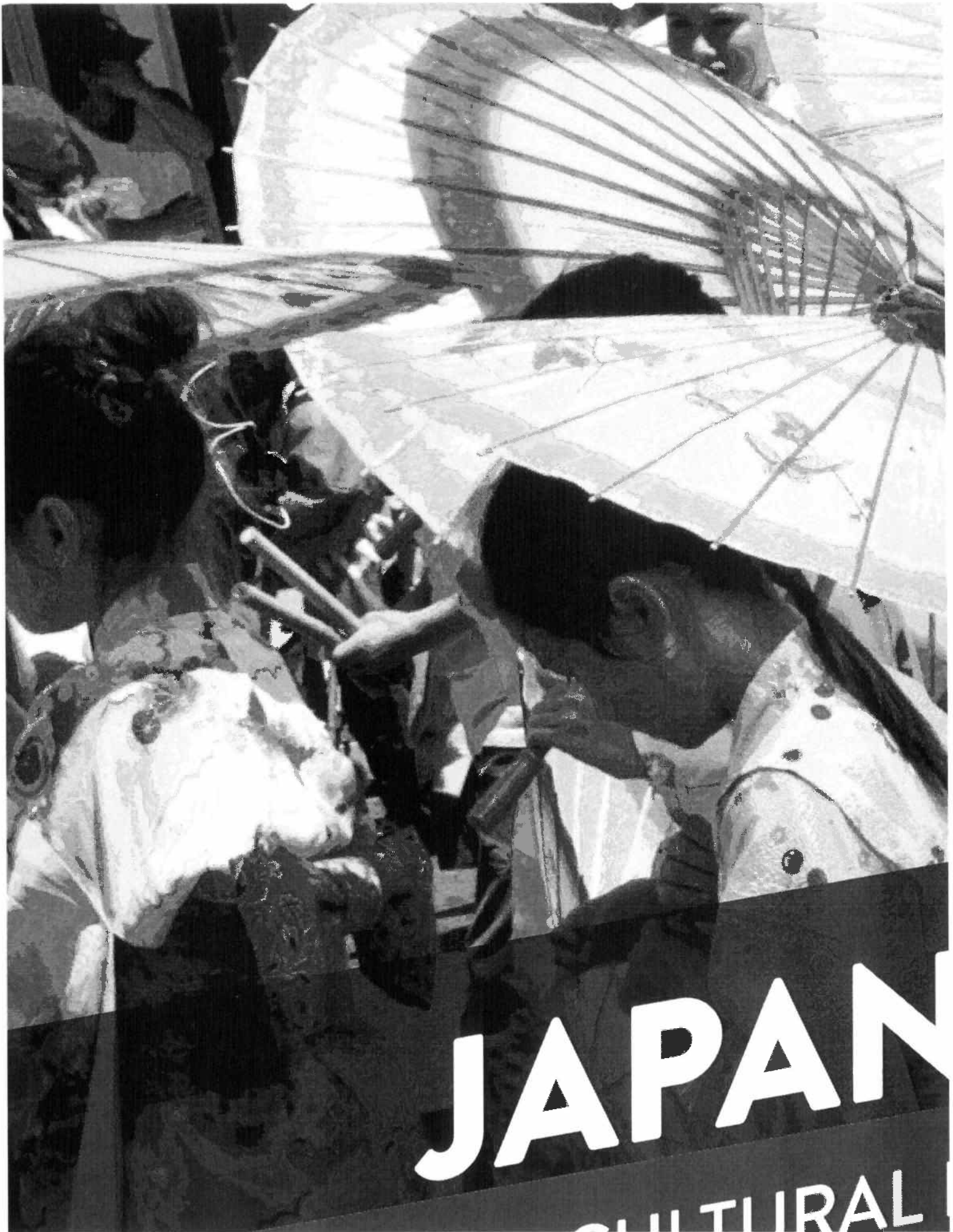
19 DATE: JUN 01 2009

GORDON PARK-LI, Clerk of the Superior Court

20 By: Rossaly E. de la Vega Navarro Deputy Clerk

21 ROSSALY E. DE LA VEGA NAVARRO
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EXHIBIT E



JAPAN
CULTURAL

The Draft Better Neighborhoods Plan (2009) proposed increases to allowed heights at the Japan Center Malls, including three potential towers of 200 – 250 feet, as well as another tower further east nearer to Gough Street, and proposed increased height limits along Geary Boulevard. Both at that time and over the ensuing course of community review, the preponderance of vocal community views opposed these proposals on the ground that, in their perspective, the proposals were inconsistent with preserving Japantown’s cultural legacy and remaining small scale neighborhood character. This opposition was a significant reason that the Better Neighborhoods Plan process evolved into the JCHESS, which does not directly address changes to development or height limits, other than minor changes in the proposed Japantown Neighborhood Commercial District.

The one zoning district unique to Japantown is the Japantown Special Use District (SUD).⁴ This SUD, established in 2006, covers the area between Fillmore Street, Bush Street, Laguna Street and Geary Boulevard. The SUD is unique in the city in that its specific aim is to protect cultural character of a specific community – in this instance, the Japanese American community. It does so by requiring conditional use authorizations from the Planning Commission for:

- Any change of use in excess of 4,000 square feet.
- Any merger of one or more existing uses in excess of 2,500 square feet.
- The establishment of any formula retail use (which is defined as any retail establishment with eleven or more locations within the United States).

To receive this conditional use authorization, the Planning Commission has to determine that the land use is compatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the neighborhood.

⁴ San Francisco Planning Code, Section 249.31, “Japantown Special Use District,” July 2006

DEVELOPMENT POTENTIAL

Compared to San Francisco neighborhoods such as the South of Market, Mission Bay, and Hunters Point, there is not a broadly distributed potential for major new development in Japantown. This is because many of the buildings in the area are built at or near their development capacity. North of Bush Street, the area is largely comprised of residential buildings on small parcels with a height limit of 40 feet, meaning that no new large development is likely to occur in this area. South of Bush Street, parcels are larger, height limits are greater, and there is less existing residential use – all factors which contribute to the potential for new development.

An analysis of development capacity in Japantown reveals that 21% of the parcels in the area (136 of 634) could reasonably be considered to have potential for new development based on existing zoning.⁵ On these parcels, there is potential for approximately 2,700 new housing units and 470,000 new square feet of commercial space. Although only 15 development parcels are located south of Geary Boulevard, these parcels (such as the Safeway and affiliated parking lot) contain about half of the neighborhood’s development potential, due to their size and relatively higher height limits. The rest of the potential is dispersed on parcels north of Geary that tend to be smaller in size and/or have lower height limits.



B.1. Utilization of Developable

Parcels. There are a number of parcels in the neighborhood that are not developed to their full capacity, relative to what they are allowed under current zoning. There is community interest in ensuring that those parcels are able to be developed to their potential under current zoning.

⁵ In this instance, “high potential” means that a parcel is currently developed to less than 30% of its potential, that it contains less than three residential units, it is not a historic building, and that it contains no significant cultural resources. It should be noted that this analysis is based on the City’s data, which is likely to contain substantial errors. As such, the available information can be useful in the aggregate, but should not be used to predict the redevelopment of any particular parcel.

EXHIBIT F

STATEMENT OF CITY PLANNER DAVID GOLICK REGARDING IMPACTS OF CHANGES TO PROPOSED 2009 HOUSING ELEMENT

I have been a professional city planner for over forty years and have practiced in the Bay Area for thirty-eight years. During that time I served as Chief of Planning for the City of Concord, the largest city in Contra Costa County, for ten years. During my career, I have either prepared or reviewed approximately 1,000 Initial Studies and Environmental Impact Reports. I have become familiar with and have a deep working knowledge of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. I have coached subordinate employees regarding CEQA requirements and have addressed CEQA issues at conferences of the American Planning Association. The City of San Francisco retained me to participate in oral board examinations of candidates for planning positions, such as the position of Planner III, Environmental Review. As Chief of Planning for the City of Concord, my duties included overseeing the activities of the planning department staff in updating the housing element of Concord's general plan as periodically required by the State of California Department of Housing and Community Development. A copy of my resume is attached hereto as Exhibit 1.

In this statement, I will discuss the potentially significant environmental impacts that could result from the changes made in the 2009 Housing Element (the proposed "Project") after the public comment period closed on August 31, 2010. Herein, I will refer to the June 2010 draft of the 2009 Housing Element that was subjected to environmental review as the "EIR Draft." The substantial changes to the proposed Project are set forth in a February 2011 draft of Part II and a Planning Department staff memorandum dated March 17, 2011.

1. The Project Was Substantially Changed to Encourage Transit-Oriented Development Along Major Bus Lines Outside Plan Areas.

The February 2011 draft of new Policy 1.10 broadly promotes infill housing "in transit-rich areas" which it defines to include Muni's major bus lines as "defined and prioritized in Muni's Transit Effectiveness Project (TEP) as the '24-hour Rapid Network,' " which "will be slated for long-term improvements" and "are slated to receive funding and service increases which will make it easier to meets service demands." The proposed new policy states that the Department "should support housing projects along these major transit lines *provided* they are consistent with current zoning and design guidelines." (See Ex. 2, pp. 2-4, summary of changes)

The March 17, 2011 staff proposal adds language encouraging "affordable housing" along the major transit lines and eliminates prior language that admitted that the proposed rapid lines are not funded and need service increases and long-term improvements. A communication from the Metropolitan Transportation Agency admitting such inadequacies is included herein. (See Exhibit 3) Also, inaccurate language previously referring to the proposed rapid network as "24 hour" was eliminated.

The new policy language also broadly supports “new housing projects” near major transit lines through references to “walking and bicycling” and “nearby residents” but does not define or limit the extent of the distance from transit lines in which the new transit-oriented housing would be both allowed and encouraged. It also fails to explain the density that should be permitted for infill housing in transit-rich areas or for housing projects along major transit lines.

Although the 2009 Housing Element does not provide a map of these major bus lines, the map of the TEP-proposed rapid network obtained from the San Francisco County Transportation Agency, is attached hereto in Exhibit 3. The SFCTA e-mail explains that the TEP-recommended rapid route network is not yet approved, has not undergone environmental review or been funded. (*Id.*) Numerous capital projects to improve transit reliability, improve customer amenities and reduce transit travel times are included in the draft TEP Implementation Plan, which has not been finalized or approved. (See Ex. 3, e-mails) So, the Muni bus routes described in the proposed TEP rapid route network do not provide rapid service now, and \$160-200 million in capital projects would be needed to support the TEP-recommended rapid route network and make other improvements to the Muni system. (*Id.*) The funds for the capital improvements needed for the TEP-recommended rapid route network would largely be sought from federal and state grants which require some percentage of City money in hand in order to apply for matching federal or state grants. (*Id.*) The City has only approximately \$10-15 million in funds for such TEP improvements. (*Id.*) Due to State and federal budget shortfalls, it is problematic whether funds would be available for these San Francisco projects in the foreseeable future. In recent news reports, Muni stated that it lacks funds to undertake detailed seismic studies of existing Muni tunnels that are about one hundred years old and will have difficulty funding work to replace deteriorating metal and concrete supporting structures.

This is a major change in the proposed Project because the June 2010 draft of Part II that was subjected to environmental review had removed the broad language of Policy 1.5 that had supported new housing projects on sites that are located along major bus lines and removed Map 1 of “Major Transit Lines.” (See Ex. 4, p. 14 red-lined June 2010 draft of part II) Also, EIR Policy 12.1 had encouraged new housing that relies on transit “in areas that are well served with transportation infrastructure including BART trains, and Muni light rail trains” and had clarified “that changes to the Planning Code to further accommodate housing near transit will only occur through a neighborhood-supported community planning process.” (See Ex. 4, p. 59). EIR Policy 12.1 text had removed the language “and Muni’s rapid network of buses” from the policy text that was subjected to environmental review. (*Id.*)

Until Muni’s bus lines have received funding for the needed service increases and improvements and implementation of the improvements is underway, they should not be defined as major transit lines along which transit-oriented development would be encouraged. Otherwise, policies that prematurely encourage housing growth in these areas would increase the significant adverse impact on already strained Muni bus services. The EIR concludes that the proposed project (without the bus lines defined as major transit lines) would have a significant unmitigated effect on public transit, which is insufficient to support the proposed expansion in

housing capacity. (See Ex. 5, Executive Summary, p. II-9)

Expanding the proposed Project to designate areas along major bus lines outside the Plan Areas as the areas in which transit-oriented development would be encouraged would substantially increase the severity of the significant environmental impact which the Project would have on inadequate transit services.

Eliminating this expansion of the proposed Project is a reasonable alternative which could be accomplished by approving the language of EIR Policy 12.1 as stated in the June 2010 draft of the Housing Element (which identified the areas along Bart lines and Muni light rail lines as major transit areas). That alternative would define major transit lines as areas near BART stations and along Muni light rail lines. Such alternative would reduce the significant environmental impact which results from inadequate transit services and public funding for transit since it would substantially reduce the areas where transit would be further strained by added capacity and substantial public funds would have to be spent on increasing the reliability and capacity of public transit services.

The EIR should therefore be revised to analyze the feasible alternative of eliminating the definition of major bus lines outside the Plan Areas from the areas where transit-oriented development would be encouraged and substantial funds needed for improved bus service. Under the alternative, major transit lines would be defined as BART stations and Muni light rail lines, as proposed in the June 2010 draft of Part II of the Housing Element. The EIR should be revised and recirculated for public review and comment due to the substantial increase in the severity of the significant impact on transit services which would result from expansion of the areas defined as major transit lines and the reasonable alternative of eliminating this expansion from the Project proposed for approval.

The severity of the significant adverse impact of the proposed Project on already inadequate public transit services was explained by the City to ABAG as follows:

“While San Francisco has pioneered transit supportive development over the past few decades, we are at our limit in terms of transit’s ability to carry more people in the peak period without significant new right-of-way, fleet and facility expansion. Our transit state of good repair backlog is over \$2 billion just to maintain current service levels let alone the additional service levels from the expected growth, and similar backlogs exist for the regional transit service providers who serve San Francisco, such as BART and Caltrain. These core capital capacity constraints are regional in nature and will need a regional focus on resource prioritization for these PDAs to be successfully implemented. In addition, San Francisco needs over \$750 million to bring our local streets to a state of good repair, and many PDAs have significant non-transportation infrastructure investment needs as well, lacking the community assets necessary to make them complete communities....

We are further challenged by needing to pace growth with new investment. While San Francisco's planning efforts aim to combine changes in zoning with proposals for new infrastructure investment, we continually face resistance from neighborhoods who are skeptical that needed infrastructure will come. There is a very real threat of neighborhood demand for legislation that meters growth according to infrastructure provision, thereby restricting zoning changes and any development under those zoning changes, until after the infrastructure is in place." (Ex. 6, thirteenth page)

The alternative of eliminating the bus lines outside the Plan Areas is clearly feasible because by a resolution of the Board of Supervisors in June 2007, the City approved Priority Development Areas as the areas where sustainable development could occur, and these areas correspond to the Plan Areas which the Housing Element states could accommodate "significantly more" than the 31,000 units allocated as the City's share of the regional housing needs allocation for this planning period (2007-2014. (See Ex. 4, p. 4-10 and map at ninth page of Ex. 6) The City has admitted that the "lion's share of city's growth will continue to be focused in its PDAs" and that they have more than enough capacity to satisfy the City's regional housing needs allowance for this planning period:

"San Francisco's Adopted and Planned PDAs collectively accommodate over 63,000 new housing units, and 136,000 new jobs. Healthy absorption of the city's existing vacancies in PDAs like Downtown provides the opportunity for another 23,000 or more jobs. However, new growth in San Francisco is not confined to PDAs. The city includes numerous small-scale infill opportunity sites close to transit throughout all of its neighborhoods. Such sites outside of Priority Development Areas could accommodate another 17,000 new housing units, distributed reasonably evenly throughout the city. Cumulatively, San Francisco's PDAs and other opportunities yield the potential for over 85,000 housing units and almost 160,000 more jobs, more growth than is likely to be projected for San Francisco under the SCS P2011 Projections." (Ex. 6, twelfth page)

This evidence makes it clear that the city's 17,000 infill opportunity sites close to transit run "throughout all of its neighborhoods" outside of Priority Development Areas (or Plan Areas), and, therefore, the impact on already inadequate transit services would be substantially more severe if areas along bus lines outside the PDAs (or Plan Areas) are included in the definition of major transit lines slated for increased housing development.

Since the staff-proposed addition of the bus line areas would require the City to increase the reliability and efficiency of major bus lines running throughout the City instead of concentrating such improvements in the PDAs, a reasonable alternative which would reduce the severity of the significant impact on transit services would be to limit the definition of major transit lines to BART stations and Muni light rail lines, instead of broadening it to include all major bus lines. This alternative is certainly feasible because the City refused to identify areas outside of the PDAs as areas that could take on greater levels of growth at this time in the course of the Sustainable Communities Strategy planning, stating:

“Because San Francisco already has plans to accommodate almost the entire amount of growth expected (over 90%) by 2035 within its designated PDAs, and because significant resources are necessary to provide the infrastructure necessary to support this growth, staff elected not to identify additional areas that could take on greater levels of growth at this time.” (Ex. 6, p. 2 ; see also p. 7 of June 2010 version of 2009 Housing Element stating: “Completed and ongoing area plans have developed neighborhood specific housing plans, which could accommodate the majority of new housing needs in the City.”)

This conclusion is reinforced by the fact that the City identified “[i]ncreased transit service frequencies for core trunk lines serving PDAs” as an implementation strategy needed to support growth of particular importance to San Francisco. (Ex. 6, twelfth page)

The amount of projected growth in PDAs meets over 90% of the City’s growth target for two decades after the 2007-2014 planning period for which the 2009 Housing Element was prepared:

“San Francisco is planning to accommodate more than 60,000 new households in PDAs by 2035. This represents the placement of over 90% of our county growth targets (from Projections 2009) within PDAs. This is significant as the next closest county achieves only ~40% of new households in PDAs.” (Ex. 6, tenth page)

Since Planning Department staff did not identify areas along bus lines outside the PDAs as additional areas that could take on greater levels of growth in the Sustainable Communities Strategy planning effort, it is obviously a reasonable alternative to delete such areas from the proposed 2009 Housing Element Project. The addition of such areas in the February 2011 or finally adopted draft of the proposed 2009 Housing Element would exacerbate the project’s significant adverse impact on transit because transit services would have to be increased in more part of the City than if the increases were concentrated in PDAs. Before the major bus lines were added as major transit lines slated for transit-oriented development, the City stated that the 2009 Housing Element already went farther than needed to accommodate the City’s share of the regional housing needs allocation for the planning period 2007-2014, stating:

“Together, these planning efforts could provide capacity for **significantly more** than the 31,000 units allocated for this planning period (2007-2014); however, they will require significant investment in infrastructure and supporting services in order to support this growth...The City should prioritize public investment in these plan areas to achieve the community goals of each plan, according to each plans’ infrastructure and community improvements program.” (Emphasis added, Ex. 6, p. 8, Part II, June 2010 Draft 2 Housing Element)

According to the Housing Element, Plan Areas adopted since the 2004 Housing Element are projected to “add growth of up to 20,000 new units, which, in combination with citywide

infill potential provides sites which can accommodate over 42,000 new units, as cited in Part 1 of the Housing Element. Ongoing community planning efforts, including major redevelopment plans at Mission Bay, Treasure Island and Hunter's Point Naval Shipyard, will add even more capacity over the next 20 years." (Ex. 4, p. 4) The estimated new housing construction potential in adopted plans/projects and plans/ projects underway total 63,300 new housing units. (Ex. 4, p. 10)

The Draft EIR for the 2009 Housing Element further explains that the City's unrealized capacity under existing zoning is "60,995 new housing units." (Draft EIR p. IV-14) Of these, approximately 20, 543 new units could be constructed on sites that are vacant or near vacant, and sites that are underdeveloped could yield another 40,452 new units. (*Id.*) Further, the City is in the process of rezoning many neighborhoods, and these rezoning efforts will increase the existing capacity in those neighborhoods, allowing for the development of additional housing units above and beyond the number of units that could be accommodated under existing zoning. (*Id.*) The additional capacity with rezoning initiatives currently underway is approximately 28,844 units. (DEIR Page IV-22) Should these rezoning initiatives be adopted, the City would be able to accommodate 89,839 net new housing units, which if developed would represent a 25% increase in the City's housing stock. (Draft EIR p. IV-22)

A total of 56,435 new units could result from projects now under construction or in various stages of the approval process, which include projects currently under construction, projects with approved building permits but not under construction, projects which have building department applications on file, projects which have been approved by the Planning Department and projects which have Planning Department applications on file. (Draft EIR p. IV-23) The three major projects of Candlestick Point-Hunters Point Shipyard, Treasure Island and Park Merced, comprise approximately half of the pipeline projects and could be completed by approximately 2020. (*Id.*)

Thus, the City's capacity for new housing under area plans in progress, existing unrealized capacity and pipeline projects is far in excess of the City's 31,000 unit RHNA for the planning period 2007-2014 represented by the 2009 Housing Element. The significant impact on the City's transit services would be lessened if transit services have to be enhanced only in the areas already rezoned. The Project's impact on other City services such as water, sewer, fire and police, would also be significantly lessened if the areas slated for increased growth were limited to those already rezoned.

As explained in my prior Declaration filed in the legal action in which the court required an EIR to analyze the proposed Housing Element changes, the EIR prepared by the City's transportation authority projects that time spent in congested traffic conditions will double by 2035 if the City concentrates its further development along transit routes as proposed in its citywide action plan. (See Attachment 13 to Chatten-Brown & Carstens August 30, 2010 EIR comment letter to Bill Wyco regarding 2004 and 2009 updates to Housing Element) This is a significant impact because citywide traffic is expected to be degraded to service level F. This is

not surprising, as San Francisco is already the second most densely populated City in the nation, and the massive amount of increased housing capacity proposed in the 2009 Housing Element, as increased by the changes proposed in the February 2011 or March 17, 2011 versions of Part II thereof, is simply unsustainable and unreasonable. (Ex. 7)

It is no exaggeration to say that ABAG's proposal to concentrate this amount of future growth in San Francisco is a major step toward Manhattanization of San Francisco. After all, aside from New York City, San Francisco already is the most densely populated city in the country.

The City should now revise the EIR and analyze the effect of expanding the areas designated for transit-oriented development to the areas along or near bus lines extending throughout the City outside the Planned Areas. The EIR should analyze the feasible alternative of eliminating this expansion of areas designated for transit-oriented development because the Project's significant impact on already-strained transit services would be substantially lessened if the project were limited to the Planned Areas. Under such alternative, the City would have to enhance bus service to the major lines running through the Planned Areas but not to the major bus lines running throughout the City outside the Planned Areas. This expansion of areas designated for transit-oriented development was requested by the advocacy group SPUR. (See Ex. 8, p. 2) SPUR makes clear that the broad language "transit-oriented development" calls for substantial zoning changes that would have adverse impacts. SPUR explains that effects of such new construction would be as follows:

"more housing and jobs along transit corridors and in already transit-oriented neighborhoods" "means zoning for taller buildings and higher density in downtown and along the BART and Muni Metro lines in the neighborhoods. It means allowing new in-law units and eliminating parking and density limits in some neighborhoods." (See Exhibit 8, p. 2)

Thus, Housing Element language calling for transit-oriented development provides a policy basis for various increased density strategies including taller buildings and secondary units.

In San Francisco, areas along transit corridors running through residential neighborhoods are usually zoned neighborhood-commercial. The prevailing height in such neighborhood-commercial areas is now generally one or two stories and such areas are usually not now built up to maximum height limits (which are generally forty feet). Their low density character now usually matches and conforms with the low density character of surrounding residential neighborhoods. However, changing policy to encourage building taller structures with reduced or no parking in these linear neighborhood commercial areas along major bus lines could create canyon effects since the linear massing of the taller buildings would disrupt and divide the lower density character of the surrounding residential neighborhoods. Such linear massing would constitute an adverse visual effect on the character of existing neighborhoods, a significant adverse change in the quality of those neighborhoods and could also significantly reduce light to

adjacent or nearby residences.

Various existing measures which the City has previously enacted to increase the capacity of land for housing demonstrate the adverse impacts of increased traffic congestion, strained Muni services and visual neighborhood character that could result from extending transit-oriented development along bus lines running through established neighborhoods. The Residential Transit-Oriented Districts provide a good example. Under Planning Code section 207.1, in RTO and RTO-M Districts provided for in Planning Code section 201, dwelling units that are affordable (meeting criteria stated therein) shall not count toward density calculations or be limited by lot area. In addition, under Planning Code section 151, a dwelling unit in an affordable housing project is not required to have any off-street parking space except in RH-1 and RH-2 districts. (Ex.9) Therefore taller buildings with inadequate parking could result from new 2009 Housing Element Policy 1.10 because many small affordable units could be constructed in areas to be zoned RTO, and such units would not have any off-street parking. This type of construction could add large numbers of new residents to these areas and place increased demand on already strained Muni services. Those residents using automobiles would likely spend significant time circling to find parking spaces, which could increase traffic congestion in the area.

As previously noted, the Transportation Authority EIR projects significant further degradation in traffic conditions in the City as a result of concentrating future growth along transit corridors. Further time spent in congested traffic conditions causes vehicles to emit more pollutants than vehicles traveling at a normal rate of speed. (See Attachment 10 to Chatten-Brown & Carstens August 30, 2010 EIR comment letter to Bill Wyco regarding 2004 and 2009 updates to Housing Element, which is incorporated by reference) The City's December 6, 2010 Sustainable Communities Strategy letter recognizes that there could be "local adverse effects" from particulate matter vehicle emissions given "the growing recognition of air quality conflicts between busy roadways and infill development." (Ex. 10, p. 2) This is a potentially significant effect which should be analyzed in a revised EIR due to the proposed expansion of the transit-oriented development to areas along major bus lines outside the Plan Areas. The EIR should be revised and recirculated for public review and comment.

Zoning changes enacted for transit-oriented development after the 2004 Housing Element was approved, could cause significant parking space deficits in new structures. For example, under the Market Octavia Area plan rezonings (Exhibit 11) only one off-street parking space is required for each four dwelling units in the Van Ness Special Use District. The resulting parking space deficit could cause traffic congestion in the area from cars circling to seek parking spaces and potentially increase pollutant emissions from motor vehicles in the immediate area.

In addition, under Planning Code section 134 (e) and (f), the rear yard requirement in NC Districts and Eastern Neighborhoods mixed use districts may be modified or waived by the

Zoning Administrator pursuant to the procedures which are applicable to variances. New structures built in neighborhood commercial districts along major transit lines could overwhelm adjacent structures that are not built up to height or bulk limits and which have the rear yards required by current code.

2. Changes Eliminated Policy Language Maintaining Density Limits For RH-1 and RH-2 Neighborhoods.

EIR Policy 1.6 text stating that “[i]n some areas, such as RH-1 and RH-2, density limits should be maintained to protect neighborhood character” was changed in the February 2011 draft to state “[i]n some areas, such as RH-1 and RH-2, prevailing height and bulk limits should be maintained to protect neighborhood character.” Also, use of “flexibility in the number and size of units” was expanded to apply through “community based planning processes” and therefore would apply to projects outside plan areas and to individual projects, instead of merely to “community plan areas” as previously proposed in EIR Policy 1.6.

In the staff memorandum dated March 17, 2011, this provision was changed to state “[i]n some areas, such as RH-1 and RH-2, existing height and bulk patterns should be maintained to protect neighborhood character.” Since it is unclear which provision the Planning Commission may adopt, this statement will discuss the environmental effects of both proposals. Essentially, both proposals would provide a policy basis for replacing the current objective standards with subjective standards to be interpreted by the Planning Department and Commission. Use of a subjective standard is a substantial change in the nature of the proposed Project that must be subjected to environmental review.

This change was reflected in other policies. In EIR Policy 11.5, policy text stating “[p]articularly in RH-1 and RH-2 areas, density limits should be maintained to protect neighborhood character” was changed to state “[p]articularly in RH-1 and RH-2 areas, prevailing height and bulk patterns should be maintained to protect neighborhood character.”

Similarly, EIR Policy 11.3 text stating “[i]n existing residential neighborhoods, this means development projects should uphold and preserve the existing zoning of the area” was changed to only “defer to the prevailing height and bulk of the area.” This new language would also provide a policy basis for eliminating objective per unit density limits for residential neighborhoods, invite secondary units, and permit existing buildings to be divided into multiple units. Also, language calling for “a community-supported vision” was weakened to “a community-based vision.” Policy language ensuring growth without “significantly impacting existing residential neighborhood character” was changed to growth without “substantially and adversely impacting” such character. New language was added supporting “adoption of neighborhood-specific design standards in order to enhance or conserve neighborhood character only if those guidelines are “consistent with overall good-planning principles.” The new

reference to “good-planning principles” is a completely subjective standard that means virtually anything its advocate wants it to mean.

Since the housing element provides “the policy framework for future planning decisions” and new zoning is required to be consistent with the general plan under Planning Code section 101.1(d), the new language failing to maintain density limits would provide a policy basis undermining: (1) the current maximum dwelling unit density limits provided in Planning Code section 209.1, to wit, the one-unit limit for RH-1 and two-unit limit for RH-2 districts. (See Ex. 14, excerpt from Legislative Digest referring to Planning Code limitations on numbers of units permitted in RH-1 and RH-2 districts.)

In addition, the new language would provide a policy basis undermining the front set-back requirements provided in Planning Code section 132, the rear yard requirements provided in Planning Code section 134, the usable open space requirements for dwelling units provided in Planning Code section 135 and the side yard requirements for RH-1 districts provided in Planning Code section 133. (See Summary of the Planning Code Standards for Residential Districts attached as Exhibit 12) Such standards describe the height and bulk districts provided in Planning Code section 122 as of mere “general application” to residential districts. Thus, the changed language would provide a policy basis for eliminating the present objective standards which limit density in RH-1 and RH-2 neighborhoods.

Changing the general plan policy, which is the supreme planning law, is the first step to changing zoning. The purpose of zoning is to help implement the general plan. Under Charter section 4.105, the Planning Department “shall periodically prepare special area, neighborhood and other plans designed to carry out the General Plan, and periodically prepare implementation programs and schedules which link the General Plan to the allocation of local, state and federal resources.” In addition, zoning ordinances must be consistent with the General Plan under Planning Code section 101.1 (d). A good example of increased density planning codes changes carrying out the General Plan is the ordinance adopting approximately 40 zoning changes to implement the Market Octavia area plan after the City approved the 2004 Housing Element. (Exhibit 11)

The proposed new policy language calling for using the prevailing or existing height and bulk limits or using existing height and bulk patterns would provide less protection for the neighborhood character of RH-1 and RH-2 districts than the maximum dwelling unit density limits provided in Planning Code section 209.1. Such changed policy language would promote secondary units and more than the number of units currently allowed by the Planning Code for such R classifications. Established and often older RH-1 and RH-2 districts have a low density character which would be substantially degraded if more than one unit was built in an RH-1 district or more than two units were built in an RH-2 district. The essential nature of such areas would be irreparably degraded by increased density.

Since many established residential neighborhoods have a prevailing one-unit or one/two combined-unit character, the new policy language could cause these neighborhoods to change from low to moderate density, which would constitute a substantial degradation in the quality of such sites and their surroundings, which is a significant adverse impact under provision I. (c) of the CEQA Guidelines. Under provision XVIII of the CEQA Guidelines, the Project's potential for degrading the quality of the environment requires a mandatory finding of significance of this impact. In addition, such language would conflict with applicable land use plans (which include zoning ordinances) that are adopted for the purposes of avoiding or mitigating such adverse aesthetic effects discussed above. The change would also conflict with the priority planning principle stated in Planning Code section 101.1 (b) (2) that existing "neighborhood character be conserved and protected", which is another significant effect that the EIR failed to analyze. Such conflicts with applicable land use plans are potentially significant adverse impacts under provision X. (b) of the CEQA Guidelines. (Ex. 13)

The Draft EIR failed to analyze the significant effects of the proposed new policy language on the aesthetic and visual quality of the environment in RH-1 and RH-2 districts and on the new language's conflict with land use plans applicable to such areas. Since these impacts are significant, the City must revise the EIR and analyze such significant effects, mitigation measures which could reduce such effects and reasonable alternatives which could reduce effects. The revised EIR must be recirculated for public review and comment.

A reasonable alternative to this new language would be to utilize the language of the second draft of the 2009 Housing Element which states: "[i]n some areas, such as RH-1 and RH-2, density limits should be maintained to protect neighborhood character." Maintaining such language would eliminate the significant effects discussed above and is certainly feasible since the City's Plan Areas have far more increased capacity for new housing units than required for the 2007-2014 regional housing needs allocation.

It is the belief of many residents that substantial degradation of the Richmond district resulted from demolition of older single family residences and their replacement with taller, boxy multi-unit structures built up to maximum height and bulk limits that are known as "Richmond Specials." That experience is a telling example of the adverse effects that could result from encouraging increased density in RH-1 and RH-2 neighborhoods. Many residents believe that the architectural character of the Richmond district was substantially degraded when significant numbers of older homes were replaced with such maximized Richmond Specials. The same effect could occur throughout the City as a result of the proposed changes to the 2009 Housing Element.

The proposed new language referring to the "limits" would encourage additions or expansions to existing structures in RH-1 and RH-2 areas which would protrude beyond the envelopes of existing neighboring structures in RH-1 and RH-2 areas that are not currently built up to the prevailing height or bulk limits and have a low density character. The range of adverse effects on neighborhood character that could result from the changed language referring to the

“limits” would include demolition of older homes and their replacement with out-of-scale taller, multi-unit structures; adding floors to existing structures that are not built up to current height limits; expansions into existing rear yards and reduction of mid-block open space; and the cluttered appearance from additional motor vehicles parking on sidewalks and other illegal areas. Such additions, expansions and new construction could disrupt the existing patterns of established residential neighborhoods and substantially degrade the quality of those areas.

The newly proposed language referring to “existing height and bulk patterns” would use the outer envelope of existing structures, as interpreted by the Planning Department and Commission, as a reference point. This proposal would lack objective per-unit density limits within the envelope and would conflict with the provisions of Planning Code section 209.1, which provides the one-unit limit for RH-1 and two-unit limit for RH-2 districts. For the reasons set forth above, this proposed language would produce the same significant impacts discussed above: a significant impact due to conflict with applicable land use plans and would also cause the significant impact resulting from substantial degradation of the quality of such sites and their surroundings, which requires a mandatory finding of significance. The same alternative discussed above would be feasible and a revised EIR is required to be prepared analyzing the significant effects of the proposed change in language, reasonable alternatives thereto and mitigation measures that could reduce effects. The EIR should be revised and recirculated for public review and comment.

The EIR failed to consider measures which could mitigate significant effects or reasonable alternatives thereto. The City made these changes after the public review period on the EIR had closed.

3. Policy Language Was Changed to Weaken the Effect of Opposition To Zoning Changes by Neighborhood Residents.

Language which had given neighborhood residents a primary role in protecting the character of their neighborhoods and opposing zoning changes which would degrade neighborhood character was deleted from the version of Part II that had been analyzed in the EIR.

In EIR Policy 12.1 text requiring “a neighborhood-supported community planning process” to make changes to the Planning Code to further accommodate housing near transit was weakened to refer to a “community based planning process.”

In EIR Policy 1.4 “[n]eighborhood-supported community planning processes” was changed in revised Policy 1.4 to “community based planning processes” to be used to generate changes to land use controls, at the urging of SPUR. (Ex. 4, p. 11, Ex. 2, p. 2, Ex. 8, p. 3) Interpretative text stating that “[c]hanges that involve several parcels or blocks should always be the result of a neighborhood-supported community planning process” was changed to state “[z]oning changes that involve several parcels or blocks should always involve significant community outreach, as part of a community based planning process.” Interpretative text stating

that to ensure adequate community outreach, changes to land use policies may be proposed “with comprehensive support from the community” was changed to state “with comprehensive opportunity for community input.”

New language was added to Objective 11 stating “[c]hanges planned for an area should build on the assets of the specific neighborhood while allowing for change,” after other language providing support for neighborhood character.

In addition, language calling for restricting uses that disrupt the residential fabric were deleted from EIR Policy 11.8.

In EIR Policy 4.6, language was deleted that growth “should not overburden built out neighborhoods where infrastructure is at capacity.”

Policy 11.2 text stating that the Planning Department “should build on and bolster individual community’s local controls” including “neighborhood Covenants, Conditions and Restrictions (CC&R’s)” was changed to only require awareness of CC&R’s by Planning staff, and new language was added stating “although only those guiding documents approved by the Planning Commission may be legally enforced by Planning staff.”

Read together, policy language encouraging increased heights and densities as well as reduced parking in transit rich areas, the changes eliminating the primary role of neighborhood residents regarding proposed changes for their neighborhoods make it likely that the efforts of residents to maintain neighborhood character will be subordinated to the City’s growth objectives. While citywide stakeholders and developer advocacy groups should have input regarding city planning, their input should be secondary to the input of the people who live in established neighborhoods. Residents in established neighborhoods have major financial investments in their neighborhoods and legitimate, long-term interests in preventing congestion or degradation of those areas so that they remain attractive and accessible to vehicular traffic and emergency vehicles.

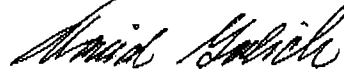
4. CEQA Requires that the City Prepare a Revised EIR Analyzing Significant Effects Which Could Result from the Changes and Alternatives and Mitigation Measures.

Since the City made the changes discussed herein months after the public review and comment period on the EIR expired, the City should prepare a revised EIR analyzing the potentially significant impacts of the changes discussed herein on the RH-1 and RH-2 districts and on the areas along and near the major bus lines described in the TEP map, which were not analyzed in the EIR. Such EIR should also analyze the effect of elimination of the requirement that planning code changes be “neighborhood-supported.” The revised EIR must consider reasonable alternatives and mitigation measures that could reduce effects and be recirculated for

public review and comment.

Thank you for your attention to this very important matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "David Golick".

Dated: March 23, 2011

David Golick
Planning Consultant
dolglick@msn.com

EXHIBIT 2

Challenges Ahead: Balancing Goals with Resources and Realities

In an effort to plan for and respond to growing housing demands, the Planning Department has engaged several neighborhoods in specific community planning efforts. Ten community plans – the Candlestick and Hunters Point Shipyard Plans, Rincon Hill, Market & Octavia, Central Waterfront, East SoMa, Mission, Showplace Square/Potrero Hill and Balboa Park Area Plans, and the Visitacion Valley Master & Redevelopment Plan - have been adopted since the 2004 Housing Element update. Together these recently adopted Plan Areas are projected to add growth of almost 40,000 new units, which, in combination with citywide infill potential provides sites which can accommodate over 46,000 new units, as cited in Part 1 of the Housing Element. Ongoing community planning efforts, including major redevelopment plans at Mission Bay, Treasure Island and Hunter's Point Naval Shipyard, will add even more capacity over the next 20 years.

Policy 1.2 Focus housing growth and infrastructure-necessary to support growth according to community plans. Complete planning underway in key opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard.

In order to increase the supply and affordability of housing, the City has engaged in significant planning for housing through Area Plans (portions of the General Plan which focus on a particular part of the City), Redevelopment Plans (community revitalization plans authorized and organized under the provisions of the California Community Redevelopment Law), and major development projects created in partnership with private sponsors. Adopted community plans include Balboa Park, Market and Octavia and the Central Waterfront neighborhoods; the Eastern Neighborhoods program including the Mission, South of Market, Showplace Square and Potrero Hill; Candlestick, and Hunters Point Shipyard; and several Redevelopment Area Plans, most recently Visitacion Valley/Schlage Lock.

Plans underway include Japantown, Glen Park, Western SoMa and Executive Park. Other major projects in development with the City include Treasure Island, Park Merced and the Transbay Transit Center. These ongoing community planning efforts should continue. These projects could result in a community accepted housing vision for the neighborhood, related zoning changes and neighborhood specific design guidelines that will encourage housing development in appropriate locations.

Together, these planning efforts could provide capacity for significantly more than the 31,000 units allocated for this planning period (2007-2014). However these plans will require significant investment in infrastructure and supporting services in order to support this growth. Each adopted plan contains related programs for affordable housing (directing the mix of housing types, tenures and affordability needs), infrastructure and community services, they also contain design guidelines and community review procedures. The City should prioritize public investment in these plan areas, according to each plans' infrastructure and community improvement program. These plans will also require diligence in their application: each plan contains numerous policies and principles intended to ensure neighborhood consistency and compatibility, and it is up to Planning Department staff and the Planning Commission to uphold those principles in project review and approvals.

| Plan Area/ Major Project | Estimated New Housing Construction Potential* |
|--|---|
| Balboa Park Area Plan | 1,800 |
| Market/Octavia Area Plan | 6,000 |
| Central Waterfront Area Plan | 2000 |
| Mission Area Plan | 1700 |
| East SOMA Area Plan | 2900 |
| Showplace Square/Potrero Hill Area Plan | 3200 |
| Rincon Hill Area Plan | 4,100 |
| Visitation Valley Redevelopment Plan | 1,500 |
| Transbay Redevelopment Plan | 3,400 |
| Mission Bay Redevelopment Plan | <u>3,000</u> |
| Hunters Point Shipyard/ Candlestick Point | <u>10,000</u> |
| Total Adopted Plans & Projects: | <u>39,600</u> |
| Executive Park | 1,600 |
| Glen Park | 100 |
| Japantown | To be determined |
| Park Merced | 5,600 |
| Transit Center District | 1,200 |
| West SOMA | 2,700 |
| Treasure Island | <u>7,000</u> |
| Total Plans & Projects Underway: | <u>18,2900</u> |
| TOTAL | <u>57,800</u> |

Policy 1.4 Ensure ~~neighborhood-supported~~ community based planning processes are used to generate changes to land use controls.

Community plans are an opportunity for neighborhoods to work with the City to develop a strategic plan for their future, including housing, services and amenities. Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate. Community plans also develop or update -neighborhood specific design guidelines, infrastructure plans, and historic resources surveys, as appropriate. As noted above, in recent years the City has undertaken significant community based planning efforts to accommodate projected growth. Zoning changes that involve several parcels or blocks should always involve significant community outreach, as part of a community based planning process.

Any new community based planning processes should be initiated *in partnership* with the neighborhood, and involve the full range of City stakeholders. The process should be initiated by the Board of Supervisors, with the support of the District Supervisor, through their adoption of the Planning Department's or other overseeing agency's work program;

and the scope of the process should be approved by the Planning Commission. To assure that the Planning Department, and other agencies involved in land use approvals conduct adequate community outreach, any changes to land use policies and controls that result from the community planning process may be proposed only after an open and publicly noticed process, after review of a draft plan and environmental review, and with comprehensive opportunity for support from the community input. Proposed changes must be approved by the Planning Commission and Board of Supervisors at a duly noticed public hearing. Additionally, the Department's Work Program allows citizens to know what areas are proposed for community planning. The Planning Department should use the Work Program as a vehicle to inform the public about all of its activities, and should publish and post the Work Program to its webpage, and make it available for review at the Department.

Policy 1.6 Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings. However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density.

Within a community ~~supported~~ based planning process, the City may consider using the building envelope, as established by height, bulk, set back, parking and other Code requirements, to regulate the maximum residential square footage, rather than density controls that are not consistent with existing patterns. In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. In some areas, such as RH-1 and RH-2, ~~density limits should be maintained to~~ prevailing height and bulk limits should be maintained to protect neighborhood character.

Policy 1.10 Support new housing projects where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

San Francisco enjoys an extensive network of transit lines, including a number of major transit lines that provide nearby residents with the opportunity to move about the City without need of a car. Because of proximity to transit and bicycle networks,

neighborhood serving businesses and job centers, some 29% of the City's households do not own cars and 33% of San Franciscans take public transit to work, with higher rates for households in transit-rich areas. Infill housing in transit-rich areas can provide lower income households, affordable unsubsidized housing opportunities. Housing with easy access to transit facilitates the City's efforts to implement the City's *Transit First* policy. Additionally housing near transit can provide site-efficient and cost effective housing.

In reviewing reliance on public transportation, it is important to distinguish areas that are "transit-rich," and located along major transit lines, from those that are simply served by transit. For the purposes of this Housing Element, "major transit lines" are defined as those that have significant ridership and comprehensive service – meaning almost 24-hour service with minimal headways. This network of major transit lines includes BART's heavy rail lines, MUNI Metro's light rail system including the F, J, K, L, M and N lines, and Muni's major arterial, high-ridership, frequent service local network lines. These lines are defined and prioritized in Muni's Transit Effectiveness Project (TEP) as the "24-hour Rapid Network," and will be slated for long-term improvements. These transit lines are slated to receive funding and service increases which will make it easier to meet service demands as well as increase the ability to travel both downtown and between neighborhoods. Therefore, the Department should support housing projects along these major transit lines *provided* they are consistent with current zoning and design guidelines.

Policy 4.6 Encourage an equitable distribution of growth according to infrastructure and site capacity.

Equitable growth brings economic opportunity to all residents, provides for intelligent infrastructure investment and offers a range of housing choices. Distributing growth equitably means that each part of the City has a role in planning for growth, and receives an equitable distribution of growth's benefits. It is as much about revitalizing and redeveloping transitioning parts of the City such as the Eastern Neighborhoods, as it is about guiding new communities in areas such as Treasure Island.

Whether in existing or new neighborhoods, all of the City's residents should have access to public infrastructure, services and amenities. In ideal circumstances, infrastructure will be available before or in concert with new housing. Therefore growth should be directed through community planning to areas where public infrastructure exists and is underutilized; ~~it should not overburden built-out neighborhoods where infrastructure is at capacity. Community planning should also look to areas or where there is significant site capacity but are less developed in terms of infrastructure; these areas will require the construction of~~ and new infrastructure is planned in cooperation with new development.

Policy 9.2 Continue prioritization of preservation of existing affordable housing as the most effective means of providing affordable housing.

Financial support is required to continue to support the preservation of existing affordable housing. The HPP program has used tax-exempt bond financing, low income tax credits and federal funds to finance acquisition and rehabilitation costs. In addition, the Agency has engaged tenants and built organizing capacity to support acquisition

negotiations with owners of such developments. The City should continue these mechanisms to complete acquisitions of existing, at-risk subsidized units.

Additionally, other agencies in the City should look to retain existing affordable housing stock with supportive programs and policies. Privately owned and operated rental housing is under continuing pressure to convert to market rate housing, and programs such as the acquisition and rehabilitation model discussed previously can aid in their retention.

Policy 10.2 Implement planning process improvements to both reduce undue project delays and provide clear information to support community review.

As part of the Action Plan, the Planning Department is exploring a number of procedural and operational reforms intended to reduce project delays and increase community review.

To provide a more efficient review process that also provides the potential for earlier community review, the Planning Department is implementing a "Revised Development Review Process," based on the concept that earlier input and coordination by all divisions of the Planning Department on larger, more complex projects results in a more efficient review overall. The efficiency is gained by identifying and addressing significant project issues, and providing developers more comprehensive procedural information early in the review process. This approach also improves the likelihood that communities surrounding potential development projects will be more aware early in the review process. Together, these features reduce the overall review time for a project, allow for earlier community awareness, and—perhaps most importantly—ultimately result in better projects being approved and built.

To initiate neighbor communication early on in the development process, and provide the project sponsor the opportunity to address neighbor concerns about the potential impacts of the project prior to submitting an application, the Department has also implemented a required Pre-Application Process that requires eligible project sponsors to conduct community meetings prior to filing any entitlement, inviting all relevant Neighborhood Associations, abutting property owners and occupants. This process allows the community access to planned projects, and allows the project sponsor to identify, and address, issues and concerns early on.

Objective 11 Support and respect the diverse and distinct character of San Francisco's neighborhoods.

San Francisco is a City of neighborhoods, each with a distinct character and quality. While the Housing Element provides a citywide housing strategy, no policy should be applied without first examining its applicability to each specific neighborhood's unique context. Its implementation should be applied and expressed differently in each neighborhood. The existing character, design context (including neighborhood specific design guidelines), historic and cultural context, and land use patterns of each neighborhood shall inform and define the specific application of Housing Element

policies and programs. As each neighborhood progresses over time the distinct characters will form the foundation to all planning and ~~preservation efforts~~work in the area. Just as the City seeks a variety of housing types to meet the diversity of needs, the City also values a variety of neighborhood types to support the varying preferences and lifestyles of existing and future households. Changes planned for an area should build on the assets of the specific neighborhood while allowing for change.

Policy 11.2 Ensure implementation of accepted design standards in project approvals.

As the City's Residential Design Guidelines state, San Francisco is known for its neighborhoods and the visual quality of its buildings. Its architecture is diverse, yet many neighborhoods are made up of buildings with common rhythms and cohesive elements of architectural expression. For all new buildings and major additions, the fundamentals of good urban design should be followed, respecting the existing neighborhood character, while allowing for freedom of architectural expression. A variety of architectural styles (e.g. Victorian, Edwardian, Modern) can perform equally well. Proposed buildings should relate well to the street and to other buildings, regardless of style. New and substantially altered buildings should be designed in a manner that conserves and respects neighborhood character. High quality materials, and a strong attention to details, should be carried across all styles. And buildings should represent their era, yet be timeless.

Planning Department review of projects and development of guidelines should build on and ~~bolster individual community's adopted~~ local controls, including recently adopted Area Plans, ~~neighborhood specific guidelines, neighborhood Covenants, Conditions, and Restrictions (CC&R's),~~ neighborhood specific design guidelines, and historic preservation district documents. Planning staff should be aware of, and be a resource for, on-going individual community efforts that support good planning principles, such as neighborhood-specific Covenants, Conditions, and Restrictions (CC&R's) and design guidelines. New development and alterations or additions to existing structures in these neighborhoods should refer to these controls in concert with the citywide Residential Design Guidelines, although only those guiding documents approved by the Planning Commission may be legally enforced by Planning staff. Also projects in historic preservation districts should refer to related design documents.

Policy 11.3 Ensure growth is accommodated without ~~significantly~~ substantially and adversely impacting existing residential neighborhood character.

Accommodation of growth should be achieved without damaging existing residential neighborhood character. In community plan areas, this means development projects should adhere to adopted policies, design guidelines and community review procedures. In existing residential neighborhoods, this means development projects should uphold and preserve the existing ~~defer to the prevailing height and bulk zoning of the area.~~

To ensure character is not impacted, the City should continue to use community planning processes to direct growth and change according to a community-supported based vision.

The Planning Department should utilize residential design guidelines, neighborhood specific design guidelines, and other documents describing a specific neighborhoods character as guideposts to determine compatibility of proposed projects with existing neighborhood character.

The Department should support the adoption of neighborhood-specific design standards in order to enhance or conserve neighborhood character, provided those guidelines are consistent with overall good-planning principles and help foster a more predictable, more timely, and less costly pre-development process. To this end, the Department should develop official procedures for submittal of neighborhood-initiated design guidelines, for review by Department staff, and for adoption or endorsement.

Policy 11.4 Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan

Current zoning districts result in land use and density patterns shown on the accompanying Generalized Permitted Housing Densities by Zoning District, Map 6; and the accompanying table illustrating those densities, Table I-64, in Part 1 of the Housing Element. The parameters contained in the Planning Code under each zoning districts can help ensure that new housing does not overcrowd or adversely affect the prevailing character of existing neighborhoods. The City's current zoning districts conform to this map and provide clarity on land use and density throughout the City. When proposed zoning map amendments are considered as part of the Department's community planning efforts, they should conform generally to these this maps, although minor variations consistent with the general land use and density policies may be appropriate. They should also conform to the other objectives and policies of the General Plan.

Policy 11.5 Maintain allowableEnsure densities in established residential areas at levels which promote compatibility with prevailing neighborhood character.

Residential density controls should continue to be applied where appropriate to maintainreflect prevailing building types in established residential neighborhoods. Particularly in RH-1 and RH-2 areas, density limits should be maintainedprevailing height and bulk patterns should be maintained to protect neighborhood character. Other strategies to maintain and protect neighborhood character should also be explored, including "neighborhood livability initiatives" that could examine community-supported guidelines and principles to preserve what is beloved about the area. Such an initiative could result in strategies to improve the appearance and accessibility of neighborhood commercial districts, or neighborhood specific design guidelines for specific RH-1 and RH-2-neighborhoods.

Policy 12.1 Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

New residents require access to neighborhood serving businesses, employment centers, recreation facilities, and regional centers. To the extent possible these trips should be easily accommodated on the existing transportation network with increased services. To that end the city should promote housing development in areas that are well served with

transportation infrastructure including Bart trains, and Muni light rail trains. However, changes to the Planning Code to further accommodate housing near transit will ~~only~~ occur through a ~~neighborhood-supported~~ community based planning process.

Encouragement of the use of public transit and car-sharing must be accompanied by improving the reliability and usability of public transportation and broadening access to and location of car share options, as ways to make these alternatives more attractive. Additionally, bicycle amenities can and should be an integral component to housing and supporting the City's Transit First policy. The City must maintain and improve the transportation network in coordination with new development. Long range transportation planning should consider projected growth patterns. Tools such as impact fees should facilitate the coordination of new growth with improved transportation infrastructure. As the City has been directing planning efforts to shape housing construction in transit-rich locations through its Redevelopment, Better Neighborhoods and other community planning processes, its funding efforts should prioritize these parts of the City. To ensure that new neighborhood infrastructure, particularly transit, is provided concurrently with new growth, agencies within the City should prioritize funding or planning efforts within these planned areas, especially for discretionary funding application processes such as the state's Proposition 1C.

Policy 13.3 Promote sustainable land use patterns that integrate housing with transportation via in order to increase transit, pedestrian, and bicycle mode share.

Sustainable land use patterns include those located close to jobs and transit, as noted above. But they also include easy access to, and multiple travel modes between, other services, shopping and daily needs. This could mean all services needed are located within an easy walk of the nearby housing; it could also mean that such services are available by bike or transit, or in the best cases, by all modes. The common factor in sustainable land use patterns is that the need for a private car is limited.

To encourage walking, cycling and transit use, comprehensive systems must be in place. A Citywide network of walkable streets, bike lanes that are safe for children as well as the elderly, and reliable, convenient, transit must be in place. The City should continue efforts to improve such networks, to make them more attractive to users. The City should also continue requirements and programs that link developers of housing to contribute towards such systems. Sustainable design that includes improved streets and transit stops adjacent to developed property, as well as the inclusion of mid-block crossings, alleys and bike lanes at larger, multi-block developments, can further incentivize non-automotive movement.

EXHIBIT 6



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Informational Item

HEARING DATE: FEBRUARY 24, 2011

Date: February 17, 2011
Project: Update on the Development of the Bay Area's First Sustainable Communities Strategy (SB 375)
Staff Contact: Sarah Dennis Phillips, Senior Planner
sarah.dennis-phillips@sfgov.org
Recommendation: None. This is an information item.

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PROJECT DESCRIPTION

This staff report describes Senate Bill 375, the Sustainable Communities Strategy (SCS) and the effect of the law on local governments as well as the Bay Area as a region. This report is based on reports provided by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG).

The SCS will be developed in partnership among regional agencies, local jurisdictions and Congestion Management Agencies (CMAs) through an iterative process. The regional agencies recognize that input from local jurisdictions with land use authority is essential to create a feasible SCS. The SCS does not alter the authority of jurisdictions over local land use and development decisions.

The purpose of this report is to provide Commissioners with an overview of the SCS in relation to local land use policies, implementation needs, and quality of life, including key policy considerations for San Francisco.

BACKGROUND

Senate Bill 375 became law in 2008 and is considered landmark legislation for California relative to land use, transportation and environmental planning. It calls for the development of a Sustainable Communities Strategy (SCS) in all metropolitan regions in California. Within the Bay Area, the law gives joint responsibility for the SCS to the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). These agencies will coordinate with the Bay Area Air Quality Management District (Air District) and the Bay Conservation and Development Commission (BCDC).

The SCS integrates several existing planning processes and is required to accomplish the following objectives:

1. Provide a new 25-year land use strategy for the Bay Area that is realistic and identifies areas to accommodate all of the region's population, including all income groups;
2. Forecast a land use pattern, which when integrated with the transportation system, reduces greenhouse gas emissions from automobiles and light trucks and is measured against our regional target established by the California Air Resources Board (CARB).

The SCS is a land use strategy required to be included as part of the Bay Area's 25-year Regional Transportation Plan (RTP). By federal law, the RTP must be internally consistent. Therefore, the over \$200 billion dollars of transportation investment typically included in the RTP must align with and support the SCS land-use pattern. SB 375 also requires that an updated eight-year regional housing need allocation (RHNA) prepared by ABAG is consistent with the SCS. The SCS, RTP and RHNA will be adopted simultaneously in early 2013.

ISSUES & DISCUSSION

Because the SCS has the potential to increase San Francisco's share of regional funding in the next Regional Transportation Plan, and to affect how affordable housing targets are assigned through the Regional Housing Needs Allocation process, it is important to understand the planning process, its related regional plans, and its implications for San Francisco.

SCS Planning Process: The final SCS will be the product of an iterative land use and transportation planning process that balances growth and supportive transportation investments and policies. ABAG and MTC expect to release an Initial Vision Scenario in February 2011, followed by more detailed SCS scenarios that refine the initial vision scenario in Spring and Fall 2011, and a final draft in early 2012. For more details about the timeline, see SCS Schedule (Attachment 1).

- *Initial Vision Scenario – February 2011.* The Vision Scenario will encompass an initial identification of places, policies and strategies for long-term, sustainable development in the Bay Area, based in large part on input from local jurisdictions. MTC and ABAG have asked local governments to identify places of great potential for sustainable development, including Priority Development Areas (PDAs), transit corridors, employment areas, as well as infill opportunity areas that lack transit services but offer opportunities for increased walkability and reduced driving (San Francisco's PDAs, which were designated by a resolution of the Board of Supervisors in June 2007, are shown on Attachment 2). City agencies, including the Planning Department, Transportation Authority (SFCTA) and Municipal Transportation Agency (SFMTA), sent a letter conveying San Francisco's input into this scenario (Attachment 3). Because San Francisco already has plans to accommodate almost the entire amount of growth expected (over 90%) by 2035 within its designated PDAs, and because significant resources are necessary to provide the infrastructure necessary to support this growth, staff elected not to identify additional areas that could take on greater levels of growth at this time.
- *Detailed Scenarios – July 2011.* By the early spring of 2011 the conversation between local governments and regional agencies will turn to the feasibility of achieving the region's goals through analysis of the Initial Vision Scenario and subsequent modifications comprising the Detailed Scenarios. The Detailed Scenarios will be different than the Initial Vision Scenario in that they will take into account constraints that might limit development potential, and

will identify the infrastructure and resources that can be identified and/or secured to support the scenario. Local jurisdictions will provide input, which will then be analyzed for the release of the Preferred Scenario by the end of 2011.

Regional Housing Needs Allocation: The RHNA is a process required under State law by which each city in the region is assigned a housing target by income level that must be accommodated in the city's Housing Element. The total housing needs number for the Bay Area region is assigned by the State Department of Housing and Community Development (HCD), and that regional target is allocated to the various Bay Area jurisdictions by ABAG with input from the RHNA methodology committee. San Francisco will have several representatives, including staff from Planning, MOH, and an elected official, seated on the RHNA methodology committee.

SB 375 requires that the RHNA consistent with the SCS (local jurisdictions must, within 3 years of the adoption of the SCS, take local action to plan for housing needs growth identified for their jurisdiction in the SCS.) The process to update RHNA will begin in early 2011, adoption of the RHNA methodology will occur by September 2011, and the Draft RHNA, including local allocations, will be released by spring 2012. ABAG will adopt the Final RHNA by the end of summer 2012. Local governments will address the next round of RHNA in their next Housing Element update, slated to begin in 2013.

Regional Transportation Plan: The regional transportation plan is the region's 25-year financially constrained program of transportation projects anticipated to be delivered with available funds – by law, all regionally significant projects must be incorporated into the RTP. Regional agencies will work closely with the Congestion Management Agencies (CMAs), transportation agencies and local jurisdictions to define financially constrained transportation priorities in their response to a call for transportation projects in early 2011 and a detailed project assessment that will be completed by July/August 2011.

The RTP will be analyzed through 2012 and released for review by the end of 2012. A key policy question will be the extent to which the region re-directs discretionary (non-formula) transportation funding toward projects that support the two major mandates of SB35 for SCS: accommodating the region's housing needs, and reducing greenhouse gas emissions from the transportation and land use sector. ABAG will approve the SCS by March 2013. MTC will adopt the final RTP and SCS by April 2013. Regional agencies will prepare one Environmental Impact Report (EIR) for both the SCS and the RTP. This EIR might assist local jurisdictions in streamlining the environmental review process for some of the projects that are consistent with the SCS by taking advantage of CEQA streamlining provisions in SB 375.

Coordination: The City's land use and transportation agencies are coordinating regularly on three levels. First, the Transportation Authority, as San Francisco's Congestion Management Agency and county representative tasked with coordinating directly with ABAG & MTC, has staffed two rounds of meetings hosted by Chair Mirkarimi, with the participation of Department heads of several City agencies. Agencies represented at the meetings include: Planning Department, Redevelopment Agency, Department of the Environment, SFMTA, Mayor's Office, Port of San Francisco, Department of Public Health, BART and Caltrain/SamTrans. Second, at the staff level, a Sustainability Working Group that meets monthly to coordinate on sustainability-related planning issues. Finally, staff anticipates convening a range of sessions to connect with stakeholders, including

meetings with regional counterparts, particularly in the Bay Bridge and Peninsula/South Bay corridors, through the “County/Corridor Working Groups”; as well as local discussion sessions.

Outreach: MTC & ABAG, as the agencies responsible for development of the SCS, have adopted a Public Participation Plan, which lays out the steps MTC will take to involve residents in decisions affecting Bay Area transportation and land use policies and investments. It includes detail on Public meetings, workshops and forums, web access, and publications that will be used to ensure the public and interested parties with reasonable opportunities to be involved in the regional planning process.

To further the ability of our local citizens to engage in this regional process, the City is pursuing several steps:

- The development of a local website to inform the public.
- The creation of an online discussion forum where staff can respond to questions and San Francisco citizens can share thoughts on the SCS process.
- Regular forums, hosted by local Agency Directors, to further City/citizen dialogue on the SCS process

KEY ISSUES FOR SAN FRANCISCO

San Francisco has been a leader within the region in planning for sustainable growth. The City has had a continuing strategy to plan for growth through community, redevelopment and other area plans, which make up the City’s Priority Development Areas (PDAs), and to partner that growth with supportive infrastructure and other improvements. The resulting community planning efforts provide estimated capacity for as much as 64,000 new households in PDAs, representing over 90% of our growth targets. This is significantly higher than the next closest county, which plans to accommodate only about 40% of new households in PDAs. To support and help achieve our vision for growth, we have strongly urged the region to consider the following policies in the SCS:

1. Maintenance resources should be prioritized for jurisdictions that are currently accommodating regional growth and travel in an equitable and sustainable manner; and that demonstrate progress toward meeting RHNA affordable housing targets.
2. Expansion resources should be prioritized for jurisdictions that are proactively planning to accommodate expected growth—and particularly affordable housing—between 2010 and 2035, in a sustainable and cost-effective manner; and
3. Discretionary regional funding should be prioritized for projects that reduce regional greenhouse gas emissions equitably and cost-effectively over their life cycle; and for projects that serve TOD that includes affordable housing.

Staff is also particularly concerned about potential gentrification and displacement pressures that are often the unintended side effects of growth. The City will be advocating that the SCS & the RHNA should distribute housing across the region such that lower income households have increased access to safe and healthy neighborhoods as well as jobs and education, and simultaneously include protections to prevent displacement and facilitate preservation of the existing supply of affordable housing.

This is an opportune time to obtain input from the Commission and the public on these policies, as it is still early in the SCS development process. Going forward, our participation will be critical as the process will move quickly, with most major policy decisions expected to be discussed and formulated in mid- to late 2011.

PUBLIC COMMENT

The Department has not received any correspondence on this topic; however, we look forward to coordinating a local dialogue with stakeholders and interested parties throughout the regional planning process.

REQUIRED COMMISSION ACTION

None. This is an information item.

Attachments:

1. SCS Schedule, MTC/ABAG
2. San Francisco Priority Development Area Map
3. San Francisco Vision Scenario Input Letter, dated December 17, 2010

Sustainable Communities Strategy Planning Process: Phase 1 Detail for 2010*

Phase 1: Performance Targets and Vision Scenario

Local Government and Public Engagement



Phase One Decisions:
• GHG Targets
• Performance Targets
• Public Participation Plan

Draft Public Participation Plan

County/Corridor Engagement on Vision Scenario



Milestones



Develop Vision Scenario

Policy Board Action



MTC Commission



ABAG Executive Board



MTC Commission

March April May June July August September October November December

2010

*Subject to change

Policy Board Actions

Meeting for Discussion/
Public Comment



JOINT meeting of the ABAG Administrative Committee, the Joint Policy Committee and the MTC Planning Committee for Discussion/Public Comment



Document Release

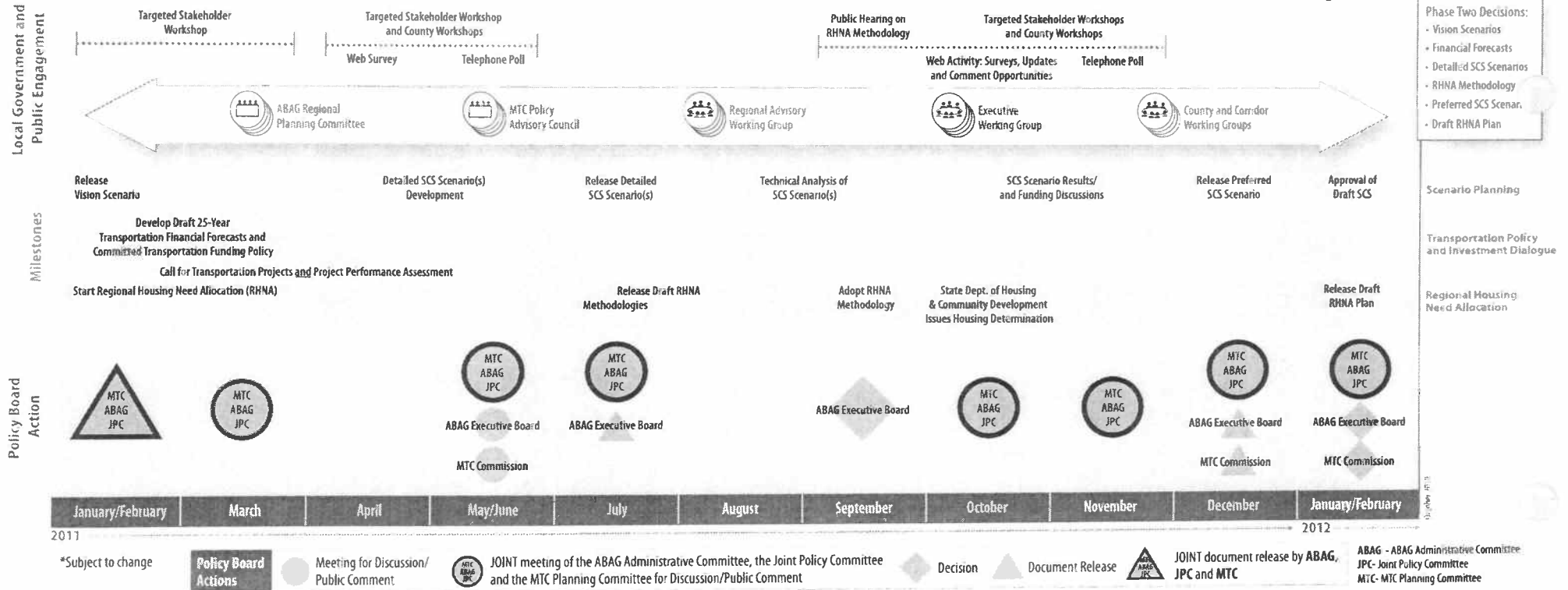
ABAG - ABAG Administrative Committee
JPC- Joint Policy Committee
MTC- MTC Planning Committee

October 2010

Sustainable Communities Strategy Planning Process: Phase 2 Detail for 2011

Phase 2: Scenario Planning, Transportation Policy & Investment Dialogue, and Regional Housing Need Allocation

OneBayArea



Sustainable Communities Strategy Planning Process: Phases 3 & 4 Details for 2012-2013*

Phase 3: Housing Need Allocation, Environmental/Technical Analyses and Final Plans

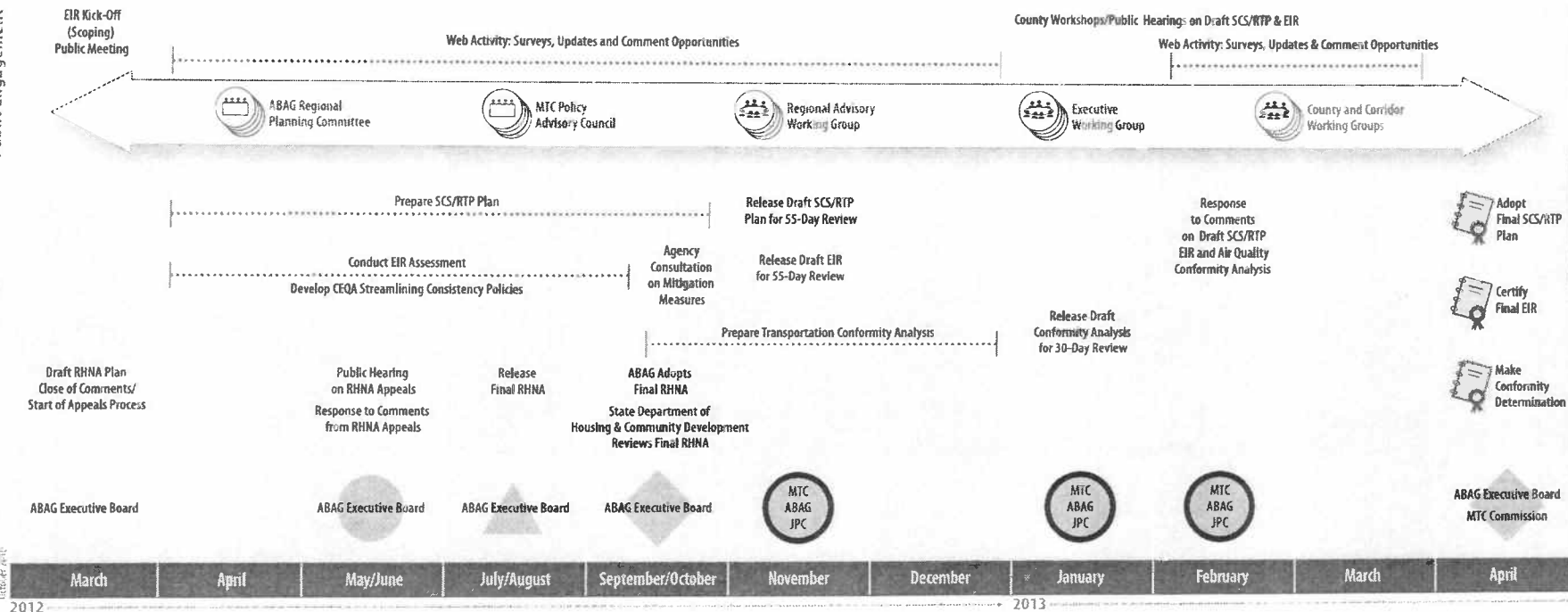
Phase 4: Plan Adoption

One BayArea

Local Government and Public Engagement

Milestones

Policy Board Action



*Subject to change

Policy Board Actions

Meeting for Discussion/ Public Comment

MTC ABAG JPC

JOINT meeting of the ABAG Administrative Committee, the Joint Policy Committee and the MTC Planning Committee for Discussion/Public Comment

Decision

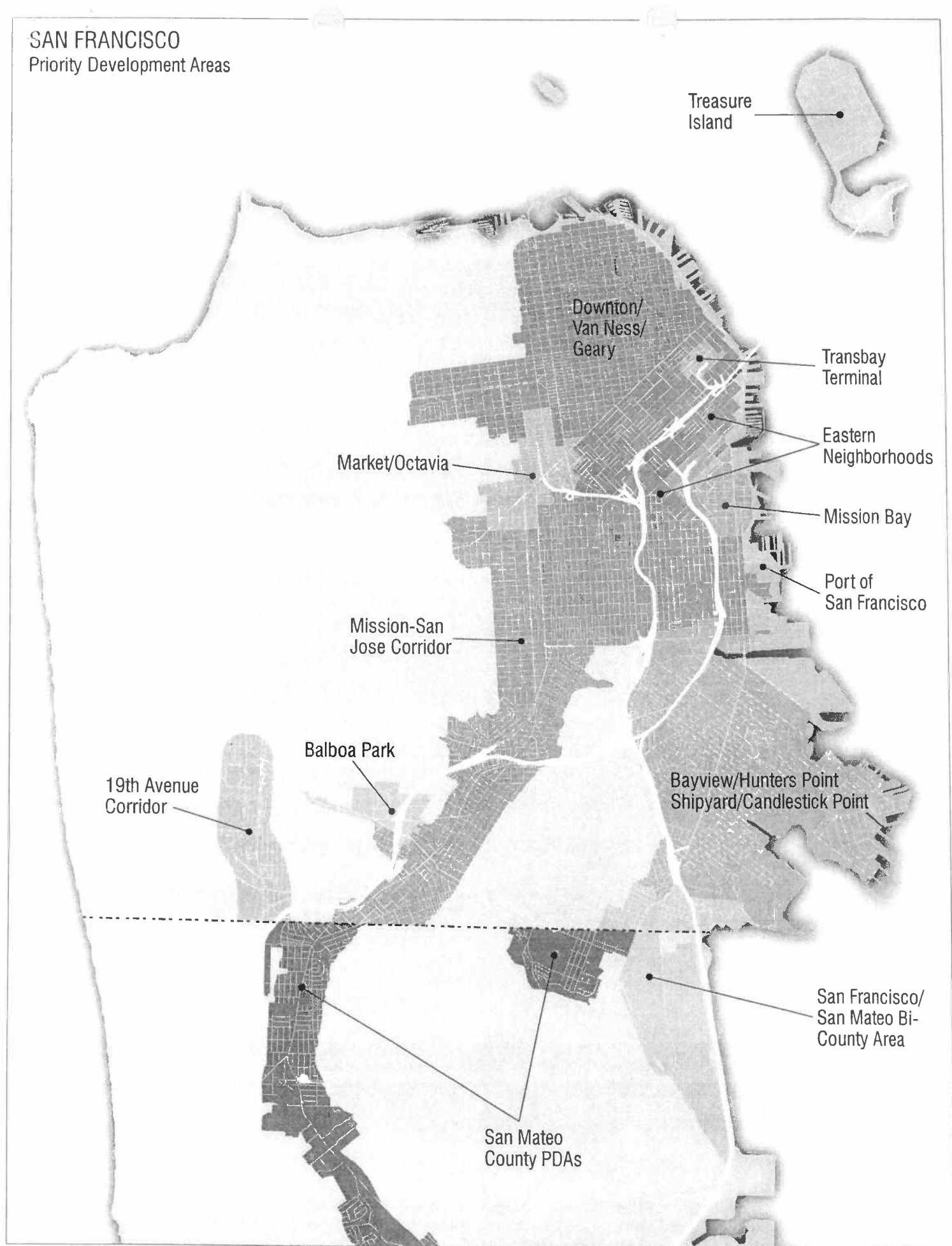
Document Release

ABAG - ABAG Administrative Committee
JPC- Joint Policy Committee
MTC- MTC Planning Committee

October 2012

SAN FRANCISCO

Priority Development Areas





December 17, 2010

Marisa Raya, Regional Planner
Association of Bay Area Governments (ABAG)
101 Eighth St.
Oakland, CA 94607

Subject: SCS Vision Scenario Place Types and Policies: San Francisco Input

Dear Marisa:

On behalf of the City and County of San Francisco, we thank you for the opportunity to provide input into the development of the “Vision Scenario” for the Bay Area’s first Sustainable Communities Strategy (SCS). We have developed the information ABAG requested regarding our vision for sustainable growth, including the “Place Types” that most accurately describe the San Francisco-designated Priority Development Areas (PDAs) and the policies, incentives, and implementation strategies that will be necessary to achieve our vision.

San Francisco is planning to accommodate more than 60,000 new households in PDAs by 2035. This represents the placement of over 90% of our county growth targets (from Projections 2009) within PDAs. This is significant as the next closest county achieves only ~40% of new households in PDAs¹. However, our willingness to plan for this growth cannot be taken for granted and, in order to be realized, must be accompanied by regional resources for core infrastructure investment and supportive policy reform. As ABAG and MTC work to develop the “Vision” scenario and initiate regional funding policy discussions in early 2011, we hope the discussion will be guided by the following principles:

1. **Maintenance resources should be prioritized for jurisdictions that are currently accommodating regional growth and travel in an equitable and sustainable manner; and that demonstrate progress toward meeting RHNA affordable housing targets.**
2. **Expansion resources should be prioritized for jurisdictions that are proactively planning to accommodate expected growth – and particularly affordable housing — between 2010 and 2035, in a sustainable and cost-effective manner;**
3. **Discretionary resources should be prioritized for projects that reduce regional greenhouse gas emissions equitably and cost-effectively over their life cycle; and for projects that serve TOD that includes affordable housing.**

¹ Based on PDA Assessment data reported at 9/2010 RAWG

Below, we provide the requested input on San Francisco's vision for growth.

Place Types

We confirm the current Place Type designation for the majority of San Francisco's PDAs, as noted below.

- Regional Centers: Downtown Neighborhoods, Transbay Terminal/Transit Center District
- Urban Neighborhoods: Market & Octavia, Eastern Neighborhoods, Bayview/Hunters Point Shipyard/Candlestick Point, Mission Bay
- Transit Neighborhoods: Balboa Park, San Francisco/San Mateo Bi-County Area (includes the Executive Park/ Visitacion Valley/ Schlage Lock Plan Areas)
- Transit Town Center: 19th Avenue Corridor
- Mixed Use Corridor: Mission-San Jose Corridor

While the current Place Type categories adequately capture residential developments, we view the lack of a Place Type category that will accommodate significant job centers outside of the Regional, City and Suburban Center types as a constraint. For example, there is no good fit for the Port of San Francisco, whose land use plan focuses on job development, due to state restrictions on development on port land.

San Francisco's PDAs generally fall on the high end of unit targets and new projected density compared to the available Place Types. The current Place Type definitions fail to capture the high proportion of jobs to housing units that many of San Francisco's PDAs offer. We request that ABAG staff notify us if these differences will be material for any uses of the place type designations in the SCS planning process or for any other purposes.

Policies and Incentives

The policies and incentives listed in the Policies and Place Types Form are all needed to some extent to support the overall level of growth in each of our Planned and Potential PDAs (except for funding to acquire open space). The policy areas of particular importance to San Francisco include:

- Enhanced funding for regional core transportation and non-transportation infrastructure such as water, sewer, utilities, and parks;
- Funding for affordable housing;
- Increased maintenance funding;
- Adequate provision of water treatment and water supply;
- Parking pricing policy;
- Improvements to school quality.

Implementation Strategies

Many of the implementation strategies listed in the Policies and Place Types Form have already been put to use in San Francisco, including:

- Zoning for increased densities and/or mix of uses;
- Provision of affordable housing through zoning;
- Funding affordable housing development;
- Retention of existing affordable units; and
- Implementation of community impact fees, commercial linkage fees.

Implementation strategies needed to support growth of particular importance to San Francisco include:

- Major regional transit capital improvements beyond Resolution 3434;
- Transit capital improvements to bring fleets, guideways and facilities to a state of good repair;
- Non-motorized and alternative mode infrastructure investments such as walking and bicycle facilities. Bicycling alone has grown 58% in the last three years in San Francisco;
- Transportation demand management strategies such as parking management, ridesharing, virtual commuting and congestion pricing;
- Value capture/redevelopment infrastructure improvement;
- Increased transit service frequencies for core trunk lines serving PDAs;
- Improvements in non-auto access to schools, job centers, and other major destinations; and
- Utility and other infrastructure improvements, including adequate provision of water and sewer.

Accommodation of Growth

San Francisco's Adopted and Planned PDAs collectively accommodate over 63,000 new housing units, and 136,000 new jobs. Healthy absorption of the city's existing vacancies in PDAs like Downtown provides the opportunity for another 23,000 or more jobs. However, new growth in San Francisco is not confined to PDAs. The city includes numerous small-scale infill opportunity sites close to transit throughout all of its neighborhoods. Such sites outside of Priority Development Areas could accommodate another 17,000 new housing units, distributed reasonably evenly throughout the city. Cumulatively, San Francisco's PDAs and other opportunities yield the potential for over 85,000 housing units and almost 160,000 more jobs, more growth than is likely to be projected for San Francisco under the SCS P2011 Projections.

The ABAG-highlighted "Other Significant Areas" do not represent particular places that should be considered within the SCS process, and the city is not proposing any new PDAs. The lion's share of city's growth will continue to be focused in its PDAs, including new plans (such as the Western SOMA Plan under development, and the pending initiation of a plan for the Central Subway alignment, within the Downtown and Eastern Neighborhood PDAs); and growth opportunities will

be pursued as appropriate at smaller scale infill opportunities along transit lines outside of the PDAs.

How people commute to work has dramatic implications for the region's overall sustainability. In major downtowns like San Francisco and Oakland, a high percentage of workers commute by means other than automobile; outside of these areas, the percentage of workers that do not drive to work is insignificant. Increasing workplace development capacity in major centers, as opposed to other localities in the region, will go further to support both local and regional goals to reduce greenhouse gas emissions.

However, with the limited information available, San Francisco cannot volunteer to accept more growth. While more funding, incentives and policy support would inevitably increase the City's ability to accommodate and to manage growth, there is no way for the City to make a fair estimate of "how much" more growth would require, nor any way for us to assess how that growth could fit within the fabric of our city.

While San Francisco has pioneered transit supportive development over the past few decades, we are at our limit in terms of transit's ability to carry more people in the peak period without significant new right-of-way, fleet and facility expansion. Our transit state of good repair backlog is over \$2 billion just to maintain current service levels let alone the additional service levels from the expected growth, and similar backlogs exist for the regional transit service providers who serve San Francisco, such as BART and Caltrain. These core capital capacity constraints are regional in nature and will need a regional focus on resource prioritization for these PDAs to be successfully implemented. In addition, San Francisco needs over \$750 million to bring our local streets to a state of good repair, and many PDAs have significant non-transportation infrastructure investment needs as well, lacking the community assets necessary to make them complete communities.

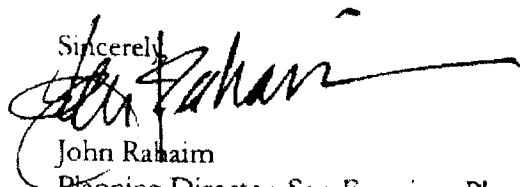
San Francisco uses the strategies noted above to create and preserve affordable housing. Yet despite a deep commitment to mixed-income communities, the City has been unable to achieve more than a third (34%) of our RHNA affordable housing target. In the absence of additional resources for affordable housing, the City will be unable to accommodate equitable and sustainable growth at projected levels. Under the current RHNA for San Francisco, more than 60% of our projected housing need requires subsidy. San Francisco is making tremendous efforts and is succeeding in its efforts to bring affordable units into production. However, without financial support we will not have the ability to keep up with the mandated RHNA's.

We are further challenged by needing to pace growth with new investment. While San Francisco's planning efforts aim to combine changes in zoning with proposals for new infrastructure investment, we continually face resistance from neighborhoods who are skeptical that needed infrastructure will come. There is a very real threat of neighborhood demand for legislation that meters growth according to infrastructure provision, thereby restricting zoning changes and any development under those zoning changes, until after the infrastructure is in place.

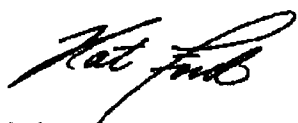
In sum, the region cannot assume, or take for granted, San Francisco's growth plans. We need support and incentives, in order to realize our vision. In doing so, San Francisco is poised to help the region realize our shared region for a more sustainable Bay Area. We hope this input is helpful in shaping the SCS "Vision" scenario. We look forward to continuing our collaboration and to

participate in the SCS/RHNA/RTP planning process.

Sincerely,



John Rahaim
Planning Director, San Francisco Planning Department



Nathaniel P. Ford, Sr.
Executive Director/CEO San Francisco Municipal Transportation Agency



José Luis Moscovich
Executive Director, San Francisco County Transportation Authority

cc: Com. Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elbsernd, Mar, Maxwell, Mirkarimi
S. Heminger, D. Kimsey, MTC
E. Rapport, K. Kirkey, ABAG
B. Strong, Capital Planning
M. Lee Skowronek, Caltrain
B. Garcia, DPH
V. Menotti, BART
E. Reiskin, DPW
N. Kirschner-Rodriguez, Mayor's Office
M. Yarne, MOEWD
D. Shoemaker, MOH
M. Nutter, SFE
T. Papandreou, B. Yee, SFMTA
F. Blackwell, SFRA
E. Harrington, PUC
TC, MEL, ALA, RH, AC, ZB, LB, Chron, File: SCS

EXHIBIT 10



**SAN FRANCISCO
PLANNING DEPARTMENT**

SFMTA | Municipal Transportation Agency

December 6, 2010

Ted Droettboom, Regional Planning Program Director
Joint Policy Committee
101 Eighth St.
Oakland, CA 94607

Doug Kimsey, Planning Director
Metropolitan Transportation Commission (MTC)
101 Eighth St.
Oakland, CA 94607

Ken Kirkey, Planning Director
Association of Bay Area Governments (ABAG)
101 Eighth St.
Oakland, CA 94607

Subject: Comments on Draft Performance Targets for the Sustainable Communities Strategy

Dear Ted, Doug, and Ken:

Thank you for providing an inclusive process to develop the Draft Sustainable Communities Strategy Performance Targets. We recognize the significant amount of staff effort that is needed to facilitate the Performance Measures Ad Hoc Committee meetings, and appreciate the thorough and transparent process undertaken to consider a large number of potential measures and targets.

The City and County of San Francisco's planning, transportation, housing, and public health agencies agree that the targets generally reflect the right measurement areas, however there are several significant areas where we suggest specific new or modified measures. Most notably:

1. The housing and equity targets are not sufficient to measure the impacts that different scenarios will have in addressing the needs of low-income individuals.
2. We offer more comprehensive measures of transportation system effectiveness, that focus on the number and quality of transportation choices for households, among other considerations.
3. The transportation State of Good Repair (SOGR) targets should be weighted based on demand.
4. The economic vitality target needs a clearer focus that ties it to the overarching objectives

of improving the transportation/land use connection.

5. Targets tied to environmental and health outcomes, such as the targets for PM_{2.5} collisions, and “active transportation” could be improved in several ways.

With these high-level points in mind, we offer the following comments and revisions to the targets.

1. **Modify Target 2 to, “House 100% of the region’s housing need by income level without displacing low-income residents and while increasing opportunities for low-income housing in all areas.”**

We appreciate the modified housing target proposed in the 12/7 Performance Measures ad hoc packet to consider displacement impacts, however we suggest additional modifications to it. Policy decisions that affect housing must be guided by experiences from the past, and must fit within strong legal mandates, such as Fair Housing Law. As place of residence is a strong determinant of access to goods and services, health resources, school quality, employment opportunities, and related socioeconomic outcomes, the SCS should address equity goals at a neighborhood level by improving the opportunities available to people in low-income brackets. With that goal in mind, we suggest modifying the housing target to include reducing geographic disparities by increasing income diversity in predominantly high-income and moderate-income neighborhoods.

2. **Replace Target #3 with “Reduce by X% concentrations of PM_{2.5} without exacerbating geographic disparities in PM_{2.5} concentration within the region”**

We propose shifting the focus of this measure from an exposure-based perspective to a definition based on concentrations. Given the growing recognition of air quality conflicts between busy roadways and infill development, careful consideration should be given to how the measure and methodology will represent trade-offs between regional emissions reductions and local adverse effects. It is also critical that the methodology, measures, and targets be consistent with the BAAQMD CEQA thresholds guidance and other State and Federal regulatory guidance. Specifically, an exposure-based target would necessitate a methodology that factors in the positive impact Community Risk Reduction Plans under development would have in mitigating exposure. In addition, given that the 11 percent reduction in premature deaths used as a numerical basis for the proposed target is contingent on *all* sources of PM_{2.5} being reduced to achieve the economy-wide federal standard, the methodology would require a forecast of emissions from *all* sources of particulate matter. For these reasons, we suggest a concentration-based target is more appropriate for the SCS. In addition, we believe it is more appropriate for the numerical basis for the target to reflect the more stringent State standard for PM_{2.5} rather than the federal standard. Finally, it is also important to avoid any growth in geographic disparities in pollutant exposure. For these reasons, we suggest a target to “reduce by X% particulate matter concentrations”, where X% is the percentage reduction required of the transportation sector to meet the State ambient standard.

3. **Modify Target 4 to, “Reduce by 50% the number of injuries and fatalities from all collisions for each mode of transport” and work to refine the methodology to forecast injuries and fatalities disaggregated by mode.**

Disaggregating by mode is important to avoid shifting the burden of injury and fatality from one mode to another. Focusing on all injuries dilutes safety for the most vulnerable road users.

From an equity perspective, this approach would also be protective of most vulnerable road users, including pedestrians and cyclists, who are also more likely to be low-income, transit dependent populations. The Federal Highway Administration has published recommended methodology for conducting pedestrian injury predictive modeling and there are other published approaches for collision forecasting which incorporate changes in traffic and pedestrian volumes, mode shifts, and non-linear effects. We would be glad to work with the regional agencies to refine the methodology for this target.

4. Replace Target #5 with, “Increase the walk and bicycle mode share for all trips by X%”

We prefer a mode share-based target to a travel time-based target because it is a more direct and intuitive measure of benefit. Recognizing the importance of this target’s basis in public health outcomes, we suggest the target’s numeric basis be an increase in trips comparable to about 1 non-motorized trip per person per day. Additionally, we are very supportive of MTC/ABAG’s intention to complement non-motorized mode share analysis from the model with post-processing to reflect investments that cannot be modeled, such as Safe Routes to School.

5. Add Target #7b, “Increase the share of low, very low, and extremely low income households residing within 45 minutes of their job.”

We are supportive of Target #7, to “Decrease the combined housing and transportation costs of low and lower-middle income individuals,” but believe an additional equity target is necessary to advance the goal of improving opportunities available to very low, low, and moderate income households, including opportunities to live in neighborhoods with easy access to employment as well as resources like quality schools, efficient transportation, safe neighborhoods, and healthy food. We recognize that there is no reliable method to forecast a target that considers access to schools, safe neighborhoods or healthy food; in lieu of that, we suggest that access to employment begins to address this goal area.

6. Replace Target #8 with Targets #8a, “Increase by X% the share of jobs in high quality transit-served locations” and #8b, “Increase by X % share of housing in high quality transit-served areas”

Target #8, as originally proposed, “Increase by 10% the number of workers within 45 minutes of employment centers” could have critically counterproductive measurement outcomes. Absent a drill-down by mode, the target will bias the measure towards prioritizing roadway investments because motor vehicles are usually the fastest mode. This makes the misleading assumption that simply residing near a job center means that the journey-to-work commute will be shorter in such a multi-centric, job-dispersed region as the Bay Area. In addition, we are skeptical that the methodology for the target proposed in the 12/7 ad hoc packet, “Increase gross regional product by X%” will capture tradeoffs between different scenarios’ land use distributions and transportation investments/policies. Moreover, it is unclear to what extent land use and transportation policy drive factors important to a region’s or sub-region’s productivity, compared with business regulations and other quality of life factors. Future SCS’s may benefit from some research into this area. In the meantime, we agree that land use and transportation contribute to economic vitality by offering competitive accessibility, and the alternative targets we suggest “Increase by X% the share of jobs in high quality transit-served locations” and “Increase by X

% share of housing in high quality transit-served areas” will prioritize scenarios where accessibility is greater.

7. We suggest Targets #9a, **“Increase the number and quality of travel choices as measured by an improvement in accessibility by X%, particularly for auto and/or transit captive groups”** and #9b, **“Ensure that transit supply is adequate to accommodate transit demand (load factors of no more than 1.0)”**

As the area most directly affected by the investment and policy decisions made in the regional transportation plan, transportation system effectiveness should be a core goal of the SCS, and we strongly believe this should be one of the most robust areas of performance measurement in the SCS. In order to prioritize scenarios that increase the number of attractive transportation choice to users, we offer Target #9a, “Increase the number and quality of travel choices as measured by an improvement in accessibility by X%, particularly for auto and/or transit captive groups” This could be calculated from the log sum of the mode choices in the travel demand model. Another way to capture this accessibility would by measuring the number of employment or recreational opportunities available within a given radius to a household, through the destination log sum model. We believe these measures are superior to the travel time by mode target proposed by MTC/ABAG because they consider accessibility in a more comprehensive way.

Secondly, target #9b, “Ensure that transit supply is adequate to accommodate transit demand (load factors of no more than 1.0)” would serve to correct a serious shortcoming in past regional planning efforts. Absent a transit capacity-constrained model (which we are currently nearing completion of developing for our regional travel demand model SF-CHAMP), examining load factors allows for a reality check on the assumptions of modeled transit ridership. As the region’s central core transit trunk is at capacity, it is likely that – absent adequate investment – transit riders would be turned away. In these cases, careful post-processing of model results will be needed to estimate the final mode choices of these travelers.

8. We suggest weighting Target 10 **“Maintain the Transportation System in a State of Good Repair” (SOGR) by demand to reflect the relative importance of maintenance of different parts of our transportation system.**

While we support the region’s fix-it-first policy, we recognize the need to prioritize even within this important area of our regional investment policy. Achieving SOGR in the future may require prioritizing some infrastructure and consciously letting other infrastructure become the purview of local investment policy. To help prioritize the region’s needs, we propose focusing on infrastructure that is more regionally significant and/or experiences much higher levels of usage on a day-to-day basis. This principle should be reflected in Target 10 by weighting each measure based on future demand.

9. **Modify Target #10c to make explicit the weighting of transit capital age by asset value, “Reduce average transit asset age, weighted by asset value, to 50% of useful life”, and we offer additional comments on the transit State of Good Repair targets.**

We appreciate the suggested transit state of good repair methodology refinement over that used in Transportation 2035, to weight asset age by the replacement cost, thus emphasizing the most

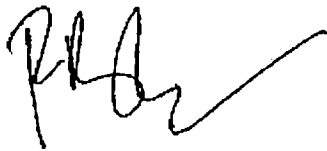
costly assets which are hardest to replace. We request making this methodology change explicit in the target. Additionally, while the proposed target is an acceptable measurement for the high-level purposes of SCS performance measurement, we wanted to point out that the target departs from our municipal transit state of good repair goals, which focus on prioritizing replacement of assets beyond their useful life that have the highest impact to transit operations, and investing in asset replacement strategies with the lowest possible lifecycle costs. We encourage further discussion on potential targets that reflect and forecast life cycle costs to complement the 50% of useful life target. At a minimum, we hope this can be considered as an indicator area and that the policy can be further developed in subsequent discussions about regional investments to achieve a better transit state of good repair

Thank you for considering our comments. We look forward to discussing them further at the December 7 ad hoc meeting as well as at a future Regional Advisory Working Group meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "David Alumbaugh".

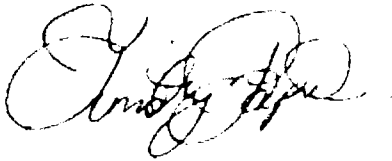
for
David Alumbaugh
Director of Citywide Planning, San Francisco Planning Department

A handwritten signature in black ink, appearing to read "Rajiv Bhatia".

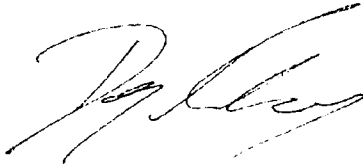
Rajiv Bhatia
Director, Occupational and Environmental Health, San Francisco Department of Public Health

A handwritten signature in black ink, appearing to read "Tilly Chang".

Tilly Chang
Deputy Director for Planning, San Francisco County Transportation Authority



Timothy Papandreou
Deputy Director for Planning and Sustainable Streets, San Francisco Municipal Transportation
Agency



Doug Shoemaker
Director, San Francisco Mayor's Office of Housing

cc: Lisa Klein, David Vautin, MTC
Miriam Chion, Marisa Raya, ABAG
BY, DI, PA, PB SFMTA
JLM, MEL, ALA, BC, RH, AC, ZB, LB, Chron, File: SCS

FILE NO. 071157

ORDINANCE NO. 72-08

[Planning Code Amendments to implement the Market and Octavia Area Plan.]

Ordinance amending the San Francisco Planning Code to implement the Market and Octavia Area Plan of the General Plan by amending Section 102.5 (District); Section 121.1 (Development on Large Lots, Neighborhood Commercial Districts); Section 121.2 (Use Size Limits (Non-Residential), Neighborhood Commercial Districts); Section 124 (Basic Floor Area Ratio); Section 132 (Front Setback); Section 134 (Rear Yards); Section 135 (Usable Open Space For Dwelling Units and Group Housing); Section 144 (Treatment of Ground Story On Street Frontages); Section 145.1 (Street Frontages, Neighborhood Commercial Districts); Section 145.4 (Street Frontages Downtown and Mixed-Use Districts); Section 151.1 (Schedule of Required Off-Street Parking Spaces); Section 152. (Schedule of Required Off-Street Freight Loading Spaces in Districts Other Than C-3 or South of Market); Section 153 (Rules for Calculation of Required Spaces); Section 154 (Minimum dimensions for required off-street parking, freight loading and service vehicle spaces); Section 155 (General Standards as to Location and Arrangement of Off-Street Parking, Freight Loading and Service Vehicle Facilities); Section 156 (Parking Lots); Section 166 (Requirements for Provision of Car-Share Parking Spaces); Section 167 (Parking Costs Separated from Housing Costs in New Residential Buildings); Section 201 (Classes of Use Districts); Section 207.1. (Rules For Calculation Of Dwelling Unit Densities); Section 207.4 (Density of Dwelling Units in Neighborhood Commercial Districts); Section 208 (Density Limitations for Group Housing); Section 209.1-209.9 (Uses Permitted in RTO Districts); Section 234.2 (Requiring CU Authorization for specified uses in P Districts within the Market and Octavia Neighborhood Area); Section 253 (Review of Proposed Buildings and Structures Exceeding a Height of 40 Feet in R Districts); Section 270 (Bulk Limits:

Supervisor Mirkarimi McGoldrick
BOARD OF SUPERVISORS

1 Measurement); Section 303 (Conditional Uses: Determination); Section 304 (Planned
2 Unit Developments: Criteria and Limitations); Section 311 (Residential Permit Review
3 Procedures for RH and RM Districts: Applicability); Section 315 (Inclusionary Housing
4 requirements) including adding a \$10 per square foot fee on new residential
5 development in the Plan Area in addition to the existing inclusionary housing
6 requirements in a per square foot amount of \$8 in the Van Ness Market Special Use
7 District, \$4 in the Neighborhood Commercial Transit (NCT) district, and \$0 in the
8 Transit-Oriented Residential (RTO) district; Section 316 (Procedures for Conditional
9 Use Authorization in Neighborhood Commercial and South of Market Districts and for
10 Live/Work Units in RH, RM, and RTO Districts); Section 603 (Exempted Signs); Section
11 606 (Residential Districts); Section 702.1 (Neighborhood Commercial Use Districts);
12 Section 720.1 (Hayes-Gough Neighborhood Commercial Transit District) to conform
13 these sections with the new VNMDR-SUD, NCT and RTO district controls; and adding
14 new zoning districts and a new special use district including Section 121.5 to establish
15 controls for Development on Large Lots in Residential Districts; Section 121.6 to
16 restrict lot mergers in residential districts and on pedestrian-oriented streets; Section
17 158.1 related to Non-accessory Parking Garages in NCT and RTO Districts and the Van
18 Ness and Market Downtown Residential Special Use District; Section 206.4 to establish
19 the Transit-Oriented Residential District (RTO); Section 207.6 related to Required
20 Minimum Dwelling Unit Mix and Unit Subdivision Restrictions in RTO and NCT
21 Districts; Section 207.7 relating to Restrictions on Demolition, Conversion, and Merger
22 of Existing Dwelling Units in RTO and NCT Districts; Section 230 establishing Limited
23 Corner Commercial Uses in RTO Districts; Section 249.33 to establish the Van Ness
24 and Market Downtown Residential Special Use District (VNMDR-SUD) including
25 providing that projects in the VNMDR-SUD may exceed allowable Floor Area Ratio

1 (FAR) up to a certain ratio by paying \$30 per gross square foot into the Citywide
2 Affordable Housing Fund but not by acquiring Transferable Development Rights
3 (TDRs); and providing that projects may further exceed FAR limits above a site FAR of
4 9:1 by paying \$15 per additional gross square foot into the Van Ness and Market
5 Neighborhood Infrastructure Fund; Section 249.34 to establish the Fulton Street
6 Grocery Store Special Use District; Section 249.35 to establish the Duboce Triangle
7 Flexible Density Special Use District; Section 261.1 related to Additional Height Limits
8 for Narrow Streets and Alleys in RTO and NCT Districts; Section 263.18 creating a
9 Special Height Exception: Additional Five Feet Height for Ground Floor uses in NCT 40-
10 X and 50-X Height and Bulk Districts; Section 263.20 Special Height Exceptions: Fulton
11 Street Grocery Store Special Use District 40-X/50-X Height District; Sections 326-326.8
12 establishing the Market and Octavia Community Improvements Fee and Fund including
13 community improvement fees of \$10 per square foot for certain new residential and \$4
14 per square foot for certain new commercial developments, and a springing fee for
15 transit and parking impacts with a maximum fee of \$9 per square foot for transit
16 impacts from residential development and \$5 per square foot for impacts from new
17 parking spaces; Sections 341-341.4 establishing a Better Neighborhoods Area Plan
18 Monitoring Program; Sections 731 and 731.1 creating an NCT-3 Moderate-Scale
19 Neighborhood Commercial Transit District; Sections 732 and 732.1 creating the Upper
20 Market Street Neighborhood Commercial Transit District; adding an uncoded Section
21 4 adopting procedures for treatment of historic resources in the Plan Area calling for a
22 study and implementation of an additional affordable housing program, and providing
23 that this ordinance and the accompanying Market and Octavia General Plan
24 amendments and zoning map amendments will not be effective until the effective date
25 of such a program adopted by the Board of Supervisors; and adopting environmental

1 findings and findings of consistency with the General Plan and the eight priority
2 policies of Planning Code Section 101.1.

3 Note: Additions are single-underline italics Times New Roman;
4 deletions are ~~strikethrough italics Times New Roman~~.
5 Board amendment additions are double underlined.
6 Board amendment deletions are ~~strikethrough normal~~.

7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. Findings. The Board of Supervisors of the City and County of San
9 Francisco hereby finds and determines that:

10 (a) Under Planning Code Section 302, the Board of Supervisors finds that this
11 ordinance will serve the public necessity, convenience and welfare for the reasons set forth in
12 Planning Commission Resolution No. 17409 recommending the approval of this Planning
13 Code Amendment, and incorporates such reasons by this reference thereto. A copy of said
14 resolution is on file with the Clerk of the Board of Supervisors in File No. _____.

15 (b) Under Planning Code Section 101.1, the Board of Supervisors finds that this
16 ordinance is consistent with the Priority Policies of Planning Code Section 101.1(b) of the
17 Planning Code and with the General Plan as amended in Ordinance No. 246-07 and hereby
18 reaffirms its findings as set forth in said Ordinance. ~~proposed to be amended in companion~~
19 ~~legislation and hereby adopts the findings of the Planning Commission, as set forth in~~
20 ~~Planning Commission Resolution No. 17409, and incorporates said findings by this reference~~
21 ~~thereto.~~

22 (c) In accordance with the actions contemplated herein, this Board adopted
23 Planning Commission Motion No. 17407, concerning findings pursuant to the California
24 Environmental Quality Act (California Public Resources Code sections 21000 et seq.) and
25 made other related findings in Ordinance 246-07. The Board reaffirms these CEQA findings
as set forth in Ordinance 246-07, which are A copy of said Motion is on file with the Clerk of

Supervisor Mirkarimi
BOARD OF SUPERVISORS

1 the Board of Supervisors in File No. 071158 and is are incorporated by reference herein. The
2 Board of Supervisors has reviewed a Memorandum from the Planning Department dated
3 February 29, 2008 and March 19, 2008 and, based on that those Memorandum, public
4 testimony, and information in the files of the Board of Supervisor and the Planning
5 Department, including, but not limited to, the Final EIR, together with all supporting materials,
6 reports, documents, public correspondence, public testimony, and Memoranda, makes the
7 following findings: Since adoption of Ordinance No. 246-07 no substantial changes have
8 occurred in the Project proposed for approval under this Ordinance that will require revisions
9 in the Final EIR due to the involvement of new significant environmental effects or a
10 substantial increase in the severity of previously identified significant effects, no substantial
11 changes have occurred with respect to the circumstances under which the Project proposed
12 for approval under the Ordinance are undertaken which will require major revisions to the
13 Final EIR due to the involvement of new environmental effects or a substantial increase in the
14 severity of effects identified in the Final EIR and no new information of substantial importance
15 to the Project as proposed for approval in the Ordinance has become available which
16 indicates that (1) the Project will have significant effects not discussed in the Final EIR, (2)
17 significant environmental effects will be substantially more severe, (3) mitigation measure or
18 alternatives found not feasible which would reduce one or more significant effects have
19 become feasible or (4) mitigation measures or alternatives which are considerably different
20 from those in the Final EIR would substantially reduce one or more significant effects on the
21 environment. Moreover, based on public testimony and information in the files of the Board of
22 Supervisor and the Planning Department, including, but not limited to, the Final EIR, together
23 with all supporting materials, reports, documents, public correspondence, and Memoranda,
24 the Board reiterates its findings in Ordinance No. 246-07 related to the mitigation monitoring
25 program and statement of overriding considerations.

1 Section 2. The San Francisco Planning Code is hereby amended by amending
2 Sections 102.5, 121.1, 121.2, 124, 132, 134, 135, 144, 145.1, 145.4, 151.1, 152, 153, 154,
3 155, 156, 166, 167, 201, 207.1, 207.4, 208, 209.1-209.9, 234.2, 253, 270, 303, 304, 311,
4 315.43, 316, 603, 606, 702.1, and 720.1 to read as follows:

5 **SEC. 102.5. DISTRICT.**

6 A portion of the territory of the City, as shown on the Zoning Map, within which certain
7 regulations and requirements or various combinations thereof apply under the provisions of
8 this Code. The term "district" shall include any use, special use, height and bulk, or special
9 sign district. The term "R District" shall mean any RH-1(D), RH-1, RH-1(S), RH-2, RH-3, RM-
10 1, RM-2, RM-3, RM-4, RTO, RC-1, RC-2, RC-3, RC-4 or RED District. The term "C District"
11 shall mean any C-1, C-2, C-3, or C-M District. The term "M District" shall mean any M-1 or M-
12 2 District. The term "RH District" shall mean any RH-1(D), RH-1, RH-1(S), RH-2, or RH-3
13 District. The term "RM District" shall mean any RM-1, RM-2, RM-3, or RM-4 District. The term
14 "RC District" shall mean any RC-1, RC-2, RC-3, or RC-4 District. The term "C-3 District" shall
15 mean any C-3-O, C-3-R, C-3-G, or C-3-S District. For the purposes of Section 128 and Article
16 11 of this Code, the term "C-3 District" shall also include the Extended Preservation District
17 designated on Section Map 3SU of the Zoning Map. The term "NC District" shall mean any
18 NC-1, NC-2, NC-3, NCT-3, NC-S, and any Neighborhood Commercial District and
19 Neighborhood Commercial Transit District identified by street or area name in Section 702.1. The
20 term "NCT" shall mean any district listed in Section 702.1(b), including any NCT-3 and any
21 Neighborhood Commercial Transit District identified by street or area name. The term "Mixed Use
22 District" shall mean any Chinatown CB, Chinatown VR, Chinatown R/NC, or South of Market
23 RSD, SPD, SLR, SLI or SSO District named in Section 802.1. The term "South of Market
24 Districts" shall refer to all RED, RSD, SPD, SLR, SLI or SSO Districts contained entirely within
25

EXHIBIT 12

SUMMARY OF THE PLANNING CODE STANDARDS FOR RESIDENTIAL DISTRICTS

| ZONING DISTRICT | MAXIMUM UNIT DENSITY (§208.1) | OTHER PRINCIPAL USES (Permitted as of Right) (§§209-209.9) | OTHER CONDITIONAL USES (Subject to Commission Approval) (§§209-209.9) | MINIMUM LOT SIZE (§121) | BASIC FLOOR AREA RATIO (Other than Dwellings) (§124) | FRONT SET-BACK REQUIREMENTS (§132) | REAR YARD REQUIREMENTS (§134) | USABLE OPEN SPACE REQUIREMENTS FOR DWELLING UNITS (§135) | OTHER SPECIAL REQUIREMENTS |
|--|---|---|---|-------------------------------------|--|---|--|---|--|
| RH-1(0) House, One Family (Detached Dwellings) (§208.1) | One dwelling unit per lot | | Medical institution, residential care facility for 7 or more, child care facility for 13 or more; elementary school, secondary school; religious institution, community facility, open recreation area, greenhouse or plant nursery; utility installation or public service facility; community garage, access driveway to C or M district; non-necessary parking for a specific use; Planned Unit Development, C-2 use in structure on designated landmark site. | Width: 33 ft. Area: 4000 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 25% of lot depth, but no less than 15 feet. | 300 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§133) Side yards, requirement based on lot width. (§208.1) Use district height limit - 25 ft., 30 ft. at front of property. |
| RH-1 House, One Family (§208.1) | One dwelling unit per lot up to one unit per 3000 sq. ft. of lot area (maximum of 3 units) with conditional use approval. | | | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 25% of lot depth but no less than 15 feet. | 300 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§208.1) Use district height limit - 35 ft., 30 ft. at front of property. |
| RH-1(S) House, One Family with Minor Second Unit (§208.1) | Same as RH-1, or 2 dwelling units per lot with second unit limited to 500 sq. ft. of net floor area. | Residential care facility for 6 or fewer; child care facility for 12 or fewer; open space for horticulture or passive recreation; public structure or use of non-industrial character; sale or lease sign. | | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 25% of lot depth, but no less than 15 feet. | 300 sq. ft. for first unit and 100 sq. ft. for second minor unit; if all private, common space substituted must be 1/3 greater. | (§208.1) Use district height limit - 35 ft., 30 ft. at front of property. |
| RH-2 House, Two Family (§208.1) | Two dwelling units per lot up to one unit per 1500 sq. ft. of lot area with conditional use approval. | | Same uses as above, plus: Group housing, boarding, group housing, religious order; group housing, medical and educational institutions, hotel up to 5 rooms. | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 45% of lot depth, except of reductions based upon average of adjacent buildings, if averaged, less 10 ft., is limited to height of 30 ft. and a minimum of 25% of lot depth, but no less than 15 feet. | 125 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§144) Limits on parking entrances and deck facilities. (§208.1) Use district height limit - 40 ft., 30 ft. at front of property. |
| RH-3 House, Three Family (§208.1) | Three dwelling units per lot up to one unit per 1000 sq. ft. of lot area with conditional use approval. | | | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 45% of lot depth, except of reductions based upon average of adjacent buildings, if averaged, less 10 ft., is limited to height of 30 ft. and a minimum of 25% of lot depth, but no less than 15 feet. | 100 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§144) Limits on parking entrances and deck facilities. |
| RM-1 Mixed (Apartments and Houses), Low Density (§208.2) | Three dwelling units per lot or one dwelling unit per 500 sq. ft. of lot area. | | | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 45% of lot depth, except of reductions based upon average of adjacent buildings, if averaged, less 10 ft., is limited to height of 30 ft. and a minimum of 25% of lot depth, but no less than 15 feet. | 100 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§144) Limits on parking entrances and deck facilities. (§145) Building stepping or multiple pedestrian entrances on water side. |
| RM-2 Mixed (Apartments and Houses), Moderate Density (§208.2) | Three dwelling units per lot or one dwelling unit per 500 sq. ft. of lot area. | Same uses as above, plus: Group housing, boarding, group housing, religious order. | Same uses as above, including those listed in previous column as principal uses. | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 45% of lot depth, except of reductions based upon average of adjacent buildings, if averaged, less 10 ft., is limited to height of 30 ft. and a minimum of 25% of lot depth, but no less than 15 feet. | 80 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§144) Limits on parking entrances and deck facilities. (§145) Building stepping or multiple pedestrian entrances on water side. |
| RM-3 Mixed (Apartments and Houses), Medium Density (§208.2) | Three dwelling units per lot or one dwelling unit per 400 sq. ft. of lot area. | | | Width: 25 ft. Area: 2500 sq. ft. | 2.0 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 25% of lot depth, but no less than 15 feet. | 60 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§208.1) Commercial establishments exclude those designed primarily for customers arriving at their establishment by private motor vehicle. |
| RM-4 Mixed (Apartments and Houses), High Density (§208.2) | Three dwelling units per lot or one dwelling unit per 200 sq. ft. of lot area. | | | Width: 25 ft. Area: 2500 sq. ft. | 1.8 times lot area | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 25% of lot depth, but no less than 15 feet. | 36 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | |
| RC-3 Residential-Commercial Combined, Medium Density (§208.3) | Three dwelling units per lot or one dwelling unit per 400 sq. ft. of lot area. | Same uses as above, plus: Hotel up to 5 rooms, open recreation area, access driveway to C or M district; The following uses in or below the ground story: psychiatric facility, childcare facility for 13 or more, elementary school, secondary school, religious institution, community facility, private recreation facility, greenhouse or plant nursery, plus any C-2 zoned commercial establishment. | Same uses as above, excluding those listed in previous column as principal uses, plus: Hotel or 6 or more rooms, uses restricted in previous column to ground story or below ground story, if located above ground story plus C-2 zoned commercial establishment above ground story. | Width: 25 ft. Area: 2500 sq. ft. | 2.0 times lot area | No requirement. | 25% of lot depth, but no less than 15 feet (all dwellings levels only). | 60 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | |
| RC-4 Residential-Commercial Combined, High Density (§208.3) | Three dwelling units per lot or one dwelling unit per 200 sq. ft. of lot area. | | | Width: 25 ft. Area: 2500 sq. ft. | 4.0 times lot area | No requirement. | 25% of lot depth, but no less than 15 feet (all dwellings levels only). | 36 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | |
| RED Residential Enclave District (§213) | One dwelling unit per 400 sq. ft. of lot area. | SRO units, child care facility, live/work and where work activity is an integral part of the dwelling unit, open recreation and horticulture, walk up facilities except ATMs. | Residential care facility, educational services, religious facility, assembly or social service, automobile parking garage, retail sales and services and office uses when in a landmark building or a contributing building in a historic district. | Width: 25 ft. Area: 2500 sq. ft. | 1.0 times lot area | No requirement. | 25% of lot depth, but no less than 15 feet. | 60 sq. ft. per unit if all private; 80 sq. ft. if common space. 16 sq. ft. per unit for detached units. | |
| RTO Residential Transit, Opened Development (§208.4) | Permitted 1 dwelling unit per 600 square feet of lot area; may exceed this limit for DMR units, affordable housing, or other special uses. (§208.1 (m)) With a residential use permit, density may exceed 1 unit per 600 and is then limited by height, bulk and unit mix requirements. | (§220) Neighborhood serving commercial uses permitted on other lot only. Unit: 1,200 gross sq. ft., total per corner. NC-1 rules generally apply. Residential care facility for 6 or fewer; child care facility for 12 or fewer; open space for horticulture or passive recreation; public structure or use of non-industrial character; sale or lease sign. | (§209.4) Community facilities. | Width: 25 ft. Area: 7500 sq. ft. | Not applicable. | Based upon average of adjacent buildings, up to 15 ft. or 15% of lot depth. | 45% of lot depth, except of reductions based upon average of adjacent buildings, if averaged, less 10 ft., is limited to height of 30 ft. and a minimum of 25% of lot depth, but no less than 15 feet. | 100 sq. ft. per unit if all private; common space substituted must be 1/3 greater. | (§151.1) No residential parking required. Permitted 3 spaces for every 4 units maximum, conditional use for 1 space per unit. Not permitted above. (§207.5) Minimum dwelling unit mix - 40% 2 bedroom for dwellings with 3 or more units. (§144) Limits on parking entrances and deck facilities. Parking must be set back and screened. |

NOTES:

This chart is only a summary of the Planning Code provisions. The Code sections referred to in this chart should be consulted for the complete requirements and for detailed methods by which these requirements are applied to specific property situations.

For answers to questions concerning this summary chart and the Code provisions, contact the Planning Department at 558-5277 or visit the Department at 150 Mason Street, Suite 400, San Francisco, CA 94103.

This chart also covers only the Residential zoning districts. Other use districts not covered by this chart are the Commercial and Industrial districts (§§214-234.2) and Special Use districts (§§235-249.9) and the SU-numbered series sheets of the Zoning Map.

Other Code provisions of general application to Residential districts that are not referred to in this chart are the following:

- Height and Bulk limits (§122, Article 2.5 and the RT-numbered series sheets of the Zoning Map)
- Review of buildings exceeding a height of 40 feet (RT districts) (§253)
- Legislated set-back lines, which may be more restrictive than §122 (RT-1 and Ordinance and resolutions for specific streets)
- Obstructions permitted over streets and alleys and in required set-backs, yards and usable open space (§138)
- Requirement that all dwelling units face an open area (§140)
- Street trees required for new development (§142)
- Screening of rooftop features (§141)
- Screening of parking features (§142)

- Off-street parking requirements (Article 1.3)
- Off-street loading requirements (Article 1.3)
- Accessory uses permitted for listed principal and conditional uses (§§204-204.5)
- Tenpority uses permitted by the Commission or Zoning Administrator (§§209-209.3)
- Nonconforming uses (§§180-187)
- Density limitations for group housing (§208)
- Density limitations for group housing (§208)
- Sign regulations, including Special Sign districts (Article 6, especially §608 unit §§608-608.10 and the SS-numbered series sheets of the Zoning Map)

Chart corrected on 09/2008

U:\Documents\Residential Standards Summary.xls

EXHIBIT G

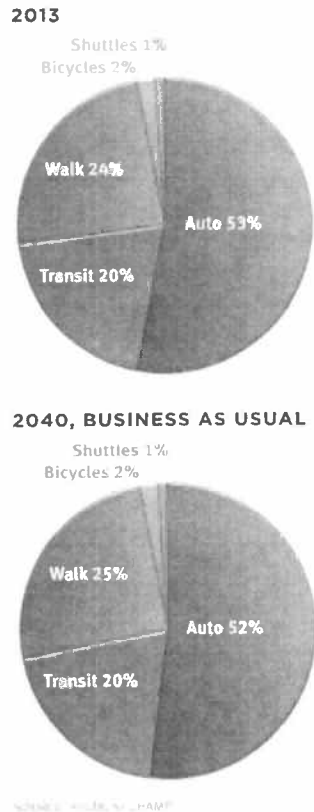


moveSmartSF
SAN FRANCISCO
TRANSPORTATION PLAN
2040

DRAFT FINAL REPORT
DECEMBER 2013



FIGURE 7. SHARE OF TRIPS BY MODE OF TRAVEL, 2013 (TOP) AND 2040 BUSINESS AS USUAL (BOTTOM)



significant new investment, this number could grow as high as 980¹ by 2040 due to projected increases in automobile trips.

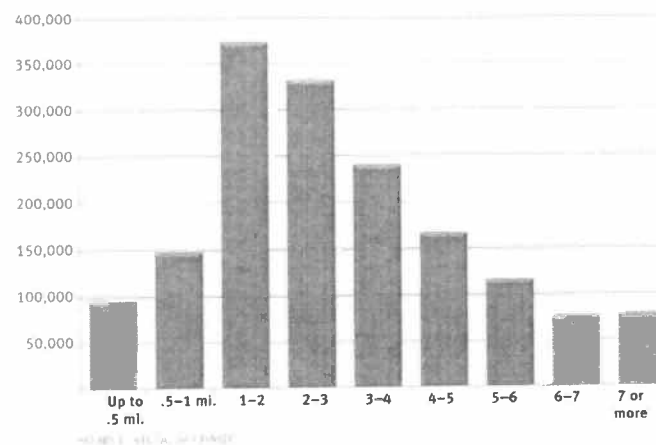
San Francisco's aging population also adds to the challenge of achieving this goal. San Francisco is projected to experience 68% growth in number of people 65 and older by 2040, making this group 20% of the population (compared to 16% today²). Older pedestrians are more vulnerable to serious injury or death when struck by an automobile.

Safety concerns also discourage bicycling. Surveys conducted for the SFMTA's 2012 State of Cycling Report indicate that almost half of those who do not currently bicycle say they are uncomfortable bicycling in mixed flow traffic with cars, and only 13% said they feel safe from traffic when bicycling. At the same time, 94% of respondents said they would feel comfortable riding in bicycle lanes.

UNRELIABLE TRANSIT DISPROPORTIONATELY AFFECTS OUTER NEIGHBORHOODS

Livable neighborhoods are accessible by transit, not just during peak commute periods, but throughout the day and evening. This

FIGURE 8. AUTOMOBILE TRIPS WITHIN SAN FRANCISCO BY LENGTH, 2040



¹ Based on SFDPH Eastern Neighborhoods Impact Analysis which indicated that holding all other variables constant, a 15% increase in vehicle volume produces a 10% increase in pedestrian injury collisions.

² Based on Association of Bay Area Governments population projections for San Francisco.



FIGURE 6. HIGH-INJURY PEDESTRIAN CORRIDORS

supports San Franciscans' ability to get to and from school, medical appointments and recreational activities by transit. Analysis of transit transfer rates and input received during outreach indicate that outlying neighborhoods, including the Bayview and Sunset, are less accessible throughout the day by transit. A shortage of maintained vehicles results in turning back buses and light rail vehicles before they serve outer neighborhoods, forcing riders into extra waits. The transit network in the lower-density Sunset neighborhoods and hilly Eastern Neighborhoods is less dense, resulting in fewer transit alternatives and fewer direct rides—and making reliability all the more important.

PLANNED INFILL LAND USE PATTERNS SUPPORT WALKING, BICYCLING, AND TRANSIT

The land use plans adopted by the San Francisco Planning Commission and Board of Supervisors over the last decade are expected to move us in the right direction, supporting infill and making walking and bicycling easier. As new residents and jobs locate in areas already convenient for bicycling and walking, the share of trips made by bicycling and walking is expected to grow slightly (Figure

growth is expected in the downtown core, southeast, and southwest (Figure 9). This would mean adding about 9,800 new residents each year for the next thirty years, compared to about 4,200 residents that have been added per year over the prior thirty years.

These projections reflect expectations for robust regional growth and regional policy stemming from Senate Bill 375 (2008), which required regional governments to reduce greenhouse gases from transportation. To meet the SB 375 target, the Regional Transportation Plan, known as Plan Bay Area, calls for concentration of growth in densely developed areas with good transit access especially in San Francisco, San Jose, and Oakland (Figure 10)—a pattern that supports less driving and produces fewer greenhouse gases.

INCREASED TRANSIT CAPACITY AND SERVICES ARE NEEDED TO ACCOMMODATE GROWTH

Concentrating jobs and housing in San Francisco is good for the city's economy as well as the environment, but will also increase congestion and transit system crowding in downtown San Francisco and Eastern neighborhoods. By 2040, new growth will re-

sult in about 300,000 new transit trips per day on a local and regional system that is already strained by crowding and reliability issues. The San Francisco Planning Commission has adopted land use plans that direct much of the city's projected growth in the central and eastern neighborhoods, where crowding is already acute. Figure 11 compares transit crowding today and in 2040,

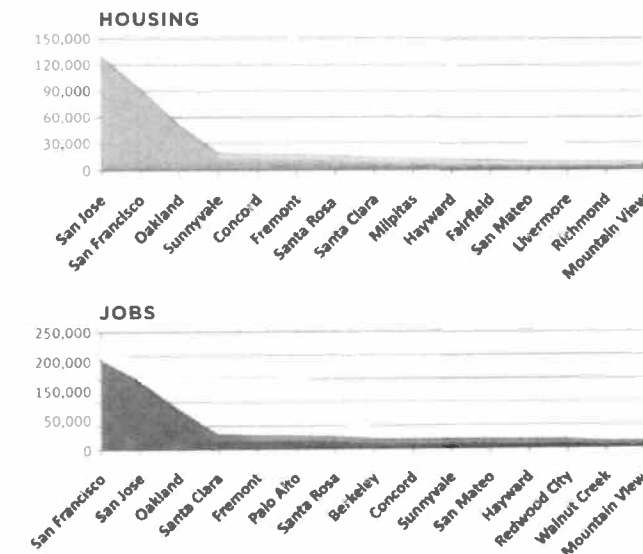


FIGURE 11. CROWDING* ON MUNI IN 2013 (TOP) AND IN 2040 (BOTTOM)

Source: SFMTA, 2013; SFOPD, 2013.

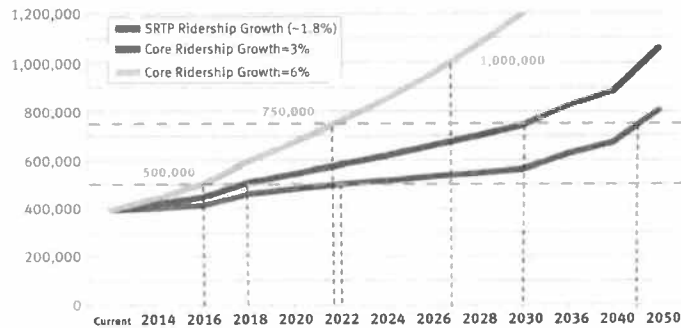
*Crowding is defined by the percent of peak-hour boardings in crowded (passenger volume to vehicle capacity ratio > .85) or overcapacity (passenger volume to vehicle capacity ratio > 1.0) segments.

FIGURE 10. POPULATION AND EMPLOYMENT GROWTH PROJECTIONS IN THE TOP 25 BAY AREA CITIES (2010-2040)



Source: San Francisco Bay Area Transportation Plan, 2013; San Francisco Bay Area Transportation Authority, 2013.

FIGURE 12. BART STATION CAPACITY CONSTRAINTS



SOURCE: BART

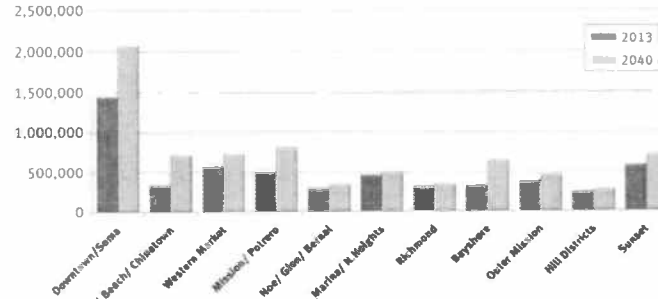
and shows that crowding will grow most on the lines expected to serve these areas and the new development areas, such as the southeast waterfront, Treasure Island, and Parkmerced.

Many regional bus and rail operators already face peak-period crowding and would also see that increase significantly by 2040. BART ridership to, from, and within San Francisco is projected to grow by 37%, and as such, the system's two most crowded stations, Embarcadero and Montgomery, are forecast to hit limits in their person-carrying capacity. BART estimates that at 500,000 daily system riders, stations will be at capacity in 2016, and at 750,000 system riders, the stations will experience significant backups at escalators and overcapacity platforms (Figure 12).

CAPACITY NEEDS MOST ACUTE IN THE CORE: DOWNTOWN, SOUTH OF MARKET, MARKET/OCTAVIA, AND EASTERN NEIGHBORHOODS

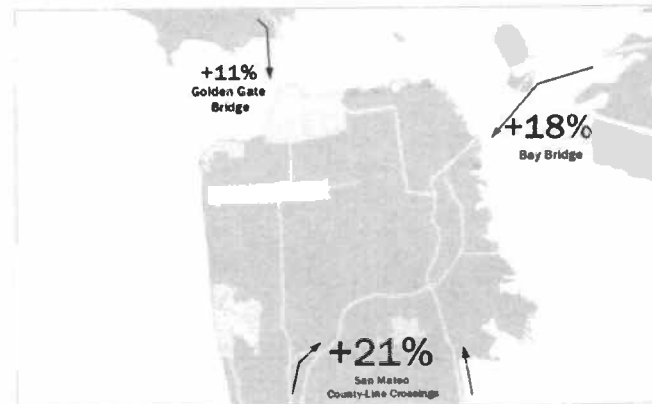
36% of trips to, from, or within San Francisco begin or end in the downtown and South of Market neighborhoods, more than any other neighborhood (Figure 13). Expected growth will significantly increase transit crowding and street congestion downtown. With projected growth and no new investment beyond already-planned projects, increased traffic will slow speeds to gridlocked conditions for cars and buses alike during peak hours. A nearly 30% reduction in projected private vehicle traffic would be necessary to avoid this condition (see Appendix C for detail). Strategies

FIGURE 13. DAILY PERSON TRIPS BY SAN FRANCISCO NEIGHBORHOOD



SOURCE: SFTA. IN EMBARCADERO, BART INCLUDES ALL TRIPS TO, FROM, AND WITHIN THE NEIGHBORHOOD.

FIGURE 14. CHANGE IN DAILY COUNTY LINE CROSSINGS BY AUTOMOBILE, 2012-2040



SOURCE: SFTA, SMTA

recommended to achieve this reduction are discussed on pages 29-30, and are incorporated into the SFTP Investment Plan, SF Investment Vision, and associated policy recommendations.

NETWORK DEVELOPMENT AND MANAGEMENT NEEDED FOR THE SOUTHEAST AND PENINSULA CORRIDORS

Over the SFTP period, daily automobile trips entering San Francisco from the South Bay are expected to grow by 21% (Figure 14). This results in worsening congestion on Highway 101 and 280. The planned extension of Caltrain to the new Transbay Transit Center would help accommodate this growth and provide access

for the future high speed rail system, but funding is incomplete. Better management of existing freeway space through high-occupancy vehicle lanes or other solutions is also needed.

WORLD CLASS INFRASTRUCTURE

San Francisco's transportation system relies on aging infrastructure that will need significant repair or replacement in the next decades. Without a significantly increased financial commitment to reach and maintain a state of good repair, riders will see increasing delays and crowding related to vehicle breakdowns, reduced service levels, and worsening pavement condition.

TRANSIT VEHICLE REPLACEMENT AND BETTER MAINTENANCE WOULD IMPROVE RELIABILITY

After decades of underinvestment, Muni and regional transit agencies that serve San Francisco have significant unfunded capital needs amounting to more than \$5 billion through 2040 (see Appendix B for detail). These needs include new or updated facilities for maintaining transit vehicles, rail and overhead wire replacement, vehicle maintenance and replacement, and other needs.

As a result of resource limitations, Muni's vehicles have not received mid-life rehabilitations or timely replacement, resulting in a fleet that has high service unreliability and frequent expensive emergency repairs, as well as frequent unscheduled vehicle turn-backs. Figure 15 shows that vehicle maintenance is responsible for a large share of transit-service delays. Increased investment in routine maintenance and timely vehicle replacement would significantly reduce these delays and improve reliability. Figure 16 shows how breakdowns can be minimized with proper maintenance and mid-life replacement.

TRANSIT OPERATING COSTS ARE GROWING FASTER THAN REVENUES

The cost of providing transit service has risen rapidly in recent years, a trend which destabilizes Bay Area transit systems and affects riders impacted by resulting service cuts. Figure 17 (next page) shows the rising real (inflation-adjusted) costs of transit

FIGURE 15. MUNI LIGHT RAIL: MAY 2013 REASONS FOR DELAY

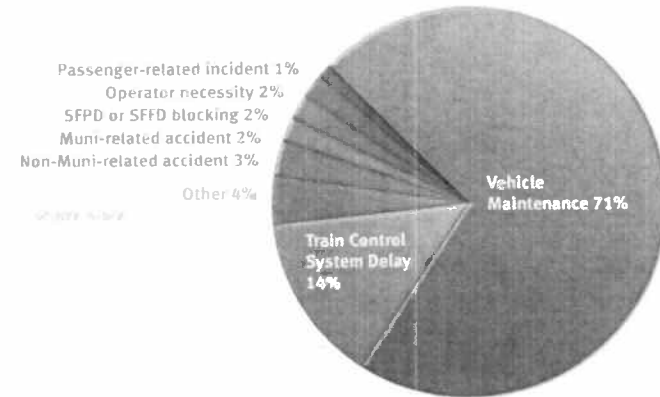
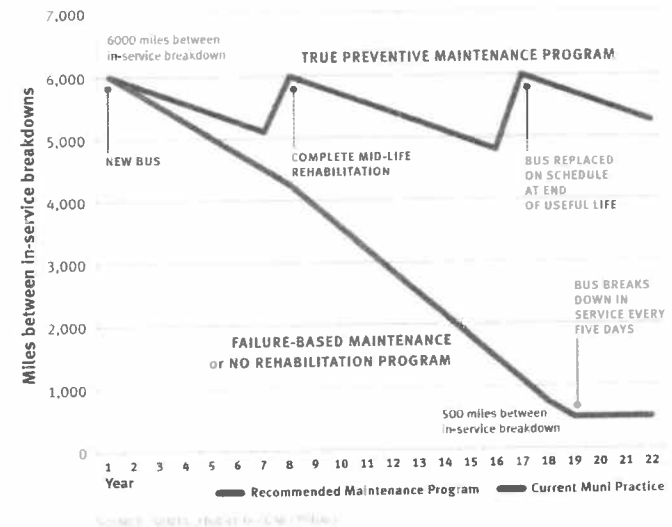


FIGURE 16. LIFE CYCLE OF A TROLLEY BUS



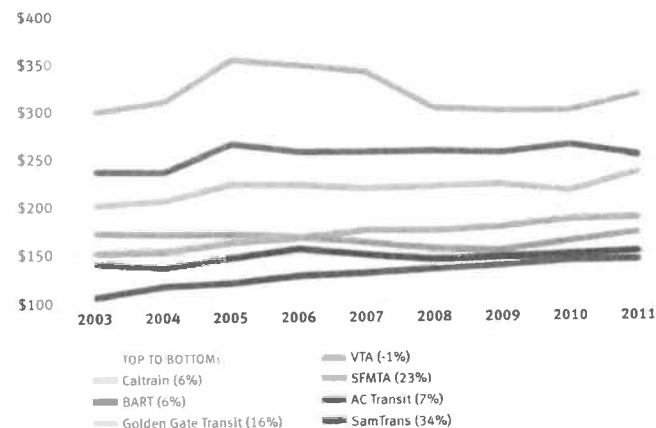
service for major Bay Area transit operators. In its Transit Sustainability Project (TSP) Report, the Bay Area MTC found that cost increases are primarily the product of employee fringe benefit cost growth (e.g. health care and pensions). Between 1997 and 2008, real fringe benefit costs at SFTMA, BART, and AC Transit grew by 72% (after adjusting for inflation), or about 5% per year.

Declining transit performance also affects operating costs. The TSP indicated that speeds on SFMTA's bus and light-rail system fell by more than 10% between 1997 and 2008. Slower speeds mean the same driver and vehicle can complete fewer route runs in a day, leading to less service for the same price.

RECENT IMPROVEMENT IN AVERAGE PAVEMENT CONDITION NEEDS INVESTMENT TO MAINTAIN

The city's Pavement Condition Index (PCI) has slowly fallen over time to the low 60s (fair) from 70s (good). The 2011 Proposition B streets bond enabled an increase in the PCI from 64 to 66 and provides increased funding levels until 2016. The PCI score is projected to fall into the 50s (at risk) by 2030. Without an additional

FIGURE 17. TRANSIT COSTS PER REVENUE SERVICE HOUR



SOURCE: NATIONAL TRANSIT SURVEILLANCE INQUIRY SYSTEM, URBAN OPERATING EXPENSES FOR AVERAGE 100% FULLY-EMPLOYED FULL-TIME DRIVER (BAY AREA INFLATION 2003=100)

investment in street rehabilitation and replacement, reaching and maintaining a PCI of 70 in the longer term will require about \$2 billion more than what is already committed to street resurfacing over the life of the SFTP, but this is ultimately more cost-effective than further deferring maintenance needs. Maintaining pavement at a good condition costs \$9,000 per block. If the PCI score lowers below 50, the cost to maintain pavement would balloon to \$436,000 per block.

MORE EFFICIENT AND EFFECTIVE PROJECT DELIVERY IS NEEDED GIVEN GROWING CITYWIDE NEEDS

Small project delivery research indicates consensus that small projects and complete street projects can be delivered more efficiently, helping to lower unit costs or make improvements more quickly. As discussed on page 11, the scope of the city's goals for supporting bicycling, pedestrians, and efficient transit require that we construct improvements faster than we have historically. The Project Delivery Strategic Initiative of the SFTP (Appendices H and I) sought to identify opportunities to improve the timeliness, transparency, and efficiency of project implementation in San Francisco's transportation sector.

HEALTHY ENVIRONMENT

Reducing vehicle pollution—including greenhouse gases and other pollutants—is critical for a healthy environment. More stringent state vehicle emissions regulations will reduce vehicle pollution over the SFTP period, but growth in driving means that additional action will be necessary to for San Francisco to meet our aggressive greenhouse gas reduction goals.

VEHICLE TRAVEL GROWTH EXPECTED, ESPECIALLY TO AND FROM THE EASTERN NEIGHBORHOODS AND SOUTHWEST SAN FRANCISCO, THE PENINSULA

Miles driven by private vehicles, or VMT (vehicle miles of travel), are the main source of greenhouse gases and air pollutants from the transportation sector. Growing population and employment in San Francisco and regionally is expected to result in VMT in-

Research indicates that small projects and complete streets can be delivered more efficiently, resulting in more improvements and more "bang for the buck" as we invest in our streets.

FIGURE 18. VEHICLE MILES TRAVELED IN 2040. (DARKER COLORS INDICATE MORE VEHICLE MILES OF TRAVEL.)



Workplace Vehicle Miles of Travel per Worker



Household Vehicle Miles of Travel per Household Automobile

NOTE: BY 2040, BOLD = FUTURE

creases of approximately 30% by 2040 under a business as usual scenario. Much of this VMT will be generated by driving trips to and from the downtown core (for workplace VMT), and outlying southwest and southeast neighborhoods (for household VMT)—(Figure 18).

VEHICLE TECHNOLOGY ALONE WILL NOT ACHIEVE SAN FRANCISCO'S AMBITIOUS GOALS

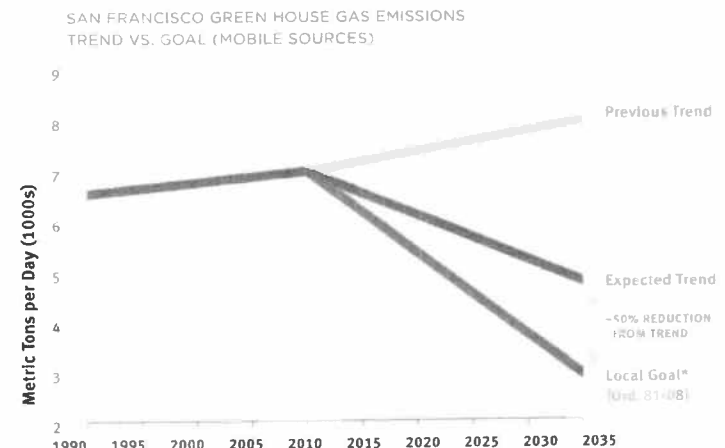
Technology will do much to reduce climate change impacts from private vehicles. Tough state laws (Pavley I and II) regulating vehicle emissions are expected to reduce greenhouse gases by more than 40%. However, this is not sufficient to allow San Francisco to achieve its aggressive greenhouse gas reduction goals, set by ordinance 81-08, which call for an 80% reduction below 1990 levels by 2050 (Figure 19). This is five times more aggressive than regional greenhouse gas reduction goals, and will take tremendous local commitment and regional, state, and Federal support to achieve.

DEMAND MANAGEMENT STRATEGIES ARE CRITICAL TO ACHIEVING PROGRESS TOWARD OUR GOALS

Scenario testing conducted for the SFTP (see the "What would it take" sidebar box on page 19) revealed that, though necessary, supply-side investments such as major new transit lines and transit frequency are alone not very cost-effective at reducing greenhouse gases. Among the more cost-effective strategies are those that reduce vehicle tripmaking by more directly linking the cost or impact of driving to the decision to make a trip:

- **CONGESTION MANAGEMENT.** The Transportation Authority's 2010 Mobility, Access and Pricing study found that implementation of a peak-period congestion charge in San Francisco's northeast cordon would reduce vehicle delay by 21%, and greenhouse gases by 5% citywide, among other benefits. Congestion can also be managed through direct regulation of vehicle trips to the worksite.
- **EMPLOYER OUTREACH AND INCENTIVES.** Incentive and outreach programs in partnership with employers can provide employee travel counseling, transit promotions, tools to facilitate shared rides, and supportive services such as guaranteed ride home programs.

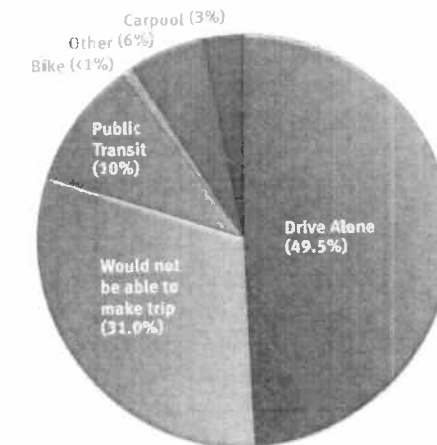
FIGURE 19. SAN FRANCISCO GREENHOUSE GAS (GHG) REDUCTION GOALS



* Assumes on-road mobile sector is responsible for proportional share of economy-wide goals set by Ordinance 81-08

SOURCE: METRO, SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

FIGURE 20. SHARE OF SHUTTLE USERS WHO WOULD DRIVE ALONE WITHOUT THE SHUTTLE*



SOURCE: SFTPA

*Surveys have indicated that shuttles are serving about 30,000 estimate trips per day, or about 1% of all trips to, from, and within San Francisco

EXHIBIT H

SAFE, RELIABLE AND AFFORDABLE TRANSPORTATION
MAYOR'S TRANSPORTATION TASK FORCE

2030

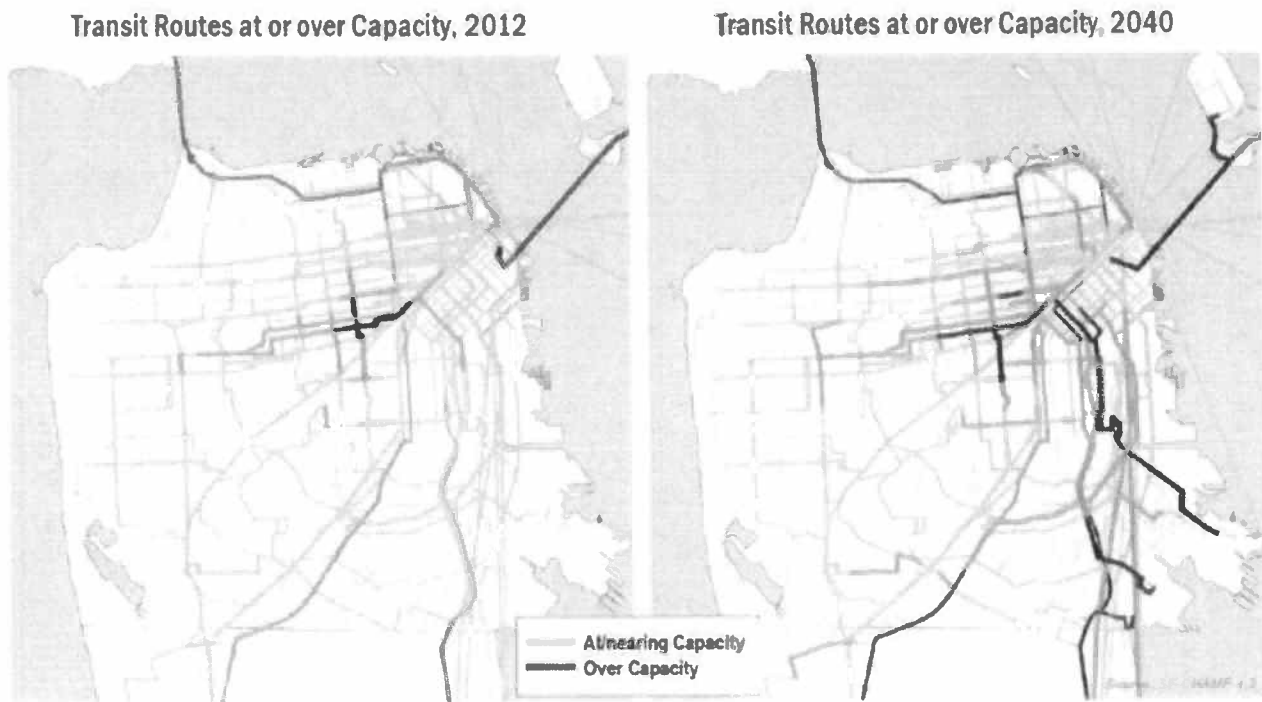
CITY AND COUNTY
OF SAN FRANCISCO



- Transit crowding will get worse

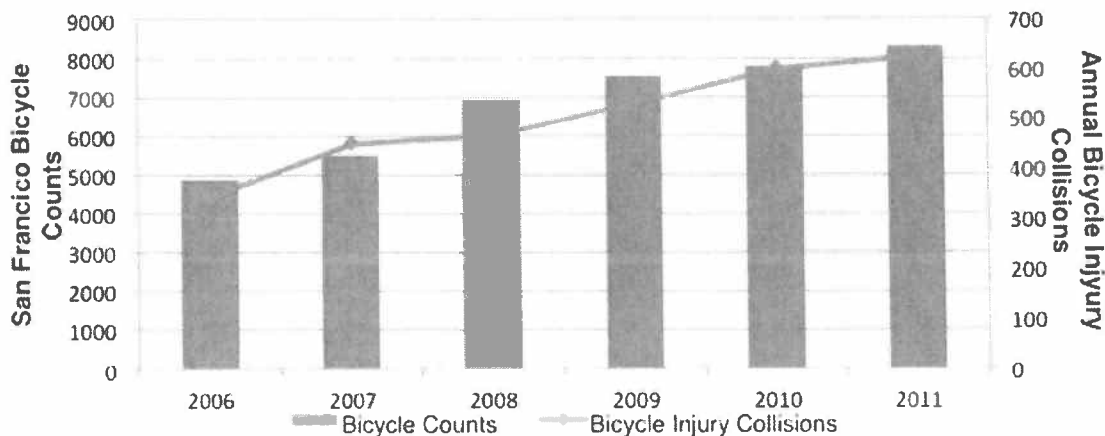
Muni serves over 700,000 riders daily; regional transit services provide an additional 370,000 riders with daily trips in and out of the City. At peak travel times, these riders crowd buses and trains. SFCTA models (shown in Figure 4) predict that without new investment, transit crowding is projected to get worse in the future, expanding to more routes and lines at the busiest times of day.

FIGURE 4: ROUTES OVER CAPACITY GIVEN LEVELS OF EXISTING INVESTMENT, 2012 AND 2040



beyond rider discomfort; crowding has a serious impact on service reliability. A crowded bus has a longer dwell time at stops, moving slower and creating undesirable bunches in service. This bunching leads to increased congestion for all roadway users that can instigate a cycle of further slowing transit and therefore increasing street congestion.

FIGURE 10: BICYCLE COLLISIONS CONTINUE TO RISE WITH RIDERSHIP GROWTH



It is the goal of Mayor Lee and the Board of Supervisors to increase the use of non-auto modes of transportation, and to strengthen safety for vulnerable users. However, the City needs additional investment to reduce collisions between bikes and automobiles and improve City-wide safety for cyclists.

- **Enhancing accessibility requires higher levels of investment**

San Francisco must make its transportation system more accessible for vulnerable San Franciscans and compliant with changing federal codes and state laws. The Americans with Disabilities Act (ADA) of 1990 requires that all public facilities be equally accessible for all users.

As an older city, San Francisco has infrastructure that was grandfathered for this mandate, and therefore maintenance and improvements can have higher than average costs. For example, resurfacing the pavement of a single block costs an average of \$70,000. However, if paving is planned for an intersection that lacks curb ramps or where the ramps are not up to current standards, the cost of the project increases to approximately \$124,000 for the resurfacing and curb ramp construction. These are necessary and critical changes to the City's transportation system to ensure equal access to its users; however, investment will need to be made as the City transitions to full accessibility.

Expand: Invest in system expansion to accommodate growth

San Francisco is anticipated to add over 90,000 housing units and 190,000 jobs over the next 30 years. In its recent comprehensive plans, the City calls for the majority of this growth in walkable neighborhoods in areas that take advantage of existing or planned transit facilities. These plans will largely accommodate the City's share of expected regional growth, based on economic and demographic trends.

This growth, in addition to the existing need from current residents, will increase demand for transportation services. Investments in additional capacity to the transportation system are needed to accommodate the new residents and workers that this growth will bring, and to alleviate crowding and enhance the reliability of the transportation system for all users.

VII. Findings & Recommendations

1. Findings

Based on the transportation capital needs assessment, the Transportation Task Force concluded that there were two major findings:

1. The City's infrastructure is inadequate to meet current demand and decline in transportation services will become more severe without new investments as the City grows and demand for transportation increases.
2. Required improvements to the City's transportation system infrastructure are estimated at \$10.1 billion over the next 15 years. The City has identified \$3.8 billion in funding, leaving a \$6.3 billion funding gap over the next 15 years.

To address these findings, the Task Force and City staff developed an Investment Plan (Recommendation 1) and a Revenue Plan (Recommendation 2). These plans will significantly reduce the funding gap and strategically fund projects to help maintain and improve the current level of transportation service. The Task Force has outlined an Investment Plan that would focus on five main objectives:

The Task Force has outlined an Investment Plan that would focus on five main objectives:

- Maintain existing assets in a state-of-good repair;
- Improve travel time and reliability;
- Reduce costs;
- Serve planned growth; and
- Improve safety and accessibility.

By focusing on these objectives, the City would meet stated policy goals, such as improved environmental and public health outcomes; increased transportation geographic equity; and greater use of sustainable transportation options such walking, bicycling, and public transit.

In order to fund these objectives, the Task Force has identified over \$2.96 billion dollars for transportation over the next 15 years by issuing general obligation bonds, increasing the Vehicle License Fee, and increasing the sales tax rate.

The Task Force recognizes that additional local revenue will not meet the entire funding need. In order to cover the entire funding shortfall, the Task Force recommends the City advocate for more federal, state, and regional dollars, and consider policy changes such as those identified in the SFCTA Countywide Plan (Recommendation 3).

EXHIBIT I

With packed vehicles people opt for private cars, SFMTA says

By Will Reisman

[click to enlarge](#)



ANNA LATINO/SPECIAL TO THE S.F. EXAMINER

Crowded buses push riders to take more car trips, worsening congestion, one Muni official said.

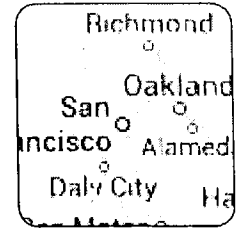
From funding shortfalls to aging and inefficient facilities, Muni faces myriad entrenched issues. But the top priority now for the transit agency is dealing with its overcrowded vehicles.

Muni's capacity problem — particularly its crowded buses — is creating a “vicious cycle” of transportation choices in which travelers eschew public transit in favor of private automobiles, which in turn creates more traffic congestion, according to Timothy Papandreou, deputy director of planning at the San Francisco Municipal Transportation Agency, which operates Muni.

“The No. 1 goal is increasing supply and capacity and managing demand,” Papandreou said during the board of directors’ annual workshop Tuesday.

With the number housing units in The City projected to increase by 15 percent over the next 22 years, the capacity issue is only going to become more acute for Muni, which is considering several remedies.

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News Bayou

Over the next five years, the agency plans on purchasing 700 new buses that will be more reliable and capable of carrying larger passenger loads, according to John Haley, director of transit at Muni. Over the next 20 years, Muni plans to increase the size of its total transit fleet — including light-rail vehicles, cable

cars and historic streetcars — by 20 percent to meet the demand.

In addition, there is talk of enhancing the NextMuni smartphone application — which provides real-time transit schedules — to include information about which scheduled buses may be overcrowded. That type of tool is likely a few years away.

Papandreou said the transit agency is also working hard on promoting bicycling and walking as alternatives to short transit trips. Car-sharing systems, which are more efficient than private automobiles, could be moved into residential neighborhoods as another way to change travel patterns, said Jay Primus, who manages the agency's parking policies.

While the agency's goals are all lofty, the major barrier, as always, is funding. Over the next five years, the agency is facing a shortfall of \$1.7 billion for bike, pedestrian, traffic and transit improvements. Simply keeping its network in a state of good repair — not accounting for the capacity improvements — requires \$260 million a year that the agency lacks.

Despite the funding issues, there are reasons for optimism, according to Ed Reiskin, head of the transit agency.

Mayor Ed Lee announced he will convene a panel of experts to discuss possible revenue solutions for Muni's long-term needs. Reiskin noted that a similar task force proved effective in overhauling San Francisco's beleaguered public pension system.

But without prompt suggestions from the yet-to-be-named panel, Muni passengers are going to continue to experience uncomfortable rides.

Malcolm Heinicke, a member of the agency's board of directors, said capacity problems have surpassed reliability issues as the top concern among the riders who have contacted him.

"We have to face it," Heinicke said. "We're not ready now for more passengers."

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EXHIBIT J

Rec'd
Copy

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DELIVERY

March 24, 2011

San Francisco Planning Commission
c/o Linda Avery, Planning Commission Secretary
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place
San Francisco, CA

RECEIVED AT CPC HEARING ^{3.24.11}
2007.1275E
04 + 09 HOUSING ELEMENT
J. RANGE

Re: San Francisco 2004 and 2009 Housing Element
Certification of the Final Environmental Impact Report
Planning Department Case No.: 2007.1275E, and

On behalf of San Franciscans for Livable Neighborhoods ("SFLN"), we request that the above-described environmental impact report ("EIR") be revised and recirculated for public comment due to the substantial changes which the City made in the proposed project after the close of the public review period on August 31, 2010 for the Draft EIR.

1. The EIR Must be Revised and Recirculated Because Substantial Changes Have Been Made in the Proposed Project Which Increase the Severity Of Significant Effects or Involve New Significant Effects.

The version of Part II of the proposed 2009 Housing Element Objectives & Policies that was analyzed in the Draft EIR and subjected to public review and comment was the June 2010 Preliminary Draft for Public Review, and language contained in that proposed project will be identified herein as "EIR" language. The subsequent substantial changes which the City made in Part II of the proposed 2009 Housing Element are reflected in the February 2011 version of Part II of the 2009 Housing Element or in the March 17, 2011 Planning Department staff memorandum for the 2009 Housing Element Update.

These substantial changes include the following:

- February 2011 draft greatly broadened the areas where taller, increased density, reduced parking housing would be encouraged to include areas along major Muni bus lines running throughout City neighborhoods in new Policy 1.10 and its interpretative text. The June 2010 EIR Policy 12.1 had defined major transit lines where such growth would be encouraged to areas near BART stations and along Muni light rail trains. The new expansion is unnecessary because the June 2010 draft admitted that the Plan Areas have

**STATEMENT OF CITY PLANNER DAVID GOLICK REGARDING
IMPACTS OF CHANGES TO PROPOSED 2009 HOUSING ELEMENT**

I have been a professional city planner for over forty years and have practiced in the Bay Area for thirty-eight years. During that time I served as Chief of Planning for the City of Concord, the largest city in Contra Costa County, for ten years. During my career, I have either prepared or reviewed approximately 1,000 Initial Studies and Environmental Impact Reports. I have become familiar with and have a deep working knowledge of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. I have coached subordinate employees regarding CEQA requirements and have addressed CEQA issues at conferences of the American Planning Association. The City of San Francisco retained me to participate in oral board examinations of candidates for planning positions, such as the position of Planner III, Environmental Review. As Chief of Planning for the City of Concord, my duties included overseeing the activities of the planning department staff in updating the housing element of Concord's general plan as periodically required by the State of California Department of Housing and Community Development. A copy of my resume is attached hereto as Exhibit 1.

In this statement, I will discuss the potentially significant environmental impacts that could result from the changes made in the 2009 Housing Element (the proposed "Project") after the public comment period closed on August 31, 2010. Herein, I will refer to the June 2010 draft of the 2009 Housing Element that was subjected to environmental review as the "EIR Draft." The substantial changes to the proposed Project are set forth in a February 2011 draft of Part II and a Planning Department staff memorandum dated March 17, 2011.

**1. The Project Was Substantially Changed to Encourage Transit-Oriented Development
Along Major Bus Lines Outside Plan Areas.**

The February 2011 draft of new Policy 1.10 broadly promotes infill housing "in transit-rich areas" which it defines to include Muni's major bus lines as "defined and prioritized in Muni's Transit Effectiveness Project (TEP) as the '24-hour Rapid Network,' " which "will be slated for long-term improvements" and "are slated to receive funding and service increases which will make it easier to meet service demands." The proposed new policy states that the Department "should support housing projects along these major transit lines *provided* they are consistent with current zoning and design guidelines." (See Ex. 2, pp. 2-4, summary of changes)

The March 17, 2011 staff proposal adds language encouraging "affordable housing" along the major transit lines and eliminates prior language that admitted that the proposed rapid lines are not funded and need service increases and long-term improvements. A communication from the Metropolitan Transportation Agency admitting such inadequacies is included herein. (See Exhibit 3) Also, inaccurate language previously referring to the proposed rapid network as "24 hour" was eliminated.

The new policy language also broadly supports “new housing projects” near major transit lines through references to “walking and bicycling” and “nearby residents” but does not define or limit the extent of the distance from transit lines in which the new transit-oriented housing would be both allowed and encouraged. It also fails to explain the density that should be permitted for infill housing in transit-rich areas or for housing projects along major transit lines.

Although the 2009 Housing Element does not provide a map of these major bus lines, the map of the TEP-proposed rapid network obtained from the San Francisco County Transportation Agency, is attached hereto in Exhibit 3. The SFCTA e-mail explains that the TEP-recommended rapid route network is not yet approved, has not undergone environmental review or been funded. (*Id.*) Numerous capital projects to improve transit reliability, improve customer amenities and reduce transit travel times are included in the draft TEP Implementation Plan, which has not been finalized or approved. (See Ex. 3, e-mails) So, the Muni bus routes described in the proposed TEP rapid route network do not provide rapid service now, and \$160-200 million in capital projects would be needed to support the TEP-recommended rapid route network and make other improvements to the Muni system. (*Id.*) The funds for the capital improvements needed for the TEP-recommended rapid route network would largely be sought from federal and state grants which require some percentage of City money in hand in order to apply for matching federal or state grants. (*Id.*) The City has only approximately \$10-15 million in funds for such TEP improvements. (*Id.*) Due to State and federal budget shortfalls, it is problematic whether funds would be available for these San Francisco projects in the foreseeable future. In recent news reports, Muni stated that it lacks funds to undertake detailed seismic studies of existing Muni tunnels that are about one hundred years old and will have difficulty funding work to replace deteriorating metal and concrete supporting structures.

This is a major change in the proposed Project because the June 2010 draft of Part II that was subjected to environmental review had removed the broad language of Policy 1.5 that had supported new housing projects on sites that are located along major bus lines and removed Map 1 of “Major Transit Lines.” (See Ex. 4, p. 14 red-lined June 2010 draft of part II)) Also, EIR Policy 12.1 had encouraged new housing that relies on transit “in areas that are well served with transportation infrastructure including BART trains, and Muni light rail trains” and had clarified “that changes to the Planning Code to further accommodate housing near transit will only occur through a neighborhood-supported community planning process.” (See Ex. 4, p. 59). EIR Policy 12.1 text had removed the language “and Muni’s rapid network of buses” from the policy text that was subjected to environmental review. (*Id.*)

Until Muni’s bus lines have received funding for the needed service increases and improvements and implementation of the improvements is underway, they should not be defined as major transit lines along which transit-oriented development would be encouraged. Otherwise, policies that prematurely encourage housing growth in these areas would increase the significant adverse impact on already strained Muni bus services. The EIR concludes that the proposed project (without the bus lines defined as major transit lines) would have a significant unmitigated effect on public transit, which is insufficient to support the proposed expansion in

housing capacity. (See Ex. 5, Executive Summary, p. II-9)

Expanding the proposed Project to designate areas along major bus lines outside the Plan Areas as the areas in which transit-oriented development would be encouraged would substantially increase the severity of the significant environmental impact which the Project would have on inadequate transit services.

Eliminating this expansion of the proposed Project is a reasonable alternative which could be accomplished by approving the language of EIR Policy 12.1 as stated in the June 2010 draft of the Housing Element (which identified the areas along Bart lines and Muni light rail lines as major transit areas). That alternative would define major transit lines as areas near BART stations and along Muni light rail lines. Such alternative would reduce the significant environmental impact which results from inadequate transit services and public funding for transit since it would substantially reduce the areas where transit would be further strained by added capacity and substantial public funds would have to be spent on increasing the reliability and capacity of public transit services.

The EIR should therefore be revised to analyze the feasible alternative of eliminating the definition of major bus lines outside the Plan Areas from the areas where transit-oriented development would be encouraged and substantial funds needed for improved bus service. Under the alternative, major transit lines would be defined as BART stations and Muni light rail lines, as proposed in the June 2010 draft of Part II of the Housing Element. The EIR should be revised and recirculated for public review and comment due to the substantial increase in the severity of the significant impact on transit services which would result from expansion of the areas defined as major transit lines and the reasonable alternative of eliminating this expansion from the Project proposed for approval.

The severity of the significant adverse impact of the proposed Project on already inadequate public transit services was explained by the City to ABAG as follows:

“While San Francisco has pioneered transit supportive development over the past few decades, we are at our limit in terms of transit’s ability to carry more people in the peak period without significant new right-of-way, fleet and facility expansion. Our transit state of good repair backlog is over \$2 billion just to maintain current service levels let alone the additional service levels from the expected growth, and similar backlogs exist for the regional transit service providers who serve San Francisco, such as BART and Caltrain. These core capital capacity constraints are regional in nature and will need a regional focus on resource prioritization for these PDAs to be successfully implemented. In addition, San Francisco needs over \$750 million to bring our local streets to a state of good repair, and many PDAs have significant non-transportation infrastructure investment needs as well, lacking the community assets necessary to make them complete communities....

We are further challenged by needing to pace growth with new investment. While San Francisco's planning efforts aim to combine changes in zoning with proposals for new infrastructure investment, we continually face resistance from neighborhoods who are skeptical that needed infrastructure will come. There is a very real threat of neighborhood demand for legislation that meters growth according to infrastructure provision, thereby restricting zoning changes and any development under those zoning changes, until after the infrastructure is in place." (Ex. 6, thirteenth page)

The alternative of eliminating the bus lines outside the Plan Areas is clearly feasible because by a resolution of the Board of Supervisors in June 2007, the City approved Priority Development Areas as the areas where sustainable development could occur, and these areas correspond to the Plan Areas which the Housing Element states could accommodate "significantly more" than the 31,000 units allocated as the City's share of the regional housing needs allocation for this planning period (2007-2014). (See Ex. 4, p. 4-10 and map at ninth page of Ex. 6) The City has admitted that the "lion's share of city's growth will continue to be focused in its PDAs" and that they have more than enough capacity to satisfy the City's regional housing needs allowance for this planning period:

"San Francisco's Adopted and Planned PDAs collectively accommodate over 63,000 new housing units, and 136,000 new jobs. Healthy absorption of the city's existing vacancies in PDAs like Downtown provides the opportunity for another 23,000 or more jobs. However, new growth in San Francisco is not confined to PDAs. The city includes numerous small-scale infill opportunity sites close to transit throughout all of its neighborhoods. Such sites outside of Priority Development Areas could accommodate another 17,000 new housing units, distributed reasonably evenly throughout the city. Cumulatively, San Francisco's PDAs and other opportunities yield the potential for over 85,000 housing units and almost 160,000 more jobs, more growth than is likely to be projected for San Francisco under the SCS P2011 Projections." (Ex. 6, twelfth page)

This evidence makes it clear that the city's 17,000 infill opportunity sites close to transit run "throughout all of its neighborhoods" outside of Priority Development Areas (or Plan Areas), and, therefore, the impact on already inadequate transit services would be substantially more severe if areas along bus lines outside the PDAs (or Plan Areas) are included in the definition of major transit lines slated for increased housing development.

Since the staff-proposed addition of the bus line areas would require the City to increase the reliability and efficiency of major bus lines running throughout the City instead of concentrating such improvements in the PDAs, a reasonable alternative which would reduce the severity of the significant impact on transit services would be to limit the definition of major transit lines to BART stations and Muni light rail lines, instead of broadening it to include all major bus lines. This alternative is certainly feasible because the City refused to identify areas outside of the PDAs as areas that could take on greater levels of growth at this time in the course of the Sustainable Communities Strategy planning, stating:

“Because San Francisco already has plans to accommodate almost the entire amount of growth expected (over 90%) by 2035 within its designated PDAs, and because significant resources are necessary to provide the infrastructure necessary to support this growth, staff elected not to identify additional areas that could take on greater levels of growth at this time.” (Ex. 6, p. 2 ; see also p. 7 of June 2010 version of 2009 Housing Element stating: “Completed and ongoing area plans have developed neighborhood specific housing plans, which could accommodate the majority of new housing needs in the City.”)

This conclusion is reinforced by the fact that the City identified “[i]ncreased transit service frequencies for core trunk lines serving PDAs” as an implementation strategy needed to support growth of particular importance to San Francisco. (Ex. 6, twelfth page)

The amount of projected growth in PDAs meets over 90% of the City’s growth target for two decades after the 2007-2014 planning period for which the 2009 Housing Element was prepared:

“San Francisco is planning to accommodate more than 60,000 new households in PDAs by 2035. This represents the placement of over 90% of our county growth targets (from Projections 2009) within PDAs. This is significant as the next closest county achieves only ~40% of new households in PDAs.” (Ex. 6, tenth page)

Since Planning Department staff did not identify areas along bus lines outside the PDAs as additional areas that could take on greater levels of growth in the Sustainable Communities Strategy planning effort, it is obviously a reasonable alternative to delete such areas from the proposed 2009 Housing Element Project. The addition of such areas in the February 2011 or finally adopted draft of the proposed 2009 Housing Element would exacerbate the project’s significant adverse impact on transit because transit services would have to be increased in more part of the City than if the increases were concentrated in PDAs. Before the major bus lines were added as major transit lines slated for transit-oriented development, the City stated that the 2009 Housing Element already went farther than needed to accommodate the City’s share of the regional housing needs allocation for the planning period 2007-2014, stating:

“Together, these planning efforts could provide capacity for **significantly more** than the 31,000 units allocated for this planning period (2007-2014); however, they will require significant investment in infrastructure and supporting services in order to support this growth...The City should prioritize public investment in these plan areas to achieve the community goals of each plan, according to each plans’ infrastructure and community improvements program.” (Emphasis added, Ex. 6, p. 8, Part II, June 2010 Draft 2 Housing Element)

According to the Housing Element, Plan Areas adopted since the 2004 Housing Element are projected to “add growth of up to 20,000 new units, which, in combination with citywide

infill potential provides sites which can accommodate over 42,000 new units, as cited in Part 1 of the Housing Element. Ongoing community planning efforts, including major redevelopment plans at Mission Bay, Treasure Island and Hunter's Point Naval Shipyard, will add even more capacity over the next 20 years." (Ex. 4, p. 4) The estimated new housing construction potential in adopted plans/projects and plans/ projects underway total 63,300 new housing units. (Ex. 4, p. 10)

The Draft EIR for the 2009 Housing Element further explains that the City's unrealized capacity under existing zoning is "60,995 new housing units." (Draft EIR p. IV-14) Of these, approximately 20, 543 new units could be constructed on sites that are vacant or near vacant, and sites that are underdeveloped could yield another 40,452 new units. (*Id.*) Further, the City is in the process of rezoning many neighborhoods, and these rezoning efforts will increase the existing capacity in those neighborhoods, allowing for the development of additional housing units above and beyond the number of units that could be accommodated under existing zoning. (*Id.*) The additional capacity with rezoning initiatives currently underway is approximately 28,844 units. (DEIR Page IV-22) Should these rezoning initiatives be adopted, the City would be able to accommodate 89,839 net new housing units, which if developed would represent a 25% increase in the City's housing stock. (Draft EIR p. IV-22)

A total of 56,435 new units could result from projects now under construction or in various stages of the approval process, which include projects currently under construction, projects with approved building permits but not under construction, projects which have building department applications on file, projects which have been approved by the Planning Department and projects which have Planning Department applications on file. (Draft EIR p. IV-23) The three major projects of Candlestick Point-Hunters Point Shipyard, Treasure Island and Park Merced, comprise approximately half of the pipeline projects and could be completed by approximately 2020. (*Id.*)

Thus, the City's capacity for new housing under area plans in progress, existing unrealized capacity and pipeline projects is far in excess of the City's 31,000 unit RHNA for the planning period 2007-2014 represented by the 2009 Housing Element. The significant impact on the City's transit services would be lessened if transit services have to be enhanced only in the areas already rezoned. The Project's impact on other City services such as water, sewer, fire and police, would also be significantly lessened if the areas slated for increased growth were limited to those already rezoned.

As explained in my prior Declaration filed in the legal action in which the court required an EIR to analyze the proposed Housing Element changes, the EIR prepared by the City's transportation authority projects that time spent in congested traffic conditions will double by 2035 if the City concentrates its further development along transit routes as proposed in its citywide action plan. (See Attachment 13 to Chatten-Brown & Carstens August 30, 2010 EIR comment letter to Bill Wyco regarding 2004 and 2009 updates to Housing Element) This is a significant impact because citywide traffic is expected to be degraded to service level F. This is

not surprising, as San Francisco is already the second most densely populated City in the nation, and the massive amount of increased housing capacity proposed in the 2009 Housing Element, as increased by the changes proposed in the February 2011 or March 17, 2011 versions of Part II thereof, is simply unsustainable and unreasonable. (Ex. 7)

It is no exaggeration to say that ABAG's proposal to concentrate this amount of future growth in San Francisco is a major step toward Manhattanization of San Francisco. After all, aside from New York City, San Francisco already is the most densely populated city in the country.

The City should now revise the EIR and analyze the effect of expanding the areas designated for transit-oriented development to the areas along or near bus lines extending throughout the City outside the Planned Areas. The EIR should analyze the feasible alternative of eliminating this expansion of areas designated for transit-oriented development because the Project's significant impact on already-strained transit services would be substantially lessened if the project were limited to the Planned Areas. Under such alternative, the City would have to enhance bus service to the major lines running through the Planned Areas but not to the major bus lines running throughout the City outside the Planned Areas. This expansion of areas designated for transit-oriented development was requested by the advocacy group SPUR. (See Ex. 8, p. 2) SPUR makes clear that the broad language "transit-oriented development" calls for substantial zoning changes that would have adverse impacts. SPUR explains that effects of such new construction would be as follows:

"more housing and jobs along transit corridors and in already transit-oriented neighborhoods" "means zoning for taller buildings and higher density in downtown and along the BART and Muni Metro lines in the neighborhoods. It means allowing new in-law units and eliminating parking and density limits in some neighborhoods." (See Exhibit 8, p. 2)

Thus, Housing Element language calling for transit-oriented development provides a policy basis for various increased density strategies including taller buildings and secondary units.

In San Francisco, areas along transit corridors running through residential neighborhoods are usually zoned neighborhood-commercial. The prevailing height in such neighborhood-commercial areas is now generally one or two stories and such areas are usually not now built up to maximum height limits (which are generally forty feet). Their low density character now usually matches and conforms with the low density character of surrounding residential neighborhoods. However, changing policy to encourage building taller structures with reduced or no parking in these linear neighborhood commercial areas along major bus lines could create canyon effects since the linear massing of the taller buildings would disrupt and divide the lower density character of the surrounding residential neighborhoods. Such linear massing would constitute an adverse visual effect on the character of existing neighborhoods, a significant adverse change in the quality of those neighborhoods and could also significantly reduce light to

adjacent or nearby residences.

Various existing measures which the City has previously enacted to increase the capacity of land for housing demonstrate the adverse impacts of increased traffic congestion, strained Muni services and visual neighborhood character that could result from extending transit-oriented development along bus lines running through established neighborhoods. The Residential Transit-Oriented Districts provide a good example. Under Planning Code section 207.1, in RTO and RTO-M Districts provided for in Planning Code section 201, dwelling units that are affordable (meeting criteria stated therein) shall not count toward density calculations or be limited by lot area. In addition, under Planning Code section 151, a dwelling unit in an affordable housing project is not required to have any off-street parking space except in RH-1 and RH-2 districts. (Ex.9) Therefore taller buildings with inadequate parking could result from new 2009 Housing Element Policy 1.10 because many small affordable units could be constructed in areas to be zoned RTO, and such units would not have any off-street parking. This type of construction could add large numbers of new residents to these areas and place increased demand on already strained Muni services. Those residents using automobiles would likely spend significant time circling to find parking spaces, which could increase traffic congestion in the area.

As previously noted, the Transportation Authority EIR projects significant further degradation in traffic conditions in the City as a result of concentrating future growth along transit corridors. Further time spent in congested traffic conditions causes vehicles to emit more pollutants than vehicles traveling at a normal rate of speed. (See Attachment 10 to Chatten-Brown & Carstens August 30, 2010 EIR comment letter to Bill Wyco regarding 2004 and 2009 updates to Housing Element, which is incorporated by reference) The City's December 6, 2010 Sustainable Communities Strategy letter recognizes that there could be "local adverse effects" from particulate matter vehicle emissions given "the growing recognition of air quality conflicts between busy roadways and infill development." (Ex. 10, p. 2) This is a potentially significant effect which should be analyzed in a revised EIR due to the proposed expansion of the transit-oriented development to areas along major bus lines outside the Plan Areas. The EIR should be revised and recirculated for public review and comment.

Zoning changes enacted for transit-oriented development after the 2004 Housing Element was approved, could cause significant parking space deficits in new structures. For example, under the Market Octavia Area plan rezonings (Exhibit 11) only one off-street parking space is required for each four dwelling units in the Van Ness Special Use District. The resulting parking space deficit could cause traffic congestion in the area from cars circling to seek parking spaces and potentially increase pollutant emissions from motor vehicles in the immediate area.

In addition, under Planning Code section 134 (e) and (f), the rear yard requirement in NC Districts and Eastern Neighborhoods mixed use districts may be modified or waived by the

Zoning Administrator pursuant to the procedures which are applicable to variances. New structures built in neighborhood commercial districts along major transit lines could overwhelm adjacent structures that are not built up to height or bulk limits and which have the rear yards required by current code.

2. Changes Eliminated Policy Language Maintaining Density Limits For RH-1 and RH-2 Neighborhoods.

EIR Policy 1.6 text stating that “[i]n some areas, such as RH-1 and RH-2, density limits should be maintained to protect neighborhood character” was changed in the February 2011 draft to state “[i]n some areas, such as RH-1 and RH-2, prevailing height and bulk limits should be maintained to protect neighborhood character.” Also, use of “flexibility in the number and size of units” was expanded to apply through “community based planning processes” and therefore would apply to projects outside plan areas and to individual projects, instead of merely to “community plan areas” as previously proposed in EIR Policy 1.6.

In the staff memorandum dated March 17, 2011, this provision was changed to state “[i]n some areas, such as RH-1 and RH-2, existing height and bulk patterns should be maintained to protect neighborhood character.” Since it is unclear which provision the Planning Commission may adopt, this statement will discuss the environmental effects of both proposals. Essentially, both proposals would provide a policy basis for replacing the current objective standards with subjective standards to be interpreted by the Planning Department and Commission. Use of a subjective standard is a substantial change in the nature of the proposed Project that must be subjected to environmental review.

This change was reflected in other policies. In EIR Policy 11.5, policy text stating “[p]articularly in RH-1 and RH-2 areas, density limits should be maintained to protect neighborhood character” was changed to state “[p]articularly in RH-1 and RH-2 areas, prevailing height and bulk patterns should be maintained to protect neighborhood character.”

Similarly, EIR Policy 11.3 text stating “[i]n existing residential neighborhoods, this means development projects should uphold and preserve the existing zoning of the area” was changed to only “defer to the prevailing height and bulk of the area.” This new language would also provide a policy basis for eliminating objective per unit density limits for residential neighborhoods, invite secondary units, and permit existing buildings to be divided into multiple units. Also, language calling for “a community-supported vision” was weakened to “a community-based vision.” Policy language ensuring growth without “significantly impacting existing residential neighborhood character” was changed to growth without “substantially and adversely impacting” such character. New language was added supporting “adoption of neighborhood-specific design standards in order to enhance or conserve neighborhood character only if those guidelines are “consistent with overall good-planning principles.” The new

reference to "good-planning principles" is a completely subjective standard that means virtually anything its advocate wants it to mean.

Since the housing element provides "the policy framework for future planning decisions" and new zoning is required to be consistent with the general plan under Planning Code section 101.1(d), the new language failing to maintain density limits would provide a policy basis undermining: (1) the current maximum dwelling unit density limits provided in Planning Code section 209.1, to wit, the one-unit limit for RH-1 and two-unit limit for RH-2 districts. (See Ex. 14, excerpt from Legislative Digest referring to Planning Code limitations on numbers of units permitted in RH-1 and RH-2 districts.)

In addition, the new language would provide a policy basis undermining the front set-back requirements provided in Planning Code section 132, the rear yard requirements provided in Planning Code section 134, the usable open space requirements for dwelling units provided in Planning Code section 135 and the side yard requirements for RH-1 districts provided in Planning Code section 133. (See Summary of the Planning Code Standards for Residential Districts attached as Exhibit 12) Such standards describe the height and bulk districts provided in Planning Code section 122 as of mere "general application" to residential districts. Thus, the changed language would provide a policy basis for eliminating the present objective standards which limit density in RH-1 and RH-2 neighborhoods.

Changing the general plan policy, which is the supreme planning law, is the first step to changing zoning. The purpose of zoning is to help implement the general plan. Under Charter section 4.105, the Planning Department "shall periodically prepare special area, neighborhood and other plans designed to carry out the General Plan, and periodically prepare implementation programs and schedules which link the General Plan to the allocation of local, state and federal resources." In addition, zoning ordinances must be consistent with the General Plan under Planning Code section 101.1 (d). A good example of increased density planning codes changes carrying out the General Plan is the ordinance adopting approximately 40 zoning changes to implement the Market Octavia area plan after the City approved the 2004 Housing Element. (Exhibit 11)

The proposed new policy language calling for using the prevailing or existing height and bulk limits or using existing height and bulk patterns would provide less protection for the neighborhood character of RH-1 and RH-2 districts than the maximum dwelling unit density limits provided in Planning Code section 209.1. Such changed policy language would promote secondary units and more than the number of units currently allowed by the Planning Code for such R classifications. Established and often older RH-1 and RH-2 districts have a low density character which would be substantially degraded if more than one unit was built in an RH-1 district or more than two units were built in an RH-2 district. The essential nature of such areas would be irreparably degraded by increased density.

Since many established residential neighborhoods have a prevailing one-unit or one/two combined-unit character, the new policy language could cause these neighborhoods to change from low to moderate density, which would constitute a substantial degradation in the quality of such sites and their surroundings, which is a significant adverse impact under provision I. (c) of the CEQA Guidelines. Under provision XVIII of the CEQA Guidelines, the Project's potential for degrading the quality of the environment requires a mandatory finding of significance of this impact. In addition, such language would conflict with applicable land use plans (which include zoning ordinances) that are adopted for the purposes of avoiding or mitigating such adverse aesthetic effects discussed above. The change would also conflict with the priority planning principle stated in Planning Code section 101.1 (b) (2) that existing "neighborhood character be conserved and protected", which is another significant effect that the EIR failed to analyze. Such conflicts with applicable land use plans are potentially significant adverse impacts under provision X. (b) of the CEQA Guidelines. (Ex. 13)

The Draft EIR failed to analyze the significant effects of the proposed new policy language on the aesthetic and visual quality of the environment in RH-1 and RH-2 districts and on the new language's conflict with land use plans applicable to such areas. Since these impacts are significant, the City must revise the EIR and analyze such significant effects, mitigation measures which could reduce such effects and reasonable alternatives which could reduce effects. The revised EIR must be recirculated for public review and comment.

A reasonable alternative to this new language would be to utilize the language of the second draft of the 2009 Housing Element which states: "[i]n some areas, such as RH-1 and RH-2, density limits should be maintained to protect neighborhood character." Maintaining such language would eliminate the significant effects discussed above and is certainly feasible since the City's Plan Areas have far more increased capacity for new housing units than required for the 2007-2014 regional housing needs allocation.

It is the belief of many residents that substantial degradation of the Richmond district resulted from demolition of older single family residences and their replacement with taller, boxy multi-unit structures built up to maximum height and bulk limits that are known as "Richmond Specials." That experience is a telling example of the adverse effects that could result from encouraging increased density in RH-1 and RH-2 neighborhoods. Many residents believe that the architectural character of the Richmond district was substantially degraded when significant numbers of older homes were replaced with such maximized Richmond Specials. The same effect could occur throughout the City as a result of the proposed changes to the 2009 Housing Element.

The proposed new language referring to the "limits" would encourage additions or expansions to existing structures in RH-1 and RH-2 areas which would protrude beyond the envelopes of existing neighboring structures in RH-1 and RH-2 areas that are not currently built up to the prevailing height or bulk limits and have a low density character. The range of adverse effects on neighborhood character that could result from the changed language referring to the

“limits” would include demolition of older homes and their replacement with out-of-scale taller, multi-unit structures; adding floors to existing structures that are not built up to current height limits; expansions into existing rear yards and reduction of mid-block open space; and the cluttered appearance from additional motor vehicles parking on sidewalks and other illegal areas. Such additions, expansions and new construction could disrupt the existing patterns of established residential neighborhoods and substantially degrade the quality of those areas.

The newly proposed language referring to “existing height and bulk patterns” would use the outer envelope of existing structures, as interpreted by the Planning Department and Commission, as a reference point. This proposal would lack objective per-unit density limits within the envelope and would conflict with the provisions of Planning Code section 209.1, which provides the one-unit limit for RH-1 and two-unit limit for RH-2 districts. For the reasons set forth above, this proposed language would produce the same significant impacts discussed above: a significant impact due to conflict with applicable land use plans and would also cause the significant impact resulting from substantial degradation of the quality of such sites and their surroundings, which requires a mandatory finding of significance. The same alternative discussed above would be feasible and a revised EIR is required to be prepared analyzing the significant effects of the proposed change in language, reasonable alternatives thereto and mitigation measures that could reduce effects. The EIR should be revised and recirculated for public review and comment.

The EIR failed to consider measures which could mitigate significant effects or reasonable alternatives thereto. The City made these changes after the public review period on the EIR had closed.

3. Policy Language Was Changed to Weaken the Effect of Opposition To Zoning Changes by Neighborhood Residents.

Language which had given neighborhood residents a primary role in protecting the character of their neighborhoods and opposing zoning changes which would degrade neighborhood character was deleted from the version of Part II that had been analyzed in the EIR.

In EIR Policy 12.1 text requiring “a neighborhood-supported community planning process” to make changes to the Planning Code to further accommodate housing near transit was weakened to refer to a “community based planning process.”

In EIR Policy 1.4 “[n]eighborhood-supported community planning processes” was changed in revised Policy 1.4 to “community based planning processes” to be used to generate changes to land use controls, at the urging of SPUR. (Ex. 4, p. 11, Ex. 2, p. 2, Ex. 8, p. 3) Interpretative text stating that “[c]hanges that involve several parcels or blocks should always be the result of a neighborhood-supported community planning process” was changed to state “[z]oning changes that involve several parcels or blocks should always involve significant community outreach, as part of a community based planning process.” Interpretative text stating

that to ensure adequate community outreach, changes to land use policies may be proposed “with comprehensive support from the community” was changed to state “with comprehensive opportunity for community input.”

New language was added to Objective 11 stating “[c]hanges planned for an area should build on the assets of the specific neighborhood while allowing for change,” after other language providing support for neighborhood character.

In addition, language calling for restricting uses that disrupt the residential fabric were deleted from EIR Policy 11.8.

In EIR Policy 4.6, language was deleted that growth “should not overburden built out neighborhoods where infrastructure is at capacity.”

Policy 11.2 text stating that the Planning Department “should build on and bolster individual community’s local controls” including “neighborhood Covenants, Conditions and Restrictions (CC&R’s)” was changed to only require awareness of CC&R’s by Planning staff, and new language was added stating “although only those guiding documents approved by the Planning Commission may be legally enforced by Planning staff.”

Read together, policy language encouraging increased heights and densities as well as reduced parking in transit rich areas, the changes eliminating the primary role of neighborhood residents regarding proposed changes for their neighborhoods make it likely that the efforts of residents to maintain neighborhood character will be subordinated to the City’s growth objectives. While citywide stakeholders and developer advocacy groups should have input regarding city planning, their input should be secondary to the input of the people who live in established neighborhoods. Residents in established neighborhoods have major financial investments in their neighborhoods and legitimate, long-term interests in preventing congestion or degradation of those areas so that they remain attractive and accessible to vehicular traffic and emergency vehicles.

4. CEQA Requires that the City Prepare a Revised EIR Analyzing Significant Effects Which Could Result from the Changes and Alternatives and Mitigation Measures.

Since the City made the changes discussed herein months after the public review and comment period on the EIR expired, the City should prepare a revised EIR analyzing the potentially significant impacts of the changes discussed herein on the RH-1 and RH-2 districts and on the areas along and near the major bus lines described in the TEP map, which were not analyzed in the EIR. Such EIR should also analyze the effect of elimination of the requirement that planning code changes be “neighborhood-supported.” The revised EIR must consider reasonable alternatives and mitigation measures that could reduce effects and be recirculated for

that to ensure adequate community outreach, changes to land use policies may be proposed “with comprehensive support from the community” was changed to state “with comprehensive opportunity for community input.”

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RESUME

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Work Experience

I. Planning Consultant and Contract Planner, May, 2000 – Present

A. Interim Community Development Director, City of Benicia, 2005

Responsible for the operation of the Planning Division and Building Division. Involved in preparation of departmental budget and work program.

B. Interim Community Development Director, City of Lafayette, December, 2000 - April, 2001

Supervised and coordinated the Planning, Building, Engineering, and Public Works functions. Responsible for a major reorganization of the Planning Services Division.

C. Interim Planning and Building Manager, City of Lafayette, April, 2001 - October, 2001

Managed Planning and Building program. Responsible for hiring almost an entire new staff. Major projects included three controversial subdivisions, a senior housing proposal, and a downtown redevelopment commercial and housing project. Conducted zoning administrator hearings.

D. Major Land Use Projects

- Managed contentious in-fill applications, including a proposed 23 unit residential subdivision that required an Environmental Impact Report, for the City of Lafayette, 2000-2008.
- Project planner for a 119,000 sq. ft. Home Depot commercial warehouse development for the City of Hercules, 2002.
- Project planner for a 132 unit low income apartment project for the City of Hercules, 2002.
- Critiqued environmental documents prepared for two proposed Contra Costa County ordinance amendments, private sector clients, 2000-2003.
- Critiqued Draft Environmental Impact Report prepared for South Schulte Specific Plan in the City of Tracy, private sector client, 2003.

EXHIBIT K

DRAFT HOUSING ELEMENT



PART I: DATA AND NEEDS ANALYSIS

DRAFT 2 HOUSING ELEMENT



PART II: OBJECTIVES & POLICIES

AN ELEMENT OF THE GENERAL PLAN OF THE CITY AND COUNTY OF SAN FRANCISCO

JUNE 2010 | PRELIMINARY DRAFT FOR PUBLIC REVIEW

Note: This Document is based on the June 2009 Preliminary Draft of the Housing Element, Part II Objectives and Policies. Changes since the 2009 Preliminary Draft incorporate community comments, Community Advisory Body (Cab) comments, and comments from other City agencies. The Planning Department released a memo in April 2010 summarizing the proposed changes. This memo, which precedes the draft element, serves as an executive summary for the changes included in the full text.

Changes to the document are noted as follows:

- Deletions - strike through text
- Additions - Underlined text

Additionally staff made a number of minor corrections to the document. These are not noted in this document.

EXHIBIT L

Are you part of San Francisco's disappearing middle class?

By Jonah Owen Lamb

@Jonahowenlamb

[click to enlarge](#)



RELATED STORIES

SF tenant advocates hoping voters will endorse more protections

By Joshua Sabatini

MIKE KOOZMIN/THE S.F. EXAMINER

Melissa LaBonge of The City has a well-paid job that puts her solidly in the middle class, but fears she'll have to join friends who've had to leave the increasingly pricey city.

Melissa LaBonge is among a disappearing group of San Franciscans.

The 38-year-old Potrero Hill resident and her boyfriend together make \$80,000 — about \$7,000 more than the median household income — making them solidly part of The City's shrinking middle class.

"Very few still live here," LaBonge said of her middle-class friends. "Most of them have moved. ... Everyone else has three jobs."

As the debate continues about affordability and the housing crisis, and how large a role the tech sector plays, San Francisco has become a city of haves and have-nots. A slow but very real trend has been transforming The City's population over the past three decades — a hollowing-out of the middle.

In that time, the number of middle-income households — now only about 33 percent of the population — has declined while the poor and rich, especially, have increased, according to new data from the U.S. Census Bureau.



1 Points Mentioned

The simplest way to understand the trend is to picture an inverted bell curve, with the middle class being at the bottom.

More than half the households in San Francisco — about 66 percent — are either very poor or very well-off, while the rest are somewhere in the middle, according to the Census Bureau's 2012 American Community Survey.

For the past 30 years, the number of middle-income households has slowly been in decline, but the data show a precipitous recent change: The City's richest households increased by 10 percent from 2008 to 2012 as the middle declined by almost the same percentage. Bear in mind that The City's population grew by about 20,000 from 2010 to 2012.

In 2012, of The City's 341,721 households, only 114,960 could call themselves middle class, accounting for only about one-third of all households. Those at the bottom — some 28 percent of households — number 95,774, while the 131,285 at the top make up a plurality of all households at about 38 percent.

Academics and journalists have been arguing over and writing about the phenomena for decades, while The City itself also has clearly drawn lines of who is poor, who is middle class and who is rich.

The most recent housing-cost report by The City's economists, released in 2012, contained more than housing data. It also laid out how much San Francisco is becoming increasingly divided and how much you have to make to be called middle class or, if you are lucky, rich.

Those in the middle are broken into three parts: low, moderate and above-moderate income. Technically, any household making from 50 to 150 percent of the area median income — roughly \$73,000 — is defined as middle class.

The lower-middle class — for example, a construction worker making \$45,000 and his wife, a part-time waitress, making \$10,000 — has since 1990 been in slow decline, making up about 55,000 people as of 2010.

The middle of the middle class, according to The City, might be a single man who is a designer making \$67,000. This group's numbers also have declined, hovering just below 60,000 in 2010.

An upper-middle-class household would be a couple with two children — one a professor making \$85,000 and the other an architect making \$65,000. Unlike their middle-class

brethren, this group — a small proportion of the middle — has increased over this period to about 36,000.

Almost all of these numbers about the middle class have gone down since, as the data used by The City are a few years old. Besides breaking down who fits where on the income ladder, little is said in The City's report about the cause of the middle's decline.

"San Francisco's income mix may be changing for many reasons. We cannot isolate factors that have led to net decline in low and moderate income households," notes the report, which only posits some possible causes — job opportunities, cost of living and housing prices.

Relatively well-paid LaBonge, who works at a nonprofit, considers herself lucky — she has a \$1,012-a-month, rent-controlled apartment. Still, she's looking for another job outside of San Francisco. It's just too expensive here, she said, and her landlord just moved into the building.

Median incomes: 2012

\$53,000: U.S. median household income

\$61,000: California median household income

\$73,000: San Francisco median household income

Income groups according to The City's calculations:

33: Percentage of middle-income households in S.F.

41.7: Percentage of middle-income households in California

44: Percent of middle-income households nationwide

Source: U.S. Census Bureau, 2012 American Community Survey

S.F. income breakdown:

The Bottom:

Very Low Income: A single person with one child making \$35,000 or less

The Middle:

Low Income: Young couple — one makes \$45,000, one makes \$10,000

Moderate Income: Single person making \$67,000; or two housemates, one making \$50,000 and the other making \$42,000 Above Moderate Income: Married couple with two children — one makes \$85,000, the other makes \$65,000; or a single person making \$100,000

The Top:

Upper Income: Married couple without kids, one making \$75,000 and the other making \$100,000

Source: Mayor's Office of Housing Middle Income Data, 2012

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Bio:

Born and raised on a houseboat in Sausalito, Lamb has written for newspapers in New York City, Utah and the San Joaquin Valley. He was most recently an editor at the San Luis Obispo Tribune for nearly three years. He has covered higher education, planning, and the economy since October 2013.

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EXHIBIT 2

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8 Attorneys for Respondents
CITY AND COUNTY OF SAN FRANCISCO
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN FRANCISCO
12 UNLIMITED JURISDICTION

13 SAN FRANCISCO FOR LIVABLE
14 NEIGHBORHOODS, an unincorporated
association,
15 Petitioner and Plaintiff,
16 vs.
17 CITY AND COUNTY OF SAN FRANCISCO
18 and DOES 1 -X,
19 Respondent and Defendants.
20

Case No. CGC 11-513-077

~~[Proposed]~~ ORDER GRANTING IN PART AND
DENYING IN PART PETITION FOR WRIT
OF MANDATE

Date Action Filed: August 4, 2011

Judge: Honorable Teri L. Jackson
Department: 503 - CEQA

ENDORSED
FILED
San Francisco County Superior Court
DEC 19 2013
CLERK OF THE COURT
BY: JHULIE ROQUE
Deputy Clerk

1 Petitioner suggested additional alternatives in comments on the Draft EIR, but the City
2 reasonably concluded that the alternatives proposed by the Petitioner were infeasible alternatives or
3 did not offer significant environmental advantages in comparison with the project or the alternatives
4 presented in the EIR. (*Marin Mun. Water Dist. v. KG Land Cal. Corp* (1991) 235 Cal.App.3d 1652,
5 1664-65; see also CEQA Guidelines § 15088.5 [recirculation of Draft EIR not required if proposed
6 new alternative is infeasible or not considerably different from others previously analyzed].) The
7 Petitioner's "RHNA Focused Alternative" (i.e. an alternative that focused only on meeting the income
8 categories for RHNA), would not have amended any of the policies that impact the physical
9 environment, only socio-economic policies, and thus did not offer significant environmental
10 advantages over the 2004 or 2009 Housing Element alternative. (3 AR 1400-02.) Also, a "RHNA
11 Focused Alternative" may not have reduced the significant cumulative transit impact, as "affordable"
12 units require greater efficiency in residential development (i.e. density) or fewer amenities (i.e.
13 parking). (3 AR 1406; 18 AR 9480 [parking adds \$20,000 to cost of construction].) Thus, to meet the
14 income categories of the RHNA, a "RHNA focused" alternative would likely continue to include
15 policies encouraging higher densities near transit. (*Id.*)

16 Likewise, substantial evidence supports the City's conclusion that the Petitioner's "No
17 Additional Rezoning Alternative" was infeasible because it would not have reduced the significant
18 impacts found on transit and noise, and because it would preclude future development and impact the
19 City's ability to comply with the State Density Bonus Law. (1 AR 33; 3 AR 1408-09; 97 AR 53160.)

20 **2. The EIR's Analysis of Alternatives was Inadequate.**

21 Although the Court finds that the EIR included a reasonable range of alternatives, and did not
22 need to include the Petitioner's suggested alternatives, the Court nonetheless finds that the analysis of
23 the alternatives included was brief and conclusory, and did not provide the decision-makers with
24 enough information to make an informed decision as to the comparative merits of each of the
25 alternatives. "An EIR must contain facts and analysis, not just the agency's bare conclusions or
26 opinions" and the EIR's discussion of alternatives must contain analysis sufficient to allow informed
27 decisionmaking. (*Laurel Heights I, supra*, at p. 404-405, citing *Concerned Citizens of Costa Mesa*
28 *Inc. v. 32nd District Agricultural Ass'n* (1986) 42 Cal.3d 929, 935 [EIR must disclose analytic route

1 the agency traveled from evidence to action]; *Citizens of Goleta Valley v. Board of Supervisors* (1990)
2 52 Cal.3d 553,568; see also CEQA Guidelines § 15126.6(a) and (d).)

3 For example, in the analysis of land use impacts of Alternative A compared to the 2004
4 Housing Element (and similar to the same analysis of Alternatives B and C), the EIR states that:

5 the 2004 Housing Element encourages new housing in downtown, in
6 underutilized commercial and industrial areas, and increased housing in
7 neighborhood commercial districts and mixed use districts near Downtown.
8 This encouragement of residential development in some areas of the City that
9 were historically non-residential, might increase potential for conflicts between
10 residential and other land uses. Additionally, Alternative A would not increase
11 density to the same extent as the 2004 Housing Element because the 2004 HE
12 identified particular locations that would provide housing opportunities and did
13 not assume housing opportunities throughout the entire City, thereby reducing
14 the potential for land use and conflicts. (3 AR 1112.)

15 The EIR then concludes: “Alternative A could result in incrementally fewer potential land use policy
16 impacts However, similar to the 2004 Housing Element, overall impacts related to land use
17 would be less than significant.” (3 AR 1112-1113.) This comparison analysis is brief and superficial,
18 and fails to explain the reasoning for its conclusions by citing facts or supporting evidence. For
19 instance, the comparison states that Alternative A would not increase density to the same extent as the
20 2004 Housing Element for two reasons, but these reasons only identify factors in the 2004 Housing
21 Element and not included in Alternative A. It does not explain why these factors would not increase
22 density to the same extent.

23 Further, the EIR provides no analysis supporting the conclusion that overall impacts related to
24 land use would be less than significant. For example, the analysis states that there would be fewer
25 land use policy impacts and density would not increase as much under the 2004 Housing Element as
26 compared to the 1990 Residence Element. (See 3 AR 1112.) But based on this unsupported
27 statement, the decisionmakers and the public would have difficulty understanding the analytic route
28 the City used to reach these determinations.

Similarly, the EIR does not explain why the project objectives would not be met by each of the
rejected alternatives. For example, the EIR states: “While Alternative A could meet state requirements
it may not achieve realization of the allocation as outlined in the most recent RHNA . . . or ensure
capacity for the development of new housing to meet the RHNA at all income levels . . . because [it]

1 does not promote density as aggressively as the Housing Elements.” (3 AR 1133.) Although some
2 reasoning is stated, this discussion does not show the analytical route followed by the City to reach its
3 conclusions. For example, the analysis does not explain why Alternative A would increase density,
4 and there are no facts for the reader to understand why the EIR concludes that “impacts to land use
5 conflicts could be incrementally greater under Alternative A than the 2009 Housing Element.
6 However, similar to the 2009 Housing Element impacts related to land use would be *less than*
7 *significant.*”² (See 3 AR 1113.) Although an EIR may contain general statements, such as those the
8 City employed here, there should also be enough supporting evidence to explain the conclusion to a
9 reader. This supporting evidence was missing from the EIR’s discussion of alternatives. (See *Laurel*
10 *Heights I, supra*, at p. 404-405.)

11 As another example, the City included as “an Alternative Considered but Eliminated From
12 Further Analysis in the EIR,” the Bayview Waterfront Alternative. The sole reason given for not
13 including this alternative was that “the draft EIR analysis adequately considered this proposed
14 project,” and that such an alternative “would not provide useful new information.” As with the
15 previous example, this general statement requires more meaningful analysis and support. The EIR’s
16 discussion of the Focused Development Alternative and the Reduced Land Use Allocation were
17 similarly lacking in analysis and support.

18 In sum, the Court finds that the Alternatives analysis in the EIR did not provide sufficient
19 analysis and factual support in the record to adequately inform the public and decision makers.

20 **II. THE FINDINGS ADOPTED BY THE PLANNING COMMISSION AND BOARD OF**
21 **SUPERVISORS AS REQUIRED BY CEQA ARE INADEQUATE.**

22 Under CEQA, if an EIR identifies potentially feasible mitigation measures or potentially
23 feasible alternatives, the lead agency must either adopt the measures or alternatives, unless the lead

24 ² The EIR states: “The 2009 Housing Element encourages housing in all new commercial or
25 institutional projects, near major transit lines, and through community planning efforts. This
26 encouragement for housing development, which could result in some land use conflicts, could occur to
27 a greater extent under Alternative A than under the 2009 Housing Element because alternative A
28 encourages housing in less limited areas. Additionally, Alternative A would increase density to a
greater extent Citywide than the 2009 Housing Element, thereby increasing the potential for land use
conflicts. Therefore, impacts to land use conflicts could be incrementally greater under Alternative A
than the 2009 Housing Element. However, similar to the 2009 Housing Element impacts related to
land use would be *less than significant.*” (3 AR 1113.)

1 agency finds that specific economic, legal, social, technological, or other considerations, . . . make
2 infeasible the mitigation measures or alternatives identified in the environmental impact report.” (Pub.
3 Resources Code § 21081(a)(3).) Under Public Resources Code section 21081.5, the findings required
4 by section 21081(a)(3) shall be based on substantial evidence in the record, and the City’s findings did
5 not comply with these requirements. “Feasible” means capable of being accomplished in a successful
6 manner, taking into account economic, environmental, social, technological, legal and other factors,
7 including whether the alternative is impractical or undesirable from a policy standpoint; an alternative
8 can be rejected as infeasible if it does not accomplish the agency’s policy goals, or meet the project’s
9 objectives. (*California Native Plant Soc’y v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 1001;
10 *Jones v. Regents of the University of California* (2010) 183 Cal.App.4th 818, 829.)

11 The Court disagrees with Petitioner’s argument that the City did not properly reject the
12 alternatives because some of the findings indicated that the City had decided to “reject” those
13 alternatives, rather than “reject as infeasible.” As long as the rejection of alternatives accomplishes the
14 requirements of CEQA – to wit, based on substantial evidence, they find the alternatives are not
15 “capable of being accomplished in a successful manner, taking into account economic, environmental,
16 social, technological, legal and other factors, including whether the alternative is impractical or
17 undesirable from a policy standpoint” – requiring the City to use the precise phrase “reject as
18 infeasible” would elevate form over substance.

19 However, similar to the discussion in Part I(F)(2) above, just as the EIR’s alternatives analysis
20 was conclusory because it did not provide sufficient analysis and factual support to adequately inform
21 the public and decision makers, the City’s findings rejecting the alternatives (as infeasible), were also
22 conclusory. (*Resource Defense Fund v. Local Agency Formation Com.* (1987) 191 Cal.App.3d 866,
23 897 [finding that the project alternative is infeasible should be accompanied by supporting statement
24 of facts].) Just as the EIR must include sufficient facts and evidence to support its conclusions,
25 findings that support the rejection of alternatives must be based on substantial evidence in the record
26 and must contain sufficient facts, evidence and meaningful detail to allow the public to understand
27 why the decisionmakers have rejected the alternatives, and instead have chosen the path that they have.
28 (*San Bernardino Valley Audubon Society v. County of San Bernardino* (1984) 155 Cal.App.3d 738,

1 753 [under Public Resources Code section 21081, agency must state why an alternative is infeasible];
2 *Rio Vista Farm Bureau Center v. County of Solano* (1992) 5 Cal.App.4th 351, 374 [conclusion in
3 finding must include good faith reasoned analysis; conclusory statements “unsupported by factual
4 information will not suffice”]; Pub. Resources Code § 21081.5.) Here, the City’s findings rejecting
5 the alternatives were conclusory and ambiguous, and failed to describe the specific reasons for finding
6 the alternatives infeasible. Mere reference to considerations stated “elsewhere in the record” was
7 inadequate in the alternatives findings for purposes of the findings in this EIR. (See 1 AR 75.)

8 Thus, the City abused its discretion in approving the 2009 Housing Element because the City
9 failed to explain the rationale for the findings that rejected each of the alternatives described in the EIR,
10 as required by CEQA Guidelines section 15091(a).

11 **III. THE COURT FINDS THAT THE 2009 HOUSING ELEMENT IS CONSISTENT WITH**
12 **THE GENERAL PLAN AND THE PRIORITY POLICIES IN PLANNING CODE**
SECTION 101.1.

13 Like most general plans, the San Francisco General Plan’s policies must be internally
14 consistent. (Gov. Code, § 65300.5; S.F. Planning Code § 101.1(a).) “A general plan is internally
15 inconsistent when one required element impedes or frustrates another element or when one part of an
16 element contradicts another part of the same element.” (*South Orange County Wastewater Authority*
17 (2011) 196 Cal.App.4th 1604, 1619.) In light of the presumption of validity and deference owed to the
18 City’s general plan decision, a court may not disturb the General Plan based on violation of the
19 internal consistency requirements unless “a reasonable person” could not conclude that the plan is
20 internally consistent. (*Federation of Hillside and Canyon Ass’n, supra*, 126 Cal.App.4th at p. 1195.)

21 The Court finds that the City reasonably determined that the 2009 Housing Element was
22 consistent with the General Plan and the Priority Policies found in Section 101.1 of the Planning Code.
23 (1 AR 43-44.) Specifically, the City reasonably determined that the Housing Element was consistent
24 with Priority Policy #2, which states “that existing housing and neighborhood character be conserved
25 and protected in order to preserve the cultural and economic diversity of our neighborhoods.” The City
26 found that the Housing Element contained objectives and policies to preserve existing housing stock,
27 as well as objectives and policies to protect neighborhood character. (*Id.*; see also 1 AR 316-7.) The
28 City reasonably determined that the Housing Element was consistent with Priority Policy #8 “that

EXHIBIT 3

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ENDORSED
FILED
Superior Court of California
County of San Francisco

JAN 24 2014

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CLERK OF THE COURT
BY: WESLEY RAMIREZ
Deputy Clerk

Attorneys for Petitioner/Plaintiff
San Franciscans for Livable Neighborhoods

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF SAN FRANCISCO
12
13 UNLIMITED JURISDICTION

| | |
|--|---------------------------------|
| 14 SAN FRANCISCANS FOR LIVABLE |) No. CGC-11-513077 |
| 15 NEIGHBORHOODS, an unincorporated association, |) |
| 16 |) NOTICE OF ENTRY OF |
| 17 Petitioner and Plaintiff, |) JUDGMENT GRANTING |
| 18 |) PEREMPTORY |
| 19 v. |) WRIT OF MANDATE |
| 20 |) |
| 21 CITY AND COUNTY OF SAN FRANCISCO, and DOES |) |
| 22 I-X, |) Dept. 503-CEQA |
| 23 Respondents and Defendants. |) The Honorable Teri L. Jackson |
| 24 |) |

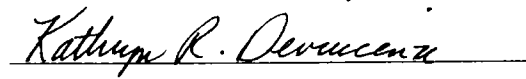
Action Filed: August 4, 2011

23 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

24 NOTICE IS HEREBY GIVEN that on January 15, 2014, the Court in the above-captioned
25 action entered the Judgment Granting Peremptory Writ of Mandate, a true and correct copy of
26 which is attached hereto as Exhibit A.

1 Dated: January 24, 2014

LAW OFFICE OF KATHRYN R. DEVINCENZI

2
3 

4 By: KATHRYN R. DEVINCENZI
5 Attorney for Petitioner and Plaintiff
6 SAN FRANCISCANS FOR LIVABLE
7 NEIGHBORHOODS
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ENDORSED
FILED
San Francisco County Superior Court

JAN 15 2014

CLERK OF THE COURT
BY: [Signature]
Deputy Clerk

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 IN AND FOR THE COUNTY OF SAN FRANCISCO

15 SAN FRANCISCANS FOR LIVABLE
16 NEIGHBORHOODS,

Petitioner and Plaintiff,

v.

17 CITY AND COUNTY OF SAN FRANCISCO, and DOES
18 I-X,

Respondents and Defendants.

) No. CCG-11-513077

)

) ~~PROPOSED~~

) JUDGMENT GRANTING

) PEREMPTORY

) WRIT OF MANDATE

)

) Action Filed: August 4, 2011

)

) Hearing Date: December 19, 2013

) Time: 9:30 a.m.

) Dept: 503-CEQA

) The Honorable Teri L. Jackson

21 The motion of Petitioner SAN FRANCISCANS FOR LIVABLE NEIGHBORHOODS'
22 ("SFLN") for issuance of a judgment granting a peremptory writ of mandate, and the counter-motion
23 of Respondent CITY AND COUNTY OF SAN FRANCISCO's ("City") for issuance of a judgment
24 granting a peremptory writ of mandate came on regularly for hearing on December 5, 9, 10 and 19,
25 2013 in Department 503 of the above-entitled Court, the Honorable Teri L. Jackson, Judge of the
26 Superior Court, presiding.

1 SFLN was represented by Kathryn R. Devincenzi. The City was represented by Deputy City
2 Attorney Audrey Williams Pearson. Based on the pleadings on file and the argument of counsel, and
3 GOOD CAUSE APPEARING THEREFOR, IT IS ORDERED THAT:
4

5 1. SFLN's motion for issuance of a Judgment granting a Peremptory Writ of Mandate
6 is GRANTED. The City's motion for issuance of a Peremptory Writ of Mandate is DENIED.

7 2. Judgment shall be entered in favor of Petitioner SFLN in this proceeding.

8 3. A Peremptory Writ of Mandate directed to Respondent City shall issue under seal of
9 this Court in the form attached as Exhibit A hereto ordering Respondent to take the actions and
10 refrain from taking the actions described in said Peremptory Writ of Mandate.

11 4. Pursuant to Public Resources Code § 21168.9, this Court shall retain jurisdiction over
12 this action and the City's return to the Writ to determine whether the City's actions have fully
13 complied with the mandates of the Peremptory Writ of Mandate to be issued under seal of this Court.
14

15 5. This Court shall retain jurisdiction over this action to determine entitlement to costs
16 and attorneys' fees.

17 GOOD CAUSE APPEARING THEREFOR, IT IS SO ORDERED:

18
19 DATE:

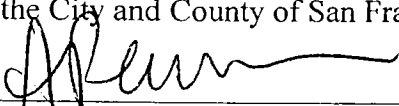
1/15/14


THE HONORABLE TERI L. JACKSON
JUDGE OF THE SUPERIOR COURT

21 APPROVED AS TO FORM,
22 reserving all objections:


23 Dennis J. Herrera, City Attorney
24 for the City and County of San Francisco

25 By:


Audrey Williams Pearson,
26 Deputy City Attorney

Law Office of Kathryn R. Devincenzi

27 By:


Kathryn R. Devincenzi,
28 Attorney for Petitioner SFLN

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12 Attorneys for Petitioner/Plaintiff
13 San Franciscans for Livable Neighborhoods

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15
16 IN AND FOR THE COUNTY OF SAN FRANCISCO

17 SAN FRANCISCANS FOR LIVABLE
18 NEIGHBORHOODS,

19 Petitioner and Plaintiff,

20 v.

21 CITY AND COUNTY OF SAN FRANCISCO, and DOES
22 I-X,

23 Respondents and Defendants.

) No. CCG-11-513077

)
) **[PROPOSED]**
) **PEREMPTORY**
) **WRIT OF MANDATE**

) Action Filed: August 4, 2011

) Hearing Date: December 19, 2013

) Time: 9:30 a.m.

) Dept: 503-CEQA

) The Honorable Teri L. Jackson

24 TO THE CITY & COUNTY OF SAN FRANCISCO ("City"):

25 As a result of this Court's judgment that the Final EIR certified for the 2009 Housing
26 Element inadequately analyzes alternatives to the proposed project and that Respondent City's
27 Findings rejecting alternatives are inadequate, a Peremptory Writ of Mandate must issue from
28 this Court.

1 Respondent City and County of San Francisco ("City") IS HEREBY COMMANDED
2 immediately upon receipt of this Peremptory Writ to:

3 1. Set aside and void the certification and approval of the San Francisco 2004 and
4 2009 Housing Element Final Environmental Impact Report ("EIR") which you certified on
5 March 24, 2011 by Motion No. 18307 of the San Francisco Planning Commission, and the San
6 Francisco Board of Supervisors affirmed on May 10, 2011 by Motion No. M11-72, File No.
7 110453, and the San Francisco Board of Supervisors endorsed on June 21, 2011 in File No.
8 110397, Ordinance No. 108-11. Said certification and actions are remanded to you for
9 reconsideration. ~~In accordance with the requirements of Public Resources Code § 21091,~~

10 you must submit any and all revisions to the EIR for public review, consider all comments that
11 you receive as to the revisions to the EIR during the public review period, and you must prepare a
12 written response that describes "the disposition of each significant environmental issue that is
13 raised by commenters," *as it relates to the alternatives.*
14
15

16 2. Set aside and void your approval of CEQA Findings with respect to the approval
17 of the proposed 2009 Housing Element Update Amendment which the San Francisco Planning
18 Commission approved in Motion No. 18308 on March 24, 2011, and the San Francisco Board of
19 Supervisors adopted as its own and incorporated in File No. 110397, Ordinance No. 108-11, on
20 June 21, 2011. Said approvals and actions are remanded to you for reconsideration.
21

22 3. Set aside and void your approval of any and all changes from the City of San
23 Francisco's 1990 Residence Element that are embodied in the 2009 Housing Element, which the
24 San Francisco Board of Supervisors adopted in File No. 110397, Ordinance No. 108-11, on June
25 21, 2011, as recommended to the San Francisco Board of Supervisors by the San Francisco
26 Planning Commission on March 24, 2011 in Resolution No. 18309. Said approvals and actions
27
28

1 are remanded to you for reconsideration. The EIR acknowledges that it “addresses the changes
2 of the proposed Housing Elements from the 1990 Residence Element.” (1 AR 158.)

3 4. Until you prepare, consider and certify an EIR and fully comply with the requirements of
4 CEQA in relation to the deficiencies in your CEQA compliance referred to in the first paragraph
5 of this Peremptory Writ above and in paragraph 1 above, YOU ARE COMMANDED to refrain
6 from enforcing, relying upon, approving or implementing the changes from the City of San
7 Francisco’s 1990 Residence Element that are embodied in the 2009 Housing Element which are
8 identified in the 2009 Housing Element as “Policies With Potential for Physical Environmental
9 Impacts” under the heading “2009 Housing Element” on Table IV-8 at pages IV-33 through IV-
10 36 of the Final Environmental Impact Report for the San Francisco 2004 and 2009 Housing
11 Element (“EIR”) at 1 Administrative Record (“AR”) 183 through 186 until you fully comply
12 with the requirements of CEQA in the manner required by this Peremptory Writ. Said enjoined
13 2009 Housing Element “Policies With Potential for Physical Environmental Impacts” are
14 Policies 1.1, 1.3, 1.6, 1.7, 1.8, 4.6, 10.3, 12.1, 12.2, 13.1, and 13.3 which direct growth to certain
15 areas of the City and Policies 1.4, 1.10, 1.6, 7.5 and 11.5 that promote increased density-related
16 development standards, as set forth in Exhibit A hereto which is incorporated by reference herein
17 as though fully set forth. The policy identified as Policy 1.1 on Table IV-8 has been renumbered
18 Policy 1.2 in the 2009 Housing Element. (97 AR 533137). Notwithstanding the foregoing and
19 over the objection of Petitioner San Franciscans for Livable Neighborhoods (“SFLN”), any
20 project that received its final approval or final entitlement as of December 19, 2013 based on
21 reliance upon any part of the 2009 Housing Element as previously adopted by the City shall not
22 be subject to the above-described injunction against implementing, relying upon, or approving
23 the policies stated in Table IV-8 attached as Exhibit A hereto, and any modification to such a
24
25
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27
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1 project may be approved based on any part of the 2009 Housing Element as previously adopted
2 by the City and shall not be subject to the above-described injunction against implementing,
3 relying upon, or approving the policies stated in Table IV-8 attached as Exhibit A hereto. Also
4 notwithstanding the foregoing and over the objection of Petitioner SFLN, any project that was
5 approved by the San Francisco Planning Commission as of December 19, 2013 based on
6 reliance upon any part of the 2009 Housing Element as previously adopted by the City shall not
7 be subject to the above-described injunction against implementing, relying upon, or approving
8 the policies stated in Table IV-8 attached as Exhibit A hereto. The City may rely upon any part
9 of the 1990 Residence Element or any part of the 2004 Housing Element that was not enjoined in
10 the Peremptory Writ of Mandate or Amendment to Peremptory Writ of Mandate issued in San
11 Francisco Superior Court action number CPF-04-504780. The Court has granted the above-
12 described injunction against implementing, relying upon, or approving the policies stated in
13 Table IV-8 attached as Exhibit A hereto over the objection of Respondent City and County of
14 San Francisco. Furthermore, in the event the State of California Department of Housing and
15 Community Development or any other state or federal agency raises an issue as to Respondent
16 City's entitlement for funding or any grant as a result of the Court's issuance of the above-
17 described injunction, the City may apply ex parte to the Court for an order shortening time to
18 address the issue as soon as possible, and pursuant to its retained jurisdiction, the Court may
19 amend this Writ or grant such equitable relief as is just and proper. Notwithstanding the
20 foregoing, you need not refrain from attempting to achieve San Francisco's share of the Regional
21 Housing Need Assessment for January 2007 through June 2014 which was calculated to be
22 31,190 housing units for the income categories described in Table I-39 at p. I.41 of PART I:
23 DATA AND NEEDS ANALYSIS of the 2009 Housing Element at 97 AR 53066. You may seek
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1 clarification from the Court of your obligations under this Peremptory Writ of Mandate by
2 noticed motion.

3 5. The Court finds that the consideration of alternatives to the changes from the 1990
4 Residence Element embodied in the 2009 Housing Element and the adoption of findings required
5 by CEQA with respect to alternatives to the proposed 2009 Housing Element would be
6 prejudiced if the City was not restrained from enforcing, relying upon, approving or
7 implementing the changes from the 1990 Residence Element embodied in the 2009 Housing
8 Element described herein, until the City fully complies with the requirements of CEQA because
9 reliance upon such policy changes, in findings that proposed development projects and other land
10 use approvals are consistent with said policies, could result in an adverse change or alteration to
11 the physical environment.
12

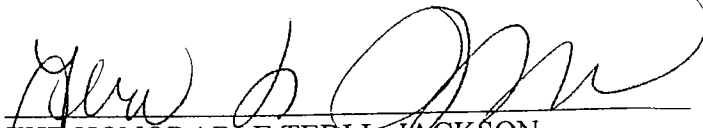
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14 6. Pursuant to Public Resources Code § 21168.9, and for the reasons set forth in the
15 briefs and arguments of counsel, the Court finds that the changes from the 1990 Residence
16 Element embodied in the 2009 Housing Element are severable from the remaining policies,
17 objectives and implementation measures of the 2009 Housing Element because the policies set
18 forth in the 1990 Residence Element were adopted after certification of an EIR under CEQA.
19 The Court further finds that the City's reliance upon the remainder of the 2009 Housing Element
20 without the 2009 Housing Element "Policies With Potential for Physical Environmental Impacts"
21 identified under the heading "2009 Housing Element" on Table IV-8 at pages IV-33 through IV-
22 36 of the Final Environmental Impact Report for the San Francisco 2004 and 2009 Housing
23 Element at 1 AR 183 through 186, will not prejudice complete and full compliance with CEQA.
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1 7. Pursuant to Public Resources Code § 21168.9, this Court shall retain jurisdiction
2 over this action to determine whether your actions have fully complied with the mandates of this
3 Peremptory Writ.

4 8. YOU ARE FURTHER COMMANDED to comply fully with the requirements of
5 CEQA concerning the housing element amendments described herein by June 30, 2014 and make
6 and file a return to this Court upon taking action to comply with this Peremptory Writ, setting
7 forth what you have done to comply, and pursuant to this Court's retained jurisdiction over your
8 proceedings by way of return to the Peremptory Writ, this Peremptory Writ will remain in effect
9 until this Court determines, based on your return to the Peremptory Writ, that you have fully
10 complied with CEQA as to the matters set forth herein.
11

12
13
14 IT IS ORDERED THAT THE COURT SHALL ISSUE THE FOREGOING PEREMPTORY
15 WRIT OF MANDATE:

16
17 DATE: 11/15/14


THE HONORABLE TERRI L. JACKSON
JUDGE OF THE SUPERIOR COURT

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23 DATE: _____


_____, Clerk of the Superior Court

24 By: _____ Deputy Clerk
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APPROVED AS TO FORM,
reserving all objections:

Dennis J. Herrera, City Attorney
for the City and County of San Francisco

By: 
Audrey Williams Pearson,
Deputy City Attorney

Law Office of Kathryn R. Devincenzi

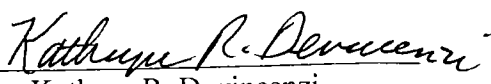
By: 
Kathryn R. Devincenzi,
Attorney for Petitioner SFLN

Table IV-8
Policies With Potential for Physical Environmental Impacts¹

| Corresponding 1990 Residence Element Policy | 2004 Housing Element | 2009 Housing Element |
|--|--|---|
| Policies that Direct Growth to Certain Areas of the City | | |
| Policy 2.1: Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood character | Policy 1.1: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households. Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhood support. | Policy 1.1: Focus housing growth- and the infrastructure necessary to support that growth- according to community plans. Complete planning underway in key opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard. |
| Policy 2.2: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households. | Policy 1.2: Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities. | Policy 1.3: Work proactively to identify and secure opportunity sites for permanently affordable housing |
| Policy 1.2: Facilitate the conversion of underused industrial and commercial areas to residential use, giving preference to permanently affordable housing uses. | Policy 1.3: Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City. | Policy 1.6: Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures. |
| Policy 1.4: Locate in-fill housing on appropriate sites in established neighborhoods. | Policy 1.4: Locate in-fill housing on appropriate sites in established residential neighborhoods. | Policy 1.7: Consider public health objectives when designating and promoting housing development sites. |
| Policy 12.5: Relate land use controls to the appropriate scale for new and existing residential areas. | Policy 1.6: Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects. | Policy 1.8: Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects. |
| | Policy 11.6: Employ flexible land use controls in residential areas that can regulate inappropriately sized | Policy 4.6: Encourage an equitable distribution of growth according to infrastructure and site capacity. |

**Table IV-8
Policies With Potential for Physical Environmental Impacts¹**

| Corresponding 1990 Residence Element Policy | 2004 Housing Element | 2009 Housing Element |
|---|--|--|
| | development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit. | |
| | | Policy 10.3: Support state legislation and programs that promote environmentally favorable projects. |
| | | Policy 12.1: Encourage new housing that relies on transit use and environmentally sustainable patterns of movement. |
| | | Policy 12.2: Consider the proximity of quality of life elements, such as open space, child care and neighborhood serves, when development new housing units. |
| | | Policy 13.1: Support "smart" regional growth that locates new housing close to jobs and transit. |
| | | Policy 13.3: Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian and bicycle mode share. |
| Policies that Promote Increased Density-Related Development Standards | | |
| Policy 2.1: Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood character. | Policy 1.1: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households. Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhood support. | Policy 1.4: Ensure community based planning processes are used to generate changes to land use controls. |

**Table IV-8
Policies With Potential for Physical Environmental Impacts¹**

| Corresponding 1990 Residence Element Policy | 2004 Housing Element | 2009 Housing Element |
|--|---|--|
| Policy 2.2: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households. | Policy 1.6: Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects. | Policy 1.10: Support new housing projects where households can easily rely on public transportation, walking and bicycling for the majority of daily trips. |
| Policy 1.3: Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects. | Policy 1.7: Encourage and support the construction of quality, new family housing. | Policy 1.6: Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures. |
| Policy 1.5: Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower income households. | Policy 1.8: Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower income households. | Policy 7.5: Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes. |
| Policy 7.3: Grant density bonuses for construction of affordable or senior housing. | Policy 4.4: Consider granting density bonuses and parking requirement exemptions for the construction of affordable housing or senior housing. | Policy 11.5: Ensure densities in established residential areas promote compatibility with prevailing neighborhood character. |
| Policy 2.3: Allow flexibility in the number and size of units within permitted volumes of larger multi unit structures, especially if the flexibility results in creation of a significant number of dwelling units that are permanently affordable to lower income households. | Policy 4.5: Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures. | |
| Policy 12.5: Relate land use controls to the appropriate scale for new and existing residential areas. | Policy 11.6: Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas, and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit. | |

**Table IV-8
Policies With Potential for Physical Environmental Impacts¹**

| Corresponding 1990 Residence Element Policy | 2004 Housing Element | 2009 Housing Element |
|---|---|----------------------|
| Policy 2.1: Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood character. | Policy 11.7: Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units. | |
| | Policy 11.8: Strongly encourage project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character. | |
| | Policy 11.9: Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character. | |
| ¹ The intent of this list is to list all policies of Housing Element Alternatives A, B, and C with the potential to have physical impacts on the environment. Any policies not listed here that also may have physical impacts on the environment are likely to have substantially the same impacts as the policies included herein. ² The Housing Elements contain additional themes beyond what is presented in this table. However, those themes, which include (but are not limited to) Homelessness, Housing Condition, Seismic Safety, and Displacement, do not have associated policies that would result in potential environmental impacts. | | |

PROOF OF PERSONAL SERVICE

I, KATHRYN R. DEVINCENZI, declare as follows:

I am a citizen of the United States, over the age of eighteen years and not a party to the within entitled action. My business address is 22 Iris Avenue, San Francisco, CA 94118.

On January 24, 2014, I served by hand a true and correct copy of: NOTICE OF ENTRY OF JUDGMENT GRANTING PEREMPTORY WRIT OF MANDATE, by delivering a copy thereof to the following person:

Audrey Williams Pearson
Deputy City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-5408

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on January 24, 2014, at San Francisco, California.


KATHRYN R. DEVINCENZI

EXHIBIT 4

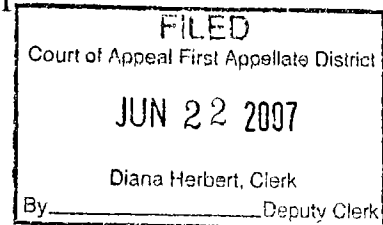
NOT TO BE PUBLISHED IN OFFICIAL REPORTS

California Rules of Court, rule 8.1115(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 8.1115(b). This opinion has not been certified for publication or ordered published for purposes of rule 8.1115.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION FOUR



SAN FRANCISCANS FOR LIVABLE
NEIGHBORHOODS,

Plaintiff and Appellant,

v.

CITY AND COUNTY OF SAN
FRANCISCO,

Defendant and Respondent.

A112987

(San Francisco County
Super. Ct. No. 504780)

Appellant San Franciscans for Livable Neighborhoods (SFLN) challenges the denial of its petition for a writ of mandate to compel respondent City and County of San Francisco (the City) to set aside the approval of the housing element of its general plan and to prepare an environmental impact report (EIR) pursuant to the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.)¹ Appellant claims that there is substantial evidence to support a fair argument that amendments to the housing element may have a significant impact on the environment, thus requiring the preparation of an EIR. We agree and reverse.

¹ All statutory references are to the Public Resources Code unless otherwise specified.

I.
FACTUAL AND PROCEDURAL
BACKGROUND

The City is required by state law to prepare a general plan for the development of the City that includes, among other elements, a housing element that analyzes “existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.” (Gov. Code, § 65583; see also Gov. Code, §§ 65300, 65302, subd. (c).) The housing element must be updated at least every five years. (Gov. Code, § 65588, subd. (b).)

The City revised its housing element in 1990, when it adopted the 1990 Residence Element (Residence Element). An EIR was prepared to evaluate the revision. Meeting the housing goals in the Residence Element would reduce traffic congestion and thus improve air quality, according to the EIR, because people who work in the City would have shorter commutes. The EIR concluded that reaching the housing goals in the Residence Element could be achieved without any significant adverse effects to the environment.

The Residence Element was not updated again until May 13, 2004, when the City’s planning commission adopted a revision following nearly three years of public comment and draft revisions. The revised element, now called the 2004 Housing Element (Housing Element), is the subject of the current appeal.

The Association of Bay Area Governments (ABAG) projected that the population of San Francisco would increase by almost 32,500 people by 2010 to about 809,200. ABAG determined that San Francisco’s share of the regional housing need for January 1999 through June 2006 would be 20,374 units, or 2,717 units annually. The Housing Element was designed to address those housing needs.

The City's planning department (Department) prepared an initial study to evaluate whether proposed changes to the Housing Element would have a significant effect on the environment. As part of its analysis, the Department examined only new policies that were being added to the Housing Element; it apparently did not evaluate the effects of policies that contained no text change or that were modified, or the effect of removing certain policies from the 1990 Residence Element. The initial study emphasized that although proposed revisions to the Housing Element were meant to promote increased housing production, no environmental effects would result from the adoption of the element because it did not specify any development, rezoning, or area plans. In evaluating whether the Housing Element would affect various aspects of San Francisco's environment, the initial study repeatedly stated that any environmental impact analysis would be conducted in connection with the approval of any future development projects, area plans, or rezoning. The Department then prepared a negative declaration, which concluded that revisions to the Housing Element could not have a significant effect on the environment. SFLN² appealed a preliminary negative declaration, but the planning commission voted unanimously to uphold the negative declaration on the same day it adopted the Housing Element.

SFLN appealed the approval of the negative declaration to the Board of Supervisors. The Board of Supervisors denied the appeal on June 29, 2004, and the 2004 Housing Element was thereafter approved by operation of law. (S.F. Charter, § 4.105

² SFLN is an unincorporated association that includes several neighborhood organizations: the Cow Hollow Association, the Francisco Heights Civic Association, the Greater West Portal Neighborhood Association, the Jordan Park Improvement Association, the Lakeshore Acres Improvement Club, the Laurel Heights Improvement Association of San Francisco, Inc., the Marina-Cow Hollow Neighbors & Merchants, the Miraloma Park Improvement Club, the Pacific Heights Residents Association, the Presidio Heights Association of Neighbors, the Russian Hill Neighbors, the St. Francis Homes Association, the Sunset-Parkside Education and Action Committee, Inc., and the Westwood Highlands Association.

[proposed general plan amendment deemed approved by Board of Supervisors if board fails to act within 90 days of receiving amendment]; S.F. Planning Code, § 340, subd. (d) [same].) The City filed a notice of determination on November 2, 2004.

The revised Housing Element describes several projects that already have been approved by the Department, and for which permit applications either have been approved or filed with the department of building inspection. One such project is the “Better Neighborhoods Program,” a program currently planned for three “pilot neighborhoods” to link land use and transportation development so that each element supports the other. The Housing Element identifies areas for potential housing development, and it includes specific policies and implementation strategies to increase building densities, especially in areas well served by transit, and to advocate reducing or removing minimum parking requirements in order to increase the land available for housing development. The Housing Element also includes a list of future actions to implement the element’s objectives and policies.

SFLN filed a petition for writ of mandate with the trial court challenging the City’s decision to adopt the Housing Element without preparing and considering an EIR. The petition sought to vacate and set aside the City’s decision to approve the Housing Element and to order the City to prepare and consider an EIR.

The trial court denied the petition on the grounds that the 2004 Housing Element did not vary greatly from the 1990 Residence Element, and that SFLN had not provided sufficient evidence to support a fair argument that the revised Housing Element might significantly affect the environment. SFLN timely appealed the subsequent judgment.

II. DISCUSSION

A. General Legal Principles and Standard of Review.

A government agency shall prepare an EIR on any proposed project that may have a significant effect on the environment. (§ 21100, subd. (a); *Pocket Protectors v. City of*

Sacramento (2004) 124 Cal.App.4th 903, 927.) The purpose of an EIR is “to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment.” (§ 21061; see also *Environmental Planning & Information Council v. County of El Dorado* (1982) 131 Cal.App.3d 350, 354.) The amendment of an element of a general plan is considered a “project” for purposes of the statute. (Cal. Code Regs., tit. 14, § 15378, subd. (a)(1);³ see also *Stanislaus Natural Heritage Project v. County of Stanislaus* (1996) 48 Cal.App.4th 182, 202; *Black Property Owners Assn. v. City of Berkeley* (1994) 22 Cal.App.4th 974, 985; *City of Santa Ana v. City of Garden Grove* (1979) 100 Cal.App.3d 521, 526, 534.)

A “significant effect on the environment” is defined as “a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project.” (Guidelines, § 15382.) “ ‘If there is a possibility that the project may have a significant environmental effect, the agency must conduct an initial threshold study. [Citation.] If the initial study reveals that the project will not have such effect, the lead agency may complete a negative declaration briefly describing the reasons supporting this determination. [Citations.] However, if the project may have a significant effect on the environment, an EIR must be prepared.’ [Citations.]” (*Sundstrom v. County of Mendocino* (1988) 202 Cal.App.3d 296, 304-305; see also Guidelines, §§ 15002, subd. (k)(1)-(2), 15063, subd. (a), 15365.) The initial study is designed to inform the choice between a negative declaration and an environmental impact report, as well as eliminate unnecessary EIRs. (Guidelines, § 15063, subd. (c)(1),

³ The Guidelines for the Implementation of the California Environmental Quality Act, hereafter Guidelines, are found in California Code of Regulations, title 14, section 15000 et seq. All subsequent regulatory citations to the Guidelines are to title 14 of the Code of Regulations. “[C]ourts should afford great weight to the Guidelines except when a provision is clearly unauthorized or erroneous under CEQA.” (*Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 376, 391, fn. 2.)

(6.) “The initial study must include a description of the project. The study must also ‘[p]rovide documentation of the factual basis for the finding in a Negative Declaration that a project will not have a significant effect on the environment.’ ” (*City of Redlands v. County of San Bernardino*, (2002) 96 Cal.App.4th 398, 406, fns. omitted.)

Absent substantial evidence of any significant environmental impact, the agency shall adopt a negative declaration. (§ 21080, subd. (c); *City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at p. 405.) A negative declaration is “a written statement briefly describing the reasons that a proposed project will not have a significant effect on the environment and does not require the preparation of an environmental report.” (§ 21064; see also Guidelines, § 15371.) “[S]ubstantial evidence includes fact, a reasonable assumption predicated upon fact, or expert opinion supported by fact.” (§ 21080, subd. (e)(1); see also Guidelines, § 15384, subd. (b); *City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at p. 410.) Substantial evidence “means enough relevant information and reasonable inferences from this information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached. Whether a fair argument can be made that the project may have a significant effect on the environment is to be determined by examining the whole record before the lead agency.” (Guidelines, § 15384, subd. (a).) Substantial evidence does not include “argument, speculation, unsubstantiated opinion or narrative, evidence that is clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are not caused by, physical impacts on the environment.” (§ 21080, subd. (e)(2); see also Guidelines, §§ 15064, subd. (f)(5), 15385, subd. (a).)

“In reviewing an agency’s decision to adopt a negative declaration, a trial court applies the ‘fair argument’ test. ‘Under this test, the agency must prepare an EIR whenever substantial evidence in the record supports a fair argument that a proposed project may have a significant effect on the environment. . . .’ If such evidence exists, the court must set aside the agency’s decision to adopt a negative declaration as an abuse of

discretion in failing to proceed in a manner as required by law.” (*City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at p. 405, fns. omitted; see also § 21082.2, subd. (d).) “The ‘act or decision’ we review here is not the decision that the project may or may not have a significant environmental impact, but the decision that it can or cannot be *fairly argued* that the project may have a significant environmental impact.” (*City of Livermore v. Local Agency Formation Com.* (1986) 184 Cal.App.3d 531, 541.) “The fair argument standard is a ‘low threshold’ test for requiring the preparation of an EIR. [Citations.] It is a question of law, not fact, whether a fair argument exists, and the courts owe no deference to the lead agency’s determination. Review is *de novo*, with a preference for resolving doubts in favor of environmental review. [Citations.]” (*Pocket Protectors v. City of Sacramento*, *supra*, 124 Cal.App.4th 903 at p. 928.)

B. CEQA Favors Early Review of Environmental Issues.

We agree with SFLN that the City should not be excused from conducting an EIR simply because the Housing Element is a policy document, with more specific developments to follow. “The general plan is atop the hierarchy of local government law regulating land use. It has been aptly analogized to ‘a constitution for all future developments.’ [Citation.]” (*Neighborhood Action Group v. County of Calaveras* (1984) 156 Cal.App.3d 1176, 1183.) “A general plan embodies an agency’s fundamental policy decisions to guide virtually all future growth and development.” (*City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at p. 409.) This was acknowledged in the initial study here, which noted that “the revised Housing Element would be used to frame the discussion of future Area Plans, rezoning proposals and specific development proposals, in the same way that all of the elements of the General Plan provide a framework for decision-making about the future of the City.”

“Even if a general plan amendment is treated merely as a ‘first phase’ with later developments having separate approvals and environmental assessments, it is apparent that an evaluation of a ‘first phase-general plan amendment’ must necessarily include a consideration of the larger project, i.e., the future development permitted by the amendment. Only then can the ultimate effect of the amendment upon the physical environment be addressed.” (*Christward Ministry v. Superior Court* (1986) 184 Cal.App.3d 180, 194 [EIR required for general plan amendment, even though amendment required a special use permit and additional EIR before any specific development could take place].) CEQA mandates that environmental considerations “not become submerged by chopping a large project into many little ones—each with a minimal potential impact on the environment—which cumulatively may have disastrous consequences.” (*Bozung v. Local Agency Formation Com.* (1975) 13 Cal.3d 263, 283-284.) “Generally, in cases involving general plan amendments, the local agency has either prepared an EIR or was required to do so. [Citations.]”⁴ (*Christward Ministry, supra*, at pp. 193-194.)

Because San Francisco’s population will increase whether or not the City plans for it, the City argues, the Housing Element will not *cause* any population growth, as SFLN claims. The City argues that determinations about its housing needs are “statutorily exempt from environmental review” under Government Code section 65584, subdivision (f), which provides that determinations made by the state’s Department of

⁴ Citing a May 6, 2004, Department memorandum, the City claims that “amendments to a Housing Element are often analyzed properly in a negative declaration,” as at least five other Bay Area counties and sixteen other Bay Area cities issued negative declarations for their housing elements (on some unspecified dates). The cited memorandum noted that the Department conducted “a limited survey” of other Bay Area jurisdictions and found that the use of a negative declaration for a housing element update “is not in any way unusual.” The relevant housing elements apparently are not in the record, as the City does not cite to them. We therefore do not know whether the other housing elements contained any material changes, or whether there were any legal challenges to the adoption of the negative declarations.

Housing and Community Development, ABAG, or the City about existing and projected housing needs are exempt from CEQA. (See also Gov. Code, § 65582, subds. (b) & (c).) Just because the specific determinations about existing and projected housing needs are exempt, that does not necessarily mean that environmental review of the planning efforts to accommodate those needs also are exempt. We agree with the general proposition that the Housing Element is not designed to induce population growth, and that this case is therefore distinguishable from those cited by SFLN, where approvals of projects clearly would result in population growth in previously undeveloped areas. (*Arviv Enterprises, Inc. v. South Valley Area Planning Com.* (2002) 101 Cal.App.4th 1333, 1345, 1347-1348 [approval of 21-house project in area with limited services]; *Napa Citizens for Honest Government v. Napa County Bd. of Supervisors* (2001) 91 Cal.App.4th 342, 352, 371 [development of airport industrial area expected to add nearly 10,000 employees to area].) It does not follow, however, that planning for growth in a major urban area automatically should be exempt from environmental review.

The City argues that it would be “entirely speculative” to “guess” where any new area plans, zoning changes, or development might occur in the future as a result of the revised Housing Element. The Guidelines recognize that an EIR on an amendment to a general plan may lack specificity, and indicate that it should thus focus on any foreseeable secondary effects on the environment. (Guidelines, § 15146, subd. (b); see also *Christward Ministry v. Superior Court, supra*, 184 Cal.App.3d at p. 195 [difficulty in assessing environmental impact of general plan affects specificity of, not requirement to conduct, EIR].) The City also suggests that it is excused from conducting an EIR because any developments that occur under the revised Housing Element would “necessarily require their own environmental review.” Again, the Guidelines recognize that “the EIR need not be as detailed as an EIR on the specific construction projects *that might follow*.” (Guidelines, § 15146, subd. (b), italics added; *City of Redlands v. County of San Bernardino, supra*, 96 Cal.App.4th at p. 412 [environmental study of general plan

will not have same degree of specificity as for specific construction project]; *Schaeffer Land Trust v. San Jose City Council* (1989) 215 Cal.App.3d 612, 625 [environmental studies on general plan amendments usually general in nature].) In other words, just because future EIRs may be conducted, that does not *automatically* excuse the City from conducting an EIR now.

The City's reliance on *Pala Band of Mission Indians v. County of San Diego* (1998) 68 Cal.App.4th 556 (*Pala Band*), which did not involve the amendment of a general plan, is misplaced. In that case, San Diego County designated potential landfill sites as " 'tentatively reserved' " when it adopted an integrated waste management plan pursuant to the Integrated Waste Management Act of 1989 (§ 40000 et seq.) (Waste Act). (*Pala Band* at pp. 560, 566, 575.) The court noted that the " 'tentatively reserved' " designation did not make it reasonably foreseeable that any development would actually occur. (*Id.* at pp. 575-576.) The court upheld a negative declaration, and held that the county was not required to conduct an EIR because to do so would be "premature" as "any analysis of potential environmental impacts would be wholly speculative." (*Id.* at p. 576.)

The City claims that it would likewise be premature to evaluate any potential environmental effects of the Housing Element because any such effects would be "speculative." The City's actions in amending the Housing Element, however, are far different from the actions taken by the county in *Pala Band*. There, the county designated 10 proposed landfill sites as " 'tentatively reserved' " pursuant to specific provisions of the Waste Act. (*Pala Band, supra*, 68 Cal.App.4th at p. 575; see also § 41710.) The court concluded that it was not reasonably foreseeable that any of the sites would actually be developed, because a " 'tentatively reserved' " designation under the Waste Act could be made before an *actual commitment* to develop a specific landfill was made. (*Pala Band* at pp. 575-576.) In order to actually develop a landsite, the county

would be required to take additional steps under the Waste Act, and environmental review could be undertaken when a specific site was proposed. (*Id.* at pp. 576-578.)

Here, by contrast, the Housing Element identifies specific housing goals and implementing strategies. As the court recognized in *City of Santa Ana v. City of Garden Grove*, *supra*, 100 Cal.App.3d at page 532, “general plans now embody fundamental land use decisions that guide the future growth and development of cities and counties. The adoption or amendment of general plans perforce *have a potential for resulting in ultimate physical changes in the environment* and were properly included in [the Guidelines] as projects subject to CEQA.” (Italics added; see also § 21080, subd. (a); Guidelines, § 15378, subd. (a)(1).) “CEQA and its guidelines focus on the ultimate impact of a project, not on whether the project is tangible or intangible.” (*City of Livermore v. Local Agency Formation Com.*, *supra*, 184 Cal.App.3d at p. 539 [ordering preparation of EIR where county amended sphere of influence guidelines].)

The City also relies on *Atherton v. Board of Supervisors* (1983) 146 Cal.App.3d 346, 351, for the proposition that “no purpose can be served by requiring an EIR [that forces the agency] to engage in sheer speculation as to future environmental consequences.” In fact, the agency in *Atherton* actually *completed* an EIR in connection with an amendment to the transportation element of a general plan. (*Id.* at p. 349.) The court upheld a challenge to the adequacy of the EIR, finding that the degree of specificity in the EIR was appropriate for the “conceptual” nature of the amendment. (*Id.* at pp. 350-351.)

Because the Housing Element is not “linked” to any specific plan, legislation, or development, the City argues, the cases cited by SFLN are distinguishable as they involve specific rezoning or development. (*Bozung v. Local Agency Formation Com.*, *supra*, 13 Cal.3d at p. 281 [annexation of agricultural land proposed to be used for development]; *Christward Ministry v. Superior Court*, *supra*, 184 Cal.App.3d at p. 190 [general plan amendment authorized potential new use at specific landfill site]; *City of*

Carmel-by-the-Sea v. Board of Supervisors (1986) 183 Cal.App.3d 229, 235, 246 [rezoning that would permit development near wetlands]; *Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 Cal.App.3d 151, 156-157 [general plan amendment in connection with proposed shopping center].) Although it may be technically true that the Housing Element is not linked to any specific rezoning, ordinance changes, or future development,⁵ as the City emphasizes, it is not a vague policy document, completely unconnected to future development or potential physical changes to the environment. The Housing Element identifies areas for potential development, encourages development in neighborhood commercial areas, promotes the construction of “well-designed housing that enhances existing neighborhood character,” “[s]trongly encourage[s] housing project sponsors to take full advantage of allowable building densities,” and advocates reducing or removing minimum parking requirements in order to increase the land available for housing development. While no specific developments are connected with these policies, given the expected population growth and the number of construction projects already underway, the possibility of future development is not merely theoretical. (Cf. *Pala Band, supra*, 68 Cal.App.4th at pp.575-576.) The initial study recognizes that the updated Housing Element is “one component of a comprehensive planning effort called the Citywide Action Plan (CAP),” and that the Housing Element was “updated to provide a policy basis *for more specific planning*

⁵ For this reason, *Laurel Heights Improvement Assn. v. Regents of University of California, supra*, 47 Cal.3d 376, is less helpful than SFLN suggests. In *Laurel Heights*, the court concluded that an EIR must analyze the effects of future expansion if it is a “reasonably foreseeable consequence of the initial project.” (*Id.* at p. 396.) *Laurel Heights* did not involve the amendment of a general plan, but instead addressed the sufficiency of an EIR that was prepared in connection with the proposed relocation of the School of Pharmacy at the University of California, San Francisco (UCSF). (*Id.* at p. 387.) It was undisputed that UCSF intended to expand its use of a specific facility once space became available, and the “general type of future use” was therefore reasonably foreseeable. (*Id.* at p. 396.)

efforts, such as Better Neighborhoods Program, the Eastern Neighborhoods Community Plans for the Mission District, Bayview, Showplace Square/Potrero Hill, and the Downtown Neighborhoods, such as the C-3-O District and Rincon Hill district.” (Italics added.)

Moreover, consistent with the mandate of Government Code section 65583, subdivision (c), that a housing element contain “a five-year schedule of *actions*” that the City is undertaking or plans to undertake to implement the element, the Housing Element includes an appendix titled “preliminary work program for implementing the housing element” that lists various “[i]mplementation [*a*]ction[s]” for the element’s objectives and policies, including beginning a “Geary Boulevard Better Neighborhood program.”⁶ (Italics added; see also *Hoffmaster v. City of San Diego* (1997) 55 Cal.App.4th 1098, 1108 [housing element shall include schedule of actions].) The planning commission resolution adopting the Housing Element likewise stressed that the Housing Element contained “an action program to implement the policies and achieve the goals and objectives of the Housing Element.” In other words, the City anticipates future action based on the Housing Element. (*DeVita v. County of Napa* (1995) 9 Cal.4th 763, 794 [general plans have “ ‘potential for resulting in ultimate physical changes to environment’ ”].) In short, an EIR would not be premature.

⁶ Citing *Northwood Homes, Inc. v. Town of Moraga* (1989) 216 Cal.App.3d 1197, 1204, the City attempts to downplay the importance of the Housing Element, noting that “[t]he housing needs identified in the general plan are simply goals, not mandated acts.” *Northwood Homes* is inapposite. There, the court rejected appellant’s argument that an open space ordinance which limited the density of development on certain lands was invalid because it would cause Moraga to fall short of the housing needs identified in its general plan. (*Id.* at pp. 1200, 1203-1204.) The court acknowledged that municipalities are required to adopt housing elements that analyze housing needs and schedule development programs; however, it held that appellant failed to meet its burden to show that the ordinance at issue would have a significant effect on the regional housing supply. (*Id.* at pp. 1202-1204 & fn. 6, citing Gov. Code, § 65583.)

C. EIR Required Only For Changes To General Plan.

As the City correctly emphasizes, we must determine whether there were any *changes* to the Housing Element that were significant enough to warrant conducting an EIR. “[W]hen a proposed amendment to a general plan is the subject of an initial study, in most cases the agency will not be required to assess the environmental effects of the entire plan or preexisting land use designations. Instead, the question is the potential impact on the existing environment of *changes* in the plan which are embodied in the amendment. [Citations.]”⁷ (*Black Property Owners Assn. v. City of Berkeley, supra*, 22 Cal.App.4th at p. 985.)

In *Black Property Owners*, the City of Berkeley revised its housing element to include the possible construction of 747 additional housing units over 5 years. (*Black Property Owners Assn. v. City of Berkeley, supra*, 22 Cal.App.4th at p. 978.) Although no party disputed an initial study’s conclusion that the new housing construction would have positive environmental effects, a property owners’ association challenged the adoption of the housing element revision, alleging that the city should have been required to prepare an EIR on the adverse consequences of its housing policies in general. (*Id.* at pp. 978, 985 & fn. 7.) The appellate court held that because no changes were proposed to the city’s housing-related ordinances, CEQA did not require any assessment of the ordinances’ environmental effects. (*Id.* at p. 985.) Further, a rent control ordinance that was “ratified and acknowledged” in the housing element update was exempt from CEQA. (*Id.* at p. 986.) “To require an EIR on the policies embodied in the rent control

⁷ We disagree with SFLN’s characterization of this passage of *Black Property Owners* as dicta. The court cited two cases where general plan amendments were passed in connection with a particular development project or land use designation, and concluded in the next sentence that “a similar approach to the scope of the required environmental review is appropriate” where a general plan amendment is required by statute. (*Black Property Owners Assn. v. City of Berkeley, supra*, 22 Cal.App.4th at p. 985.) The cited passage was essential to the court’s decision.

ordinance, which was not subject to CEQA when it was enacted 13 years ago by the voters of [Berkeley], and which [Berkeley] has taken no action to change, would not further” the statutory purpose of CEQA. (*Ibid.*)

We disagree with SFLN insofar as it argues that any amendment of the Housing Element necessarily requires an EIR to evaluate each of the element’s policies, or that a review of the *entire* Housing Element is necessary. Again, Government Code section 65588, subdivision (b) requires that a housing element be updated every five years. In doing so, local governments may simply “ratif[y] and acknowledge[.]” previously adopted ordinances and policies, and evaluating policies left unchanged would not further the purpose of CEQA. (*Black Property Owners Assn. v. City of Berkeley, supra*, 22 Cal.App.4th at p. 986; see also *Christward Ministry v. Superior Court, supra*, 184 Cal.App.3d at p. 189 [no environmental evaluation necessary based on land use designation unchanged by amendment to general plan]; 1 Kostka & Zischke, Practice Under the Cal. Environmental Quality Act (Cont.Ed.Bar 2006) § 13.12, p. 638.) Indeed, several Housing Element policies incorporated no text change whatsoever from the 1990 Residence Element, and no purpose would be served in conducting environmental review on policies that were evaluated before the adoption of the 1990 Residence Element. The City need only conduct an EIR on any potential effects to the existing environment that may result from *changes* in the general plan which are embodied in the amended element. (*Black Property Owners Assn. v. City of Berkeley, supra*, 22 Cal.App.4th at p. 985; *Christward Ministry v. Superior Court, supra*, 184 Cal.App.3d at pp. 186-187.)

SFLN relies on cases where courts stressed that when an agency reviews a new project or change to a general plan, it must evaluate the effect of the project or amendment to the existing environment. For example, in *Environmental Planning & Information Council v. County of El Dorado, supra*, 131 Cal.App.3d at pages 352-353, the El Dorado County Board of Supervisors certified EIRs prepared to evaluate two area plans that were amendments to the board’s general plan. The EIRs compared the

proposed plans with the existing general plan, which was misleading because it made it appear as if the population capacities of the areas would decrease under the plans. (*Id.* at pp. 355, 357-358.) In fact, the existing populations were so small that the amendments actually called for substantial increases in population in each area, and the EIRs thus did not evaluate the impacts of the proposed plans on the environment in its then-current state. (*Id.* at p. 358.) It makes sense that when an agency considers a *change* to a general plan, it should evaluate how that change may affect the existing environment, not how the amendment compares with the previous general plan.

Here, by contrast, it does not make sense to evaluate policies from the 1990 Residence Element that were left unmodified, even if the physical environment in San Francisco has changed since 1990. This case is distinguishable from other cases SFLN relies on to support its argument that the entire Housing Element should be subject to environmental review, as the courts in those cases stressed that when evaluating *new* plans or *changes* to general plans, agencies must focus on the possible effect to the existing environment. (*Christward Ministry v. Superior Court*, *supra*, 184 Cal.App.3d at pp. 186-187 [agency must assess effect of amendment to general plan on existing physical environment, not simply compare proposed amendment and existing general plan]; *Woodward Park Homeowners Assn., Inc. v. City of Fresno* (2007) 150 Cal.App.4th 683, 697, 711 petn. for review pending, petn. filed May 24, 2007, S152886 [EIR improperly compared proposed project with theoretical construction permitted by existing zoning, rather than with actual existing vacant lot].)⁸

⁸ *Meridian Ocean Systems, Inc. v. State Lands Com.* (1990) 222 Cal.App.3d 153, 164-165, likewise does not support SFLN's argument that the entire Housing Element is subject to environmental review. The case did not involve the amendment of a general plan. Instead, it analyzed whether the State Lands Commission improperly ordered an EIR for certain geophysical research that previously had been statutorily exempt from environmental review. (*Id.* at pp. 160, 162-165.) The court addressed the invocation of an exception to a specific statutory exemption that is not at issue here. (*Id.* at pp. 164-165, 169.)

With these general legal principles in mind, we now consider whether an EIR is required here.

D. Housing Element Contains Changes That Necessitate an EIR.

The City relies on *Black Property Owners*, *supra*, 22 Cal.App.4th 974 when it states that it “did not analyze the effects of the policies and objectives in the 2004 Housing Element that remain consistent with those policies and objectives contained in the 1990 Resident Element and other elements of the General Plan.” It stresses that any changes to the Housing Element were “so minor in scope” that a full environmental review was unnecessary. SFLN argues that unlike in *Black Property Owners*, the Housing Element here was “significantly modified” and calls for “a broad range of future development,” necessitating environmental review. We agree with SFLN that the Housing Element contains changes, that some of those changes are not “minor” (as the City argues), and that there is substantial evidence to support a fair argument those changes may have a significant impact on the environment.

For example, policy 11.9 of the Housing Element now provides that densities and “parking standards” should be set at levels “that promote the City’s overall housing objectives while *respecting* neighborhood scale and character”; the Residence Element policy was to set allowable densities at levels that will “*promote compatibility with* prevailing neighborhood scale and character.” (Italics added.) A Residence Element policy to adopt specific zoning districts that would set density categories has been eliminated from the Housing Element.

Other Housing Element policies make more significant changes. Policy 11.8, a new policy, provides: “Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character.” Its explanatory text provides that the “Department should strongly support projects that creatively address residential parking

and open space requirements, resulting in higher densities with a full range of unit sizes.” The Department will “study the impacts of reduced parking and private open space provisions and will consider revising the Planning Code accordingly.” With respect to “neighborhood character,” new policy 11.1 is to “[u]se new housing development as a means to enhance neighborhood vitality and diversity.” Its interpretive text states that “[m]inimum density requirements and maximum parking standards should be used to encourage a mix of unit sizes in areas well served by transit and neighborhood retail.” Whereas a previous Residence Element policy was to “[p]romote construction of well designed housing that *conserves* existing neighborhood character,” policy 11.5 of the Housing Element now “[p]romote[s] the construction of well-designed housing that *enhances* existing neighborhood character.” (Italics added.)

The 1990 Residence Element contained a policy to “[r]elate land use controls to the appropriate scale for new and existing residential areas.” The interpretive text stated that “zoning envelopes should be tailored to the prevailing built pattern to maintain the low density character [of single- and two-family neighborhoods].” One stated objective of the policy was to “allow some expansion” of height and depth controls in one- and two-family areas “to accommodate contemporary living space needs and still be compatible with the neighborhood scale.” Modified policy 11.6 of the Housing Element now states: “Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit.” Its implementation action states: “The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods.”

New policy 1.7 is to “[e]ncourage and support the construction of quality, new family housing.” Finally, although policy 1.6, to “[c]reate incentives for the inclusion of

housing, particularly permanently affordable housing, in new commercial development projects,” is almost identical to a policy in the 1990 Residence Element, an implementation provision now calls for reviewing the possibility of removing parking and density requirements as “incentives.”

The City argues that “for purposes of CEQA, there was no change to the City’s policy of increasing density while maintaining neighborhood character that was significant.” We disagree. Taken together, the changes to the Housing Element cited above reflect a shift away from preserving existing housing density and a movement toward allowing denser housing development, and decreased off-street parking, which in turn could lead to increased traffic congestion, air pollution, and noise, as well as a change in the aesthetic quality of City neighborhoods. (*Pocket Protectors v. City of Sacramento*, *supra*, 124 Cal.App.4th at pp. 936-937 [CEQA addresses enjoyment of aesthetic qualities].)⁹

We find *City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th 398 instructive. There, a county board of supervisors adopted general plan amendments relating to the county’s “sphere of influence” over future land use planning and development. (*Id.* at pp. 403-404.) The trial court disagreed with the county’s characterization of the amendments as mere clarifications of existing policy. (*Id.* at p. 404.) The appellate court affirmed the issuance of a writ of mandate to set aside the amendments, noting that the county had replaced mandatory language with more permissive or discretionary language, that the amendments granted the county more discretion in land use matters relating to unincorporated territory, and that the

⁹ This case is distinguishable from *Bowman v. City of Berkeley* (2004) 122 Cal.App.4th 572, 592, where this court held that “[t]he aesthetic difference between a four-story and a three-story building on a commercial lot on a major [urban] thoroughfare” was “not a significant environmental impact, even under the fair argument standard.” Here, changing density requirements in San Francisco could theoretically affect a much larger area, and have a much larger impact, increasing noise, air pollution, and congestion.

amendments made substantive changes to the county's policies and procedures. (*Id.* at pp. 406-407.) In fact, the difference in policies before and after the amendments, standing alone, constituted substantial evidence of a fair argument that the amendments could have a significant effect on the environment. (*Id.* at p. 414.)

Similarly, here, the Housing Element does more than simply clarify or affirm existing policies with respect to housing density. It now "encourage[s]" developers to take "full advantage of allowable building densities," and stresses the enhancement of neighborhood character instead of conservation of neighborhood character. Although we are sympathetic to the City's argument that this case is distinguishable because the amendments to the Housing Element are not as " 'drastic' " as those in *City of Redlands*, *supra*, 96 Cal.App.4th at page 414, it does not follow that the amendments will not lead to changes to the physical environment. In fact, any future housing promoters could argue that a high density development was compatible with the revised Housing Element. "Not only does CEQA apply to revisions or amendments to an agency's general plan, but CEQA reaches beyond the mere changes in the language in the agency's policy to the ultimate consequences of such changes to the physical environment." (*Id.* at p. 409.)

Moreover, the City fails to distinguish *City of Redlands* in another important respect. The court found that the initial study in *City of Redlands* was inadequate because it "fail[ed] to provide sufficient evidence or analysis of the potential environmental effects of the [general plan] amendments." (96 Cal.App.4th at p. 408.) Instead, for each environmental factor, the county simply stated that no changes were proposed for any goals, policies, or action items, and that the proposed amendments were not expected to result in any significant change to the environment. (*Ibid.*) The court concluded that the initial study was "an impermissible attempt to evade environmental review by failing to address the consequences of the revisions to its policy and procedures," and that the county's efforts were " 'a token observance of regulatory requirements.' " (*Id.* at pp. 408-409.)

We conclude that the City here likewise failed to adequately address in the initial study the consequences of the revisions to the Housing Element. The initial study repeatedly emphasizes that the Housing Element “alone” will not produce new housing, and that environmental review will be deferred until any specific development, rezoning, planning code revision, or area plan is proposed. The same theme is repeated under each of the environmental factors considered in the initial study, with the City concluding that it would be premature to analyze any possible environmental effects of the proposed amendments. For several of the environmental factors, the City simply includes the following conclusion, with slight variations: “[T]he proposed new policies of the Housing Element would encourage the provision of additional housing in the City. However, at the policy level, it would be speculative to estimate the level and location of new residents that would result from their adoption. Again, the amount of new housing cited in the Data Needs and Analysis section of the revision represents the City’s share of housing calculated by ABAG, and is not a proposed new policy or stated goal of the Housing Element. Thus, while [various] effects of the proposed revisions cannot be accurately predicted, future plans, rezoning and specific development proposals that arise out of the City’s comprehensive effort to encourage more housing could lead to increased [various] impacts, and these would be analyzed and reported in the environmental documents that would be prepared for them.”

As we explained above, however, the City may not defer analysis of general plan amendments simply because more specific proposals may come later. “CEQA advances a policy of requiring an agency to evaluate the environmental effects of a project *at the earliest possible stage* in the planning process. We conclude that, by failing to accurately describe the agency action and by deferring full environmental assessment of the consequences of such action, the [City] has failed to comply with CEQA’s policy and requirements.” (*City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at p. 410, fn. omitted.) By simply indicating that the City would defer environmental

review until specific developments are proposed, the City failed to provide sufficient information to determine whether significant environmental impacts may occur.

(*Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo*, *supra*, 172 Cal.App.3d at p. 171 [initial study “far too conclusionary” and inadequate for failure to reveal what evidence, if any, was relied on in reaching conclusions].)

We likewise agree with SFLN that the City failed to adequately analyze the entire “project” for purposes of CEQA. (§ 21100, subd. (a).) The initial study *must* consider “[a]ll phases of project planning, implementation, and operation.” (Guidelines, § 15063, subd. (a)(1).) Here, however, the City analyzed only new policies that were added to the Housing Element. The City did not analyze, for example, the potential environmental effects of eliminating the policy of increasing the housing supply “without overcrowding or adversely affecting the prevailing character of existing neighborhoods.” (*City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at p. 407 [general plan amendments eliminated provisions containing various requirements or limitations].) The City likewise did not analyze the effect of eliminating a Residence Element policy to adopt specific zoning districts that would set density categories. Moreover, the initial study did not analyze policies that were modified, such as the policy that now promotes construction of housing that “enhances” rather than “conserves” neighborhood character. (*Lighthouse Field Beach Rescue v. City of Santa Cruz* (2005) 131 Cal.App.4th 1170, 1200 [initial study inadequate because it failed to consider or assess effect of revisions of off-leash dog policy].)

As in *City of Redlands v. County of San Bernardino*, *supra*, 96 Cal.App.4th at page 410, we conclude that because there was substantial evidence of a significant environmental impact, an EIR (as opposed to a revised initial study) is appropriate here. In fact, we may discern reasonable assumptions of the Housing Element’s impact simply from reviewing the language of the amendments themselves, because the amendments now call for possibly removing parking and density requirements as incentives to

developers, promoting the construction of housing that enhances (as opposed to conserves) neighborhood character, supporting projects that result in higher densities, and studying the impacts of reduced parking and private open space provisions. (*Id.* at p. 414.) In short, the amendments do more than simply clarify existing policies. (*Id.* at p. 407.)

Moreover, SFLN provided substantial evidence to support a fair argument that the Housing Element amendments may have a significant impact on the environment. It relies primarily on a 22-page letter (with attachments) by David Golick, a planning consultant. Golick concluded that the Housing Element “contains policies encouraging substantial high-density housing development, which in turn could cause a number of potentially significant effects upon visual quality/neighborhood character, transportation, land use and utilities/public services in San Francisco.” For example, he wrote that the revisions could lead to “high-density, bulky, potentially 50-foot tall buildings in neighborhood commercial areas and along transit corridors throughout the City [which] could cause myriad environmental effects,” including incompatibility with neighborhood character, and a transformation of San Francisco’s unique neighborhoods into “high-walled canyons.”

The City argues that SFLN’s evidence does not amount to substantial evidence, because it is speculative. But the City again falls back on its argument that the Housing Element lacks any specific development proposal or zoning change. The City chides SFLN for failing to point to “any factual evidence that anyone, anywhere in the City, is proposing” specific developments with taller buildings, or residential units above commercial structures. But it is beyond dispute that specific developments will be proposed in the future, and developers would be able to argue that taller buildings are consistent with the City’s general plan. Likewise, the proponent of any new zoning ordinance that calls for denser developments would be able to argue that the ordinance was consistent with the Housing Element. (E.g., S.F. Planning Code, § 101.1, subd. (d)

[City may not adopt zoning ordinance or development agreement authorized by Government Code section 65865 unless development or ordinance is consistent with general plan].) Moreover, because the initial study lacked any analysis of the potential effects of the revised Housing Element, it is understandable that the evidence cited by SFLN also lacked specificity. As in *City of Redlands v. County of Bernardino, supra*, 96 Cal.App.4th at page 414, we find it ironic that the City complains about SFLN's lack of evidence, considering "it initially set the stage by failing to gather facts and evidence in conducting its initial study of the amendments' potential environmental effects."

"CEQA places the burden of environmental investigation on government rather than the public. If the local agency has failed to study an area of possible environmental impact, a fair argument may be based on the limited facts in the record. Deficiencies in the record may actually enlarge the scope of fair argument by lending a logical plausibility to a wider range of inferences." (*Sundstrom v. County of Mendocino, supra*, 202 Cal.App.3d at p. 311 [inadequate initial study of proposed private sewage treatment plant]; see also *Christward Ministry v. Superior Court, supra*, 184 Cal.App.3d at p. 197 [city's position there was no fair argument of significant impact to environment based, in part, on failure to complete adequate initial study]; *County Sanitation Dist. No. 2 v. County of Kern* (2005) 127 Cal.App.4th 1544, 1597.) Here, SFLN was permitted to draw "reasonable inferences" about the possible environmental effects of the amendments, based on facts and reasonable assumptions from those facts. (*City of Redlands v. County of San Bernardino, supra*, 96 Cal.App.4th at pp. 410-411 [no requirement that expert testimony support fair argument that project may have significant effect on the environment].)

Because there was substantial evidence in the record to support a fair argument that the amendments to the Housing Element may have a significant impact on the environment, the City was required to prepare an EIR, and the trial court erred in denying SFLN's petition for a writ of mandate.

III. DISPOSITION

The judgment is reversed, and the trial court is ordered to issue a writ of mandate directing the City to set aside its adoption of the negative declaration and to order the preparation of an EIR. Appellant shall recover its costs on appeal.

SEPULVEDA, J.

We concur:

REARDON, ACTING P. J.

RIVERA, J.

A112987

EXHIBIT 5

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FILED
San Francisco County Superior Court

APR 06 2009

GORDON PARK-LI, Clerk

BY: [Signature] Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN FRANCISCO

SAN FRANCISCANS FOR LIVABLE
NEIGHBORHOODS,

Petitioner and Plaintiff,

v.

CITY AND COUNTY OF SAN FRANCISCO, and DOES
I-X,

Respondents and Defendants.

) No. CPF04 504 780

) **PEREMPTORY**

) **WRIT OF MANDATE**

) Action Filed: November 30, 2004

) Hearing Date: January 27, 2009

) Dept. 302, 9:30 a.m.

) Honorable Charlotte W.

TO THE CITY & COUNTY OF SAN FRANCISCO ("City"):

YOU ARE HEREBY COMMANDED immediately upon receipt of this writ to set aside and void the approval of the Final Negative Declaration which you adopted and issued on May 13, 2004 in San Francisco Planning Commission Resolution No: 16786, in connection with your approval of the 2004 amendments to the housing element of the City's general plan and San Francisco Planning Commission Resolution No. 16787.

YOU ARE FURTHER COMMANDED to prepare, consider and certify an environmental impact report ("EIR") pursuant to the provisions of the California Environmental Quality Act, Public Resources Code §§ 21,000 *et seq.* ("CEQA"), concerning any potentially significant effects to the existing environment that may result, based on a fair argument

1 supported by substantial evidence, from any and all changes in the City's 1990 Residence
2 Element that are embodied in the amended housing element, and to fully comply with the
3 requirements of CEQA by June 30, 2009, concerning said proposed amendments to the housing
4 element of the City's general plan. Among the proposed amendments to the housing element of
5 the City's general plan that will be analyzed as part of the project considered in said EIR are the
6 proposed omission of 1990 Residence Element Policy 2-4 to adopt specific zoning districts that
7 would set density categories (Slip Op. 17, 22; JN 81-84) and the proposed omission of 1990
8 Residence Element Objective 2 "To increase the supply of housing without overcrowding or
9 adversely affecting the prevailing character of existing neighborhoods." (Slip Op. p. 22; JN p.
10 80)
11

12 Until you prepare, consider and certify said EIR and fully comply with the requirements
13 of CEQA in relation to the changes from the City's 1990 Residence Element embodied in the
14 amended housing element, YOU ARE COMMANDED to refrain from enforcing, relying upon,
15 approving or implementing the following changes from the 1990 Residence Element, together
16 with the accompanying interpretative text and implementation actions which are stated along
17 with such matters in the 2004 Housing Element:
18

- 19 1. New Policy 11.8 to "Strongly encourage housing project sponsors to take full
20 advantage of allowable building densities in their housing developments while
21 remaining consistent with neighborhood character" as interpreted by explanatory
22 text providing that the "Department should strongly support projects that
23 creatively address residential parking and open space requirements, resulting in
24 higher densities with a full range of unit sizes" and that the Department will
25 "study the impacts of reduced parking and private open space provisions and will
26 consider revising the Planning Code accordingly." (Slip Op. p. 17-18; 1 AR 284-
27 285)
- 28 2. New Policy 11.1 to "Use new housing development as a means to enhance
neighborhood vitality and diversity" as interpreted by explanatory text that
"[m]inimum density requirements and maximum parking standards should be
used to encourage a mix of unit sizes in areas well served by transit and
neighborhood retail." (Slip Op. p. 18; 1 AR 276)

3. Modified Policy 11.9 to "Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character." (Slip Op. p. 17, 1 AR 285)
4. Modified Policy 11.6 to "Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit" together with Implementation 11.6 which states that: "The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods." (Slip Op. p. 18; 1 AR 283)
5. Modified Policy 11.5 to "Promote the construction of well-designed housing that enhances existing neighborhood character." (Slip Op. p. 18; 1 AR 280)
6. New Policy 1.7 to "Encourage and support the construction of quality, new family housing." (Slip Op. p.18)
7. New Implementation 1.6 that the "Planning Department will review the following incentives for commercial project developments in the Downtown C-3 District: "no residential parking requirement; and no density requirements for residential projects." (Slip Op. 18-19; 1 AR 220)
8. New Policy 11.7 stating that "Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units." (1 AR 284; 15 AR 4196)
9. New Policy 1.2 to "Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities" including its implementation by a specialized type of zoning called "Transit Oriented Neighborhood Commercial District (NC-T) Zoning" controls that "provide increased housing densities above the ground floor and reduced residential parking requirements on linear shopping streets and along transit corridors." (1 AR 216; 204)
10. New language added to Policy 1.1 to "Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhoods [sic] support," and accompanying new interpretative text stating that "along transit-preferential streets" "residential parking requirements" "should be, if appropriate, modified," and that there "is a reduced need for automobile use" in "neighborhood commercial districts" where "[p]arking and traffic problems can be further addressed by community parking facilities and car-sharing programs, and other creative transportation programs." (1 AR 215)

1 11. New Implementation 1.1 which states that a "citywide action plan (CAP) should
2 provide a comprehensive framework for the allocation of higher density, mixed-
3 use residential development in transit-rich areas with stable urban amenities in
4 place. In these areas, specific CAP strategies should include: higher densities and
5 reduced parking requirements in downtown areas or through a Better
6 Neighborhoods type planning process; pedestrian-oriented improvements to
7 enhance the attractiveness and use of transit." (1 AR 215-216)

8 Notwithstanding the foregoing, with respect to 2004 Implementation 1.6, YOU ARE
9 COMMANDED to refrain from enforcing, relying upon, approving or implementing only the
10 new added language consisting of "no residential parking requirement; and no density
11 requirements for residential projects" and with respect to 2004 Implementation 1.1, YOU ARE
12 COMMANDED to refrain from enforcing, relying upon, approving or implementing only the
13 new implementation added to Implementation 1.1 set forth above.

14 Your approval of the above-specified policies or implementation actions as amendments
15 to the City's housing element on May 13, 2004 as part of San Francisco Planning Commission
16 Resolution No. 16787 is hereby set aside and revoked until you comply fully with CEQA as set
17 forth herein.

18 The City need not conduct environmental review "on policies that were evaluated
19 before the adoption of the 1990 Residence Element." (Slip Op. p. 15) Pursuant to Public Resources
20 Code section 21168.9, and for the reasons set forth in the arguments of counsel and as set forth
21 below, the Court finds that:

22 a) The policies, objectives and implementation measures of the 2004 Housing Element
23 listed above, are severable from the remaining policies, objectives and implementation measures.
24 This finding is based on the Court of Appeal's holding that environmental review of the entire 2004
25 Housing Element is not necessary under CEQA and *Black Property Owners v. City of Berkeley*
26 (1994) 22 Cal.App.4th 974 because the 2004 Housing Element makes no changes to many policies
27 and objectives in the 1990 Residence Element; and,

1 (b) The City's reliance on the remainder of the 2004 Housing Element without the
2 above policies will not prejudice complete and full compliance with CEQA. The Court relies on
3 the San Francisco Planning Department Director's sworn testimony that the City has begun an
4 environmental impact report of the 2004 Housing Element in accordance with CEQA, and the
5 Court's continuing jurisdiction of this matter through a return to the writ will assure compliance
6 with CEQA mandates; and,

7 (c) Consistent with the Court of Appeal holding that "[s]everal Housing Element policies
8 incorporated no text change whatsoever from the 1990 Residence Element, and no purpose would be
9 served in conducting environmental review on policies that were evaluated before the adoption of the
10 1990 Residence Element," the Court finds that the remaining policies in the 2004 Housing Element
11 do not violate CEQA.

12 In addition, the Court further finds that consistent with Public Resources Code section
13 21168.9(c) and *Laurel Heights Improvement Assoc. v. Regents of the Univ. of Cal.* (1988) 47 Cal.3d
14 376, the Court exercises its equitable powers in fashioning an appropriate remedy under CEQA, and
15 finds that there are compelling public policy reasons to allow the City and County of San Francisco to
16 rely on the remaining portions of the 2004 Housing Element, save for the policies listed above, to wit
17 that the provision of housing, particularly affordable housing, is a "priority of the highest order" as
18 acknowledged by case law and the state Legislature, and that San Francisco must strive to provide its
19 fair share of regional housing needs.

20 YOU ARE FURTHER COMMANDED to certify the environmental impact report and
21 fully comply with the provisions of the California Environmental Quality Act, Public Resources
22 Code §§ 21000 *et seq.*, concerning the proposed housing element amendments described herein
23 by June 30, 2009, and to make and file a return to this Court upon taking action in compliance
24 with this writ, setting forth what you have done to comply, and this Court shall retain jurisdiction
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1 over this action to determine whether the City's actions have fully complied with the mandates
2 of this peremptory writ.

3 IT IS ORDERED THAT THE COURT SHALL ISSUE THE FOREGOING WRIT:

4
5 DATE: 04-06-09

Charlotte W. Woolard
6 THE HONORABLE CHARLOTTE W. WOOLARD
7 JUDGE OF THE SUPERIOR COURT
8
9
10

11 DATE: 4-6-09

GORDON PARK-LI, Clerk of the Superior Court

12 By: ERICKA LARNAUTI Deputy Clerk



1 KATHRYN R. DEVINCENZI (SB #70630)
2 22 Iris Avenue
3 San Francisco, CA 94118
4 Telephone: (415) 221-4700
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6 Attorney for Petitioner/Plaintiff
7 San Franciscans for Livable Neighborhoods

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 IN AND FOR THE COUNTY OF SAN FRANCISCO

10 SAN FRANCISCANS FOR LIVABLE
11 NEIGHBORHOODS,

12 Petitioner and Plaintiff,

13 v.

14 CITY AND COUNTY OF SAN FRANCISCO, and DOES
15 I-X,

16 Respondents and Defendants.

) No. CPF04 504 780

)

) ~~PROPOSED~~

)

) **AMENDMENT TO**

)

) **PEREMPTORY**

)

) **WRIT OF MANDATE**

)

17 Action Filed: November 30, 2004

18 Hearing Date: May 18, 2009

19 Dept. 302, 9:30 a.m.

20 Honorable Charlotte W. Woolard

21 TO THE CITY & COUNTY OF SAN FRANCISCO ("City"):

22 In addition to the changes embodied in the City's 2004 Housing Element which this Court
23 restrained in the Peremptory Writ of Mandate issued by this Court on April 6, 2009:

24 Until you prepare, consider and certify an environmental impact report ("EIR") pursuant
25 to the provisions of the California Environmental Quality Act, Public Resources Code §§ 21,000
26 *et seq.* ("CEQA") concerning any potentially significant effects to the existing environment that
27 may result, based on a fair argument supported by substantial evidence, from any and all changes
28

1 in the City's 1990 Residence Element that are embodied in the amended housing element, and
2 fully comply with the requirements of CEQA concerning said proposed amendments to the
3 housing element of the City's general plan, YOU ARE FURTHER COMMANDED to refrain
4 from enforcing, relying upon, approving or implementing the following changes from the 1990
5 Residence Element, together with the accompanying interpretative text set forth below:
6

7
8 12. Language added to modified Implementation 1.3 which states with respect to
9 "Downtown areas and areas subject to a Better Neighborhoods type planning
10 process" that "[p]lanning and zoning code changes should include floor-to-area
11 ratio exemptions." (See 15 AR 4187, 1 AR 217, 1990 RE p. 131)

12 13. Modified Objective 11 which states that "IN INCREASING THE SUPPLY OF
13 HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING
14 PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S
15 DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL
16 NEIGHBORHOODS." (See 15 AR 4195, 1 AR 276, 1990 RE p. 106)

17 14. Language added to Modified Policy 4.4 to: Consider granting "parking
18 requirement exemptions for the construction of affordable or senior housing."
19 (See 15 AR 4190, 1 AR 243, 1990 RE p. 97)

20 ~~15. Modified Policy 4.5 to "Allow greater flexibility in the number and size of units
21 within established building envelopes, potentially increasing the number of
22 affordable units in multi-family structures." (See 15 AR 4190, 1 AR 244, 1990
23 RE p. 81)~~

24 ~~16.15.~~ Modified Objective 1, which states "TO PROVIDE NEW HOUSING,
25 ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN
26 APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING
27 NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE
28 HOUSING CREATED BY EMPLOYMENT DEMAND" as interpreted by
modified explanatory text stating "New residential development must be of a
character and stability that enhances the City's neighborhoods and maintains the
quality of life for existing and future residents. How this new residential
development can be accommodated without jeopardizing the very assets that
make living in San Francisco desirable must be discussed. In order to enhance the
city's livability, the supply of housing must be increased and new housing
developments should respect the scale and character of the surrounding
neighborhood." (1 AR 213; 1990 RE p. 75, 15 AR 4187)

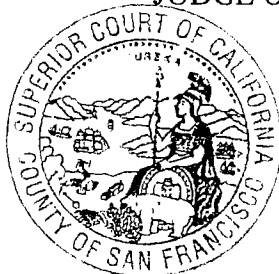
1 Your approval of the above-specified objectives, policies or implementation actions as
2 amendments to the City's housing element on May 13, 2004 as part of San Francisco Planning
3 Commission Resolution No. 16787 is hereby set aside and revoked until you comply fully with
4 CEQA as set forth herein.
5

6 The findings and other orders set forth in the Court's April 6, 2009 Peremptory Writ of
7 Mandate, including those beginning at page 4, line 18 and continuing through page 6, line 2,
8 apply with equal force to the proposed changes in the 2004 Housing Element described herein,
9 which the Court incorporates by reference.

10 IT IS ORDERED THAT THE COURT SHALL ISSUE THE FOREGOING WRIT:

11
12 DATE: 05-29-09

Charlotte W. Woolard
13 THE HONORABLE CHARLOTTE W. WOOLARD
14 JUDGE OF THE SUPERIOR COURT



19 DATE: JUN 01 2009

GORDON PARK-LI, Clerk of the Superior Court

20 By: [Signature] Deputy Clerk

21 ROSSALVE DE LA VEGA NAVAHO
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A.2

Supplemental Materials: Comment R27

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San Francisco Planning Department

Attn: Bill Wycko
1650 Mission Street, Suite 400
San Francisco, CA 94103

Case #: 2007.1275E – San Francisco 2004 and 2009 Housing Element

I attended the initial scoping hearing and have submitted prior similar written and verbal comments during the process of the EIR on the proposed 2004 and 2009 Housing Element and meetings with specific groups such as renter's or tenancy interests. The following comments are in regards to the Notice of Preparation document received, and concerns for what has been already eliminated and not addressed as part of these documents. The concern stems from specific language in the SF General Plan, and Citywide action plan, in addition to the 1990 Housing Element that note specifically the need to protect, preserve, and provide for "**AFFORDABLE RENTAL HOUSING**" as an "**OPTION**" and choice for residents of the city and county of San Francisco.

The lack of sound rental housing being constructed with transit, amenities, and significant open space, has been a severe negative condition for families, and longer term working class citizens with the current financial impacts, and lack of options when job changes and housing changes occur consistently. The consistent approach noted by planners, and developers in the projects and proposals of numerous "better-neighborhood-plans" and other similar developer based projects have consistently ignored the lack of, and consistent loss in rental housing units citywide. Alone in district 7 we have lost over 1,000 units of rental housing to institutional growth at SFSU/CSU, in the purchase of University Park South, and Stonestown Apartments coupled with consistent increased inhabitation of students in Parkmerced one of the largest rental apartment communities in San Francisco, that primarily served as low-cost rental housing for families, seniors and working class citizens. The consistent lack of new rental housing that provides a significant amount of units, at an initial base rent, under rent control laws and with significant vacancy decontrol laws that are non-existent currently, and which end up being "flipped" by owners of sites, causes a huge problem for families, and working class citizens.

Parkmerced was the solution initially to such long-term needs, and to date there has not been a significant sized project that provides adequate quantity and quality of designed units, with amenities since world war 2. Parkmerced represents the ideal effort required to achieve this current need for rental housing, however we do not see at the city or statewide level any significant efforts to provide architects, developers and community organizations the tools financially and physically to promote, preserve, enhance and protect these properties from redevelopment. I therefore am submitting comments as a concerned architect and local community tenant advocate to ensure that the rent-

control status our city has always provided is made to address the current lack of rental units and OPTIONS being provided in the current housing market.

Regardless of the changes made in the 2004 and 2009 documents, the city and county of San Francisco has been negligent, and non-effective in enforcing the need for equal development of options being the rental housing that so quickly has disappeared, and become ghost like in concept and generation in the ongoing construction booms in SF. I strongly urge the SF Planners responding to this memo, to place this issue and memo, into the public eye, to ensure that ALL San Franciscans are provided the opportunity and option afforded to them based on the premise of equal housing, and the right and need for essential rental housing currently in SF. The initial comments follow the EIR notification pages and sections, and I will try to consistently point out the section so that it is properly identified.

Initial EIR Section Entitled "Project Description": ABAG and HCD are noted as the organizations that determine the Bay Area Housing needs based on regional data. Well this is negligent since the bay area has a distinct micro-climate of being a) surrounded on three sides by water b) being a city with over 60% renters. To allow outside regional areas, that have been in-undated by sprawl and in-appropriate developer/bank based growth to determine the future needs of the city, immediately draws questions to whom the ABAG and HCD are beholden to as representatives of our city, and in what methods are they influenced in terms of making a determination for a city they have no physical connection to? The city is limited in its ability to absorb new units of housing, and already has become imbalanced due to developer based profit models, and institutional growth that has occurred un-checked in terms of how it affects neighborhoods and existing communities in gentrification, and displacement. There is nowhere in the project description any discussion of how affordability, density, and their significant environmental impacts, and the additional issues of how transit, transportation, and the destruction of cultural resources (Parkmerced is an example) affect neighborhood character scale, and aesthetics. The lack of rental housing being built, and the impacts on the communities based on a "0" increase of rental housing at affordable levels is what is missing from the details of this document. These are large scale significant environmental impacts which are ignored in the project description and scope.

Per state CEQA guidelines sections 15063 (Initial Study), 15064 (Determining Significant Effect), and 15065 (Mandatory Findings of Significance) this project is negligent and does not include EQUALLY the issue of RENTAL HOUSING as an OPTION and HOUSING TYPE that needs to be a part of the 2004 and 2009 Housing Element EIR. Until the inclusion of Rental housing is given equal billing in the EIR, by reviewing past-present and future needs and effects on our rental housing stock, the city and county of San Francisco, is legally and technically responsible for ignoring families with children which are a "protected class" under HUD whom require rental housing as an option of housing unit types.

Page 1 – Government Code Sections 6558- et seq.

- 1) Local jurisdictions to adequately plan for and address the housing needs of ALL segments of its population, such that all communities contribute to the attainment of the state housing goals.
- 2) Meet its “fair-share” of housing needs for ALL income groups. (Those that can afford a “down-payment” and those that “cannot” would fall under this category. It could be termed red-lining of rental communities in how neighborhoods with rental units typically low-middle income, and with minorities and immigrant populations have been targeted as redevelopment sites throughout the city.
- 3) Replace expected demolitions and conversions of housing units to non-housing uses, and achieve a future vacancy rate that allows for the “HEALTHY” functioning of the housing market.
- 4) No mention is made of the need to provide rental housing, amend for the total loss of units citywide, or provisions to measure and review vacancy rates of rental units, and the un-healthy situation that has occurred in the design and development of rental housing citywide for “affordable” units.

Page 2 – Type of EIR

- 1) It is noted that this EIR is a “draft” EIR, per Section 15168 of CEQA, which further down is noted need only review or analyze “CHANGES” from the previous adopted element.
- 2) This is negligent as it ignores project specific impacts on neighborhoods, city character, population growth, citizen health, and well-being, and the need to accurately review housing vacancy, and prices to determine the affordability level of existing housing that is available citywide.

Figure 1 – City and County of San Francisco Regional Map

- 1) This map shows the limited boundaries and area of the EIR Housing element this document attempts to provide input on. In looking only at the city urban area, it does not take into account regional changes and types of housing being built and the costs of such housing and suburban sprawl with coupled with the lack of infrastructure to get people into urban areas for jobs and reduction in commuting.
- 2) It ignores the types and density of housing in numerous surrounding counties that have more land and area in which to provide denser housing models.
- 3) It ignores the safety, and health factor of consistently requiring San Francisco to provide equal density as outlying areas when the physical and geological issues clearly dictate that we are limited in growth and density citywide, and are the impact area of multiple natural hazard zones such as earthquake, tsunami and flooding due to rising sea levels.

Figure 2 – San Francisco Neighborhoods

- 1) This map is inaccurate based on the shown outline of Parkmerced's boundaries as a master planned community eligible for national landmark status based on the initial historic resources analysis by page and turnbull.
- 2) The Lands purchased by SFSU are not shown in terms of the **LOSS** of over 1,000 units of rental housing (prior affordable social/community shared garden apartment complexes of stonestown and parkmerced).
- 3) Density levels of the western side of the city are not shown in the Richmond, Outer Sunset, Inner Sunset, and Ingleside neighborhoods. This information is critical along with transit routing and speeds, to show accurately the problems of density development without adequate light-rail, and transit direct connections to major transit hubs.
- 4) The portion of land not shown as part of SFSU or Parkmerced on the western side sandwiched between SFSU and Parkmerced is the prior OPEN SPACE and recreational areas of Parkmerced, the 800 Brotherhood Way site is also not shown, and is a site that could be used for additional park and recreational opportunities. The Cambon Drive shopping area along 19th avenue and also a part of Parkmerced is not shown as a specific developable area that could provide density options that counter the proposed tear-down of parkmerced's low-scale character neighborhood.

Page 7 – Purpose of the EIR

- 1) It states clearly to inform the public of any potential significant environmental effects, and provide mitigation measures and reasonable and feasible alternatives. This MUST include the need to build affordable rental housing with amenities (ex: open space) in low scale single family neighborhoods in San Francisco, prior to tearing down denser rental developments per the 1990 Housing Element.
- 2) As cited in sections 15121(a), 15632 of the CEQA guidelines, "and describe reasonable alternatives to a project." To date no alternatives that include large increases in RENTAL housing developments of an equal level to that of "for-profit/sale" housing has been shown as an option to alleviate the housing crunch in the city and county of SF.
- 3) Standards for EIR Adequacy – do not relieve the SF Planning Dept. from adequately addressing the lack of rental housing built in San Francisco, and the increased displacement of families as a protected class from the urban areas of the city. The lack of affordable rental housing with amenities has been one of the leading causes for family displacement and gentrification in numerous areas of the city, and must be addressed due to the consistent lack of building for this unit type, citywide.
- 4) The SF general plan has not followed up on the issues of the lack of rental housing being built citywide, and must provide full disclosure on the numbers of units and rental costs of these units in individual districts. Parkmerced has been influenced negatively due to increased housing demand by institutional growth of SFSU/CSU and this effect has not been reviewed studied or documented by the SF Planning Dept. for adequacy and completeness of RENTAL housing needs in multiple districts in SF.

Page 8 – Project Approvals

- 1) In order to be certified as compliant with state housing element law by HCD, RENTAL housing needs must be addressed in equal measure to for-profit/sale housing development.

Page 8 – Project Objectives

- 1) Per objective #2 “maintain the existing housing stock to serve housing needs”. This has not been followed adequately in terms of the loss of rental units citywide, and the in-affordability of rental units being built and flipped to alternate uses, such as short-term corporate housing, and institutional housing needs.
- 2) Per objective #3+4, the need to review income levels for RENTAL housing, and provide a variety of options in rental units developed (currently only market rate rental has been created). Providing new housing supported by existing or planned infrastructure, has not been achieved throughout the better neighborhoods planning process, additionally private interests are pushing for development which does not serve the best interests of the residential districts where this density is being proposed. Direct lines for infrastructure have not been planned cohesively with neighborhood organizations input on the routing and effects of transit cuts city wide by the SFMTA TEP program. Maintaining Existing Character of the neighborhoods has not been achieved due to a lack of preservation review of western district neighborhoods such as Parkmerced that are national register eligible properties.
- 3) Per objective #7, in order to comply with California Housing Element Law, as determined by the California Department of Housing and Community Development, sincere accurate information and demographics of RENTAL units, development, stock, location, costs, and access to transportation and amenities must be provided to ensure a complete picture of the housing issues not being addressed by the city and county of San Francisco, in the type of housing being developed citywide.

Page 8 - Section D Regulatory Setting

- 1) State Mandated housing element requirements set forth in Govt. Code Section 65583 and federally mandated “Fair-Housing Laws” require that EQUAL opportunity to choose the type of housing is required which is the choice between rental and for-sale housing opportunities. The lack of rental housing has created a deficit of rental housing options for communities in San Francisco and forced many to leave the city. This has benefited real-estate, and developer interests over state mandated housing element laws, which demand EQUAL development of rental and for-sale housing types.
- 2) Per section 65583 identification and analysis of existing and projected housing needs, a program for preservation and improvement and development of RENTAL housing has not been provided per the requirements of the State Department of Housing and Community Development (HCD).
- 3) Local housing elements must meet regional projections even if against local interests, the local interest of real-estate industry and development lobbyists have pushed against the required development of rental housing (example: Lennar’s threats against the city if forced to build rental housing in the bay-view hunters point neighborhood).

- 4) Housing NEEDS Assessment – as noted states clearly to determine the existing and projected needs of the RENTAL housing population of San Francisco, due to its unique majority rental unit status. The need to review “overcrowded conditions” due to densifying neighborhoods like Parkmerced without “equity-density” of other sections of the city.
- 5) A Site inventory and analysis must include evaluation of the suitability, availability, and REALISTIC development capacity of the sites to accommodate new housing based on projections of income level, which in the case of San Francisco, income has not improved versus the costs of living, so adequate development of affordable rental housing and options must be accounted for and provided for in the analysis, based on mid-income levels that have been stated as missing in the development type of the cities needs.
- 6) Housing Programs – notes the need to promote EQUAL housing opportunity which includes again the need for low-mid range rental housing and introductory levels of rent for people moving into the neighborhoods around the city.

Page 11 – Regional Housing Needs

- 1) “Existing needs” in terms of RENTAL housing is not broken down in the table 1 and 2 of the shown 2004 and 2009 housing elements. There is no noted impact on loss of units and the increased costs of the rental housing market, nor any information on the lack of priced range alternatives in rental housing citywide, where only new market rate rentals have been placed on the market after the developments failed to sell under market conditions.

Page 12 – 2004 Housing Element Court of Appeal Decision

- 1) The 2004 housing element eliminated housing protections for rental housing units, and in the case of the EIRs for both SFSU/CSU and Parkmerced’s masterplans both of which were issued and had impacts due to the initial purchases of Parkmerced and Stonestown in 2001-2003 should have been included based on possible future development projects area plans, and proposed re-zoning that was shown in the planning documents.
- 2) The elimination of rental housing protection, provisions, and sections under the 1990 element are eliminated further in both the 2004 and 2009 elements and thus continue to make the proposed revisions by the SF Planning Department as inadequate in planning for future rental housing needs of SF.

Page 12 – Section E Background

- 1) Demographics fail in the proposed changes to show adequately the impacts on RENTAL housing citywide and the effects of employment trends and layoffs in the city, which have created more problems for renters due to loss of income, and increased rental levels. The federal provisions for home-owners was not provided for in terms of renter’s and therefore exacerbated the financial problems of renter’s without adequate provisions for protections. Any shown increase in vacancy is a result of financial hardship and renter’s being forced out of the urban areas.
- 2) Table 3 does not show any data on the effects on renters versus home-owners in the data trends and projections shown from 1990-2030 based on the primary rental character of SF.

- 3) Incomes are noted to have remained relatively flat, however no data is provided on how this correlates to rental housing conditions, vacancy, and the need for new rental housing since many home-owners who lost their homes were forced to move into rental housing units reducing the availability of units for existing renter's citywide.

Page 14 – Proposed Housing Elements Analyzed in this EIR

- 1) No updated data has been provided on the needs analysis for regional or local needs of rental housing.
- 2) An assessment based on loss of rental housing, and lack of rental development citywide requires review and analysis in terms of the initial costs and initial rental prices of these units and how many people cannot afford the basic rents of new rental developments due to market rate conditions.
- 3) 2009 Housing Element B – noted comments were not integrated from the scoping hearing documents into the housing element sections edited in this document. Specific sections dealing with rental housing its protection, preservation, and encouraged development, while protecting neighborhood scale and character, was eliminated against the comments submitted prior to the SF Planning Dept. under the scoping hearing held on this EIR.
- 4) Existing Capacity – there has been no quantifiable data on the existing capacity of neighborhoods like Parkmerced, due to the lack of any data on open-space per unit data, of this development and the proposed loss of acres of open space to developments and sell-off of open space for institutional growth. The capacity and livability of Parkmerced based on the proposed density increases puts into question the data on how many people per acre is an acceptable max. Level of density for outlying neighborhoods. We meet or exceed the 283 acres per dwelling unit due to the sell-off of our open space areas which are not shown or provided for information wise in this analysis info. Parkmerced as one of the largest and densest rental neighborhoods in San Francisco should be provided in terms of data, and numerical info. To review how density proposals affect neighborhoods negatively, and what methods or strategies should be used to provide equity density in adjoining neighborhoods along major transit arteries.
- 5) Existing Zoning – must take into account the development potential of single family neighborhood home areas, due to limited options and land areas for development. Equal provisions for eminent domain and the purchase of single-family home lots must be required to ensure equal density development of ALL neighborhoods in San Francisco and not just targeted growth of existing denser zoned neighborhoods for redensification.

Page 17 – Figure 3 Housing Densities by Zoning District

- 1) Again this image improperly shows Parkmerced's density and that of Stonestown in relation to adjoining neighborhoods. Due to land-sales, and the initial density level of Parkmerced, information needs to be accurately shown in terms of general housing and rental housing to show the disparity between where rental housing is located and the need for equal development on more northwesterly portions of the city areas for urban density.

- 2) Updated zoning controls for many of San Francisco Neighborhoods – are again improper changes in zoning of existing dense neighborhoods to meet the provisional requirements for housing, without addressing the need for equity-density of development in single family neighborhoods.
- 3) Table 6 clearly shows the (3) undeveloped sites adjacent to Parkmerced and shows a huge increase based on rezoning, without provision of any information on open-space to density ratios, and effects on the existing neighborhoods character and scale.
- 4) The majority of areas proposed for maximum density, are low-income neighborhoods, in areas where gentrification, and displacement of working class citizens are a major issue.
- 5) The Areas noted MUST include low-scale neighborhoods for re-zoning so that existing low-income neighborhoods are not affected disproportionately due to development pressures and increased costs for rental units in these neighborhoods.
- 6) There is also in Table 6 no information on the LOSS of rental units, and the un-affordability of rental units built, or market rate units switched to rental that remain un-sold, or un-rented currently due to unfeasible costs for families, seniors, students, and working class communities of these existing noted area districts.
- 7) Table 7 shoes only the no. of units, with no breakdown of rental versus for-sale units, or based on income levels. This information is required to make a sound judgment on the housing areas needing units.
- 8) Figure 4 shows 6,000 units in Parkmerced, No noted numbers are provided for in the SFSU area, and surrounding neighborhoods show only an increase in approx. 100 units. This shows directly the disparity in density being created in some neighborhoods, and the need to adequately provide projects and rezoning in low-density neighborhoods with few planned projects for development of low-mid income rental housing.

Page 23 – 2004 Housing Element

- 1) It notes the themes of the 2004 housing element included “housing choice” which is the focus on provision of both rental and for-sale OPTIONS of housing for all ranges of income. To date the 2004 and 2009 updates ignore this provision and eliminate the requirements to build rental housing as “housing choice” in the Housing element updates. This is a direct point of negligence on the part of the city based on the 1990 Housing Element and Federal Housing Laws that state clearly the need to provide HOUSING CHOICE in the types of projects, locations, and amenities provided.
- 2) Housing quality in terms of open-space and the physical environmental impacts of DENSITY on existing dense neighborhoods is not analyzed, and is only given short input with no analysis on how this density affects neighborhoods already impacted by job-loss, housing market loss, and increased density in rental areas of the city.

Page 24 – The following sections noted as removed from the 1990 Residence Element in the 2004 Housing Element are direct violations of the need to promote HOUSING CHOICE and should be placed back into the revised versions. Many of the proposed changes in the new policies are developer/real-estate biased changes that promote density in existing housing developments that affect neighborhoods negatively.

- 1) Policy 1.6 - this needs to be changed included remaining with provisions for providing housing in single-family home owner neighborhoods to promote density in ALL areas of the city. Many neighborhoods have prevented development in their areas, based on the location to historic districts, or adjacency to national park, or institutional growth zones. The issue needs to be clear on the review of housing worthy of retention based on “soundness” reports of existing condition, and adequate Historical review prior to proposed density increases.
- 2) Policy 9.3 – needs to retained to include the need for RENTAL affordable housing priorities and very-low, low, middle, and the full range of rental housing levels required.
- 3) Policy 12.6 – needs to be retained so that the city maintains its ability to modify institutional and large scale development plans that conflict with SF Planning codes and the general plan elements. (Ex: Parkmerced) and the huge adverse environmental effects on a master planned community based on a total tear-down of the residential, and landscape open space amenities.
- 4) Policy 6.5 – needs to be implemented in terms of the RENTAL units affected, and the need to accurately provide data and analyze the recent past changes in rental housing conditions citywide.
- 5) Policy 11.1 – needs to be changed to protect neighborhood quiet, residential scale, and concerns for “vitality” being used to promote commercial, and in-appropriate sized development. Effects on neighborhoods such as noise, light, traffic, hours of operation, must take into account the difference between residential and commercial areas and not integrate the two without review of their impacts.
- 6) Policy 11.7 – This must be linked to transit first policies and direct funding and provisions for mass-transit access, and connections, or new rail development routes to commercial centers. Parking is a severe issue in Parkmerced, and directly is affected by Institutions (SFSU/CSU) which have ignored impacts on our community for years. Provisions that protect neighborhood character, and require institutions, and businesses to provide for parking based on increased density changes must be amended under this policy to address impacts on residential communities.
- 7) Policy 11.8 – This needs to be amended to ensure that SUSTAINABLE PRESERVATION is promoted and financial incentives given to promote density, while retaining neighborhood character. Provisions for adaptive re-use under AB-093 must be provided in addition to larger funding for district wide improvements and neighborhood defining priorities to promote better respect for existing neighborhoods.
- 8) Policy 12.4 – This must include information on the need for rental housing, as a step-up to market sale purchases of housing. The need to inform the public on the need for rent-control, vacancy decontrol, and provisions for new rental housing in ALL neighborhoods should be included in this policy.

Page 25 – 2009 Housing Element

- 1) “Strategies for further review” sounds more of a delay tactic in addressing EQUAL HOUSING OPPORTUNITIES citywide. The delay in reviewing neighborhoods like Parkmerced for local, state or national level historic conditions has led to construction and rehabilitation that changed the scale and character of an entire neighborhood without adequate review. The need to look immediately at transit and infrastructure needs such as a direct link from SFSU/Parkmerced to Daly city Bart, and the 1952 interchange at Junipero Serra Blvd. and Brotherhood Way, are immediate concerns that pre-date the 2009 housing element and must be addressed prior to any development plans. This item shifts the decision making, and ignores the need to immediately address longstanding lack of infrastructure improvements in the city.
- 2) Similar to the 2004 Housing Element changes, protections for rental housing, and neighborhood character are removed, and new policies placed that unequally affect rental neighborhoods like Parkmerced, in direct conflict with what was stated at the prior scoping hearing submitted comments.
- 3) Policy 2.1 – this MUST be included so that density data and the compatibility of prevailing neighborhood character in denser neighborhoods are preserved over the protection of single family home neighborhoods. There as a need to review density levels citywide and the elimination of this policy removes protections for any analysis for density citywide.
- 4) Policy 2.2 – does not discuss the rent-control laws, and effect of new rental housing built, since the new units are not included in the rent-control laws as written. The provision of new rental units is currently being reviewed legally by decisions on affordable housing, and the need to review how permanently affordable rental and for-sale housing is created is required.
- 5) Policy 2.3 – is a negative impact due to the use of this statute to reduce sizes of replacement units for profiteering. There is a need to change this and include it so that flexibility is provided along with requirements for basic open-space, light, air, and max. Density levels based on unit mix. Over-crowding occurs when review of the mix-of units is not included.
- 6) Policy 12.5 - removes protections on land-use controls to regulate appropriate scale for new and existing neighborhoods, this un-equally effects low-mid income level neighborhoods and especially rental districts like Parkmerced.
- 7) Policy 4.2 – must be retained to ensure institutional control of housing areas, (Stonestown and UPS in SFSU/CSU) are forced to maintain and provide for seismic reinforcement of buildings purchased. Seismic improvements or the removal of un-sound housing buildings especially towers, and larger rental units (towers in parkmerced as an example) need to be addressed due to a general lack of information on their condition and need for retrofit, or removal.
- 8) Policy 7.2 – needs to remain and include a portion on rental housing.
- 9) Policy 9.1 – uniform definitions of permanently affordable must be included so that housing stock built at initial rental levels, can be retained to provide stepping stones towards home-ownership, or provide limited increases, and definitions of affordability for renters.
- 10) Policy 9.3 – must include affordable rental housing priorities, and the need for rental housing as a priority.

- 11) Policy 10.4 – The elimination of this is again a direct threat to rent-control laws, and the need to protect tenants from excessive rent increases, by landlords due to deferred maintenance. Predatory Equity Lending is also part of this section, and needs to be included to adequately review effects to rent-controlled units based on landlord’s unfair practices on passing through general costs to tenants on implemented work, which is both unnecessary and cosmetic only.
- 12) Policy 12.5 – needs to be retained to allow for addressing concerns and conflicts with the SF General Plan.
- 13) Policy 16.4 – should be retained to include addressing an “affordable rental housing plan” statewide.

Page 25 - 2009 Housing Element polices included many disproportionately affect again rental housing and existing neighborhood character in a negative way.

- 14) Policy 1.3 – The better neighborhoods planning process, excludes neighborhood and community input, inadequate notification and translation prevents community members from participating in the design changes being implemented. Addressing the need for community planning with representatives from a cross-section of community representatives is required in all projects.
- 15) Policy 2.3 – This must include the removal of parking structures, in institutional growth that negatively affects surrounding neighborhoods (SFSU/CSU) and promotes redevelopment and the reduction of existing rental housing stock.
- 16) Policy 5.2 – should include increased access to rental housing stock, and awareness of the right to options, and choice in the type of housing being built, and provided for citywide.
- 17) Policy 5.4 – should include a range of unit rental types, and prices, for all economic segment needs, and to assist in programs to help move families and seniors into and out of home purchases and sales, to provide better transitional living situation, and housing opportunities for density citywide.
- 18) Policy 7.6 – should include rental housing, and the need to promote preservation as a sustainable alternative to redevelopment.
- 19) Policy 8.2 – should include the requirement to provide rental housing opportunity for existing employees, and provisions for providing general housing increases in new developments proposed for institutional growth that effects neighborhood housing stock negatively in MOU’s and decisions made, to also include neighborhood organizations.
- 20) Policy 9.2 – affordable preservation of rental units, and communities, eligible for state or national funding and preservation incentives, as the most effective sustainable, green means of rehabilitation of sound rental housing.
- 21) Policy 11.3 – REQUIRE the inclusion of neighborhood organizations in ALL city, and institutional planning, and MOU’s Memorandums of Understanding, so that community input and changes are made based on concerns, that will positively affect the architectural design, and promote community based planning and interaction.
- 22) Policy 11.6 – REQUIRE the review of local culture, rental housing concerns under needs and values of the existing communities, and inclusion of the communities input on the need to preserve or protect, enhance or rehabilitate the sense of each neighborhood and community and its historical and unique qualities including landscape, cultural issues, and open space.

- 23) Policy 13.3 – Require that the noted land-use and transportation reports and policies, are adequately and properly reviewed for accuracy. Legislation 081281 at the SF Board of Supervisors did not include adequate review or public, community time to provide notice and 30 day review. The ABAG/FOCUS information was not provided to the SF Board of Supervisors, and information included was filed incorrectly on subsections of this document. Adjacent institutional mast plans (CSU/SFSU) and concerns for other EIR's were not included in the review of adequate transportation and integration with existing transit systems. Currently the developers push for transit adversely affects the need for a direct link to daly city bart in Parkmerced. Promotion of sustainable land-use patterns must include and integrate COMMUNITY input on transit options and new transit routing and connections that adequately address inadequate infrastructure prior to density provisions.

Page 28 – Public Scoping Hearing Nov. 6, 2008

- 1) Issues I had addressed regarding open-space, density, rental housing and the need for a thorough analysis and review of rental housing data, and needs analysis were not included in the provisions for this EIR of the 2004 2009 housing element updates.
- 2) Many of the noted issues we raised have been eliminated in provision and policy changes proposed, and directly are attestable to sponsors, and developer interests that are swaying the provisions and policies of the 1990 Housing Element and will adversely affect our neighborhood character, density, and amenities. It is essential that all public comment at the Nov. 6, 2008, and Oct. 8, 2008 notice be reviewed due to changes in the UPN notification project, and the lack of communities, of varied ethnic and financial backgrounds be included in any and all updates, so that future housing element updates, are noticed properly to all communities affected, and that time and notice are given properly to engender comment and participation in these processes.

Page 29 – Table 8 Policies with Potential for Environmental impacts

- 1) Corresponding 1990 Residence Element Section on Retention of Existing Housing, Section 3.4 Prohibit the conversion of rental housing to time share, and corporate suite or hotel use. This needs to be included and reviewed as part of the impacts on institutional growth, and the illegal transfer of affordable rental units to a deregulated decontrol situation of rental affordable housing. Parkmerced has corporate housing, and SFSU/CSU also has promoted such changes which make units more un-affordable to existing residents due to a lack of vacancy decontrol laws.
- 2) 2009 Housing Element – Conserve and Improve housing Stock Section 2.1 notes inappropriately to allow for demolition if a net increase occurs. There must be language here that addresses the tear-down of sound units, and the need to provide rent-control laws for new units constructed, to provide for new rental housing stock, and not at the costs of existing stock, based on our current laws that de-regulate new construction of rental units. This must be also reviewed in terms of the existing sound housing, and its amenities, such as open space, and density, to prevent un-equal displacement and gentrification of existing rental housing areas, due to targeted policies that promote density of rental neighborhoods that serve a larger segment of working class, seniors and students in all neighborhoods of the city.

- 3) 2009 Housing Element – Maintain the unique and diverse character of SF neighborhoods, there is not noted provisions and effects under this in that by protecting single family home districts other neighborhoods are affected disproportionately.
- 4) Accessibility 13.7, and Housing Choice, and Equal Housing opportunity, show no impact on the issues of expanding home-ownership opportunity and the need to provide rental housing and equal opportunity in rental housing. The affects of this are seen in suburban sprawl and outlying areas where home-ownership in urban and outlying areas has prevented sound policies on the equal development of rental housing regionally.
- 5) Housing Density – setting allowable densities does not impact the environment of those existing communities, it allows for a respectable level or balance of open space to housing density, regional needs in this issue in regards to environmental impacts must be tempered with true data on what types of housing and impacts have occurred in the valley of California, and other regional districts, where a lack of transit and proper infrastructure development has led to imbalanced and environmentally negative impacts. Protection of existing sound dense neighborhoods in San Francisco must be allowed to regulate the need to require outlying areas to provide and finance density, and infrastructural connections to the city of San Francisco. Infrastructural improvements must include quality of life improvements such as open-space, playgrounds, neighborhood services such as hospitals, schools, libraries, and funding for our increasingly dense urban areas in SF. Fair-share impacts must be assessed to outlying areas and regional partners, to ensure that SF and its denser urban neighborhoods are equally provided financing to ensure infrastructural improvements are done in a timely manner, to allow outlying access to urban areas.

Page 33 – Appendix A – Summary of 1990 Residence Element Objectives and Policies

- 1) It is key to emphasize the 1990 segments proposed for removal, or changes in the 2004-2009 updates, since these provisions protect and enhance rental housing and are being affected negatively by this EIR.
- 2) Housing Density Objective 2 – increasing the supply of housing (rental or for-sale) without over-crowding or adversely affecting the prevailing character of existing neighborhoods. This is critical to setting density levels also at an increased level in single family home areas, so that equity density is achieved throughout San Francisco regularly increasing allowable density, and provisions for equal development of rental and for-sale units of varied income levels.
- 3) Retention of Existing Housing Obj. 3 Policy 1 – Discourage the demolition of sound existing housing. – There is a distinct need to require ALL demolition of rental housing to undergo soundness reports, and review environmentally of the tear-down of existing rental units versus adaptive-reuse and rehabilitation citywide. This should not only be triggered by DR review but should be made policy that includes institutional growth and impacts on existing master planned neighborhoods or protected or eligible districts, so that developers and institutions are not allowed to “prey” on neighborhood areas and communities that cannot fight back against the proposed demolition of their neighborhoods. The need to provide independent review and analysis of housing stock, and there durability or need to preserve, and rehabilitate should be

made a requirement of the AB-093 citywide legislation to promote sound decisions on development projects, and effects on neighborhoods.

Thank you for addressing these issues raised in regards to the EIR on the SF Housing Element(s) of 1990, 2004, and 2009. I strongly believe that the SF Planning Department will try its utmost to include rental housing provisions and protections and want to emphasize the need to pro-actively engender discussion, and review of rental housing policies, and the desperate need for affordable rental housing with amenities such as what was created in the last major housing crisis post world war two that developed such admirable projects as Parkmerced. The need for future housing projects that amplify the need to develop in ALL city neighborhoods, and promote affordable rental units as stepping stones for home purchases, and affordability for all citizens, students, seniors, families (as a protected class), and proper notification, and inclusion of comments and input in MOU's and negotiation with the city and institutions promoting density plans within the city and county of SF, must be made more public, and create a better dialogue with community organizations for the benefit of all current and future residents and rental tenants, and home-owners of San Francisco.

Sincerely

Aaron Goodman (District 7)
Email : amgodman@yahoo.com
Home Tel: 415.452.8745

Developing Transformative Co-operative Housing through conceptual Architecture

“Developing Divisions” – SFBG 11.21.2013 Steven Jones

The article in this week’s SFBG by Steven Jones hits dead-on with the issues raised by Peter Cohen of the lacking vision of the cities planners and city agencies, supervisors and mayor, on what kind of housing and how should we mandate the inclusion of housing and development of units to ensure equitable availability of housing stock for future citizens of San Francisco be they working class or dot.com millionaires.

The solution is one that has not been discussed or vetted adequately and will only be taken seriously if it is developed in a vein palatable to the majority of the population. In the same vein that the Bay Guardian article on the Presidio showcases and garners so much input in regards to the designs proposed for our shared public domains, the need to also rein in some larger plans and projects for housing the working class in SF needs to be initiated, it requires exactly what articles in various papers and commentary point towards, a need for big-business and dot.com development along with institutional growth to co-pay for the need funding and planning of cooperative housing developments throughout San Francisco in different forms. I would suggest to Mr. Cohen that we mandate that the city provide through planning initiatives such as open-competition, and international interests, designs and ideas for where and how to build the future housing stock of SF. The housing though needs to be tempered because as we all know real estate dictates the terms of this city, and landlords as well as property owners would be aghast if we say we should utilize eminent domain to grab single family homes in St. Francis Woods to re-densify as co-ops.

We need to look seriously at precedent, a word un-used in city planners vocabulary but needed in relation to see how larger scale projects that were successful in providing housing prior were done in the city. The initial site for such review is of course the one currently in the courts and providing a showcase in how not to redevelop the site which is Parkmerced. The ongoing destruction of which continues along Brotherhood way with 1 Million Dollar units that eviscerated a public park on a public right of way, and continues to massacre trees and destroy the vestiges of privacy that was part of many units prior on the southern edge of Parkmerced’s family styled town-house units.

Parkmerced show how not to deal with existing housing stock and ignores simple principles of environmentalism such as preservation and use of the Mills-Act to renovate and rehabilitate units in Parkmerced, densify at the parking structures and parking garages, and re-do the towers, or parking lots at Stonestown in land trades to ensure the protection of green-space and open-space of Parkmerced.

If the majority of housing development in SF along market such as 38 Dolores, and other sites pipelined to date such as Parkmerced, Treasure Island and the Bay View Hunters Point Project, were required to build up-front the units on site that required buy-in with requirements to stay 10+ years to be vested, but allowed flexibility to move to smaller units when and if unforeseen circumstances such as a job change occurs, we could have a revamped housing situation where housing being built provides the stepping stones towards buying in to higher valued areas. We do not want to see what is occurring in Amsterdam where families are forced to the cities outskirts due to prices to new social housing only to

feel ostracized, they must feel included and welcomed in the designs and ideas, and problems finding housing even in the most well thought out concepts of socialized housing such as in the Netherlands, the impact is becoming too divisive in how divisions are created in housing between those that have and have-not. In NYC a developer proposed a separated entrance to a development for the lower-income residents when forced to include the units in the design on-site. Are we becoming so entrenched a profiteering nimbyistic society that we are forgetting that housing is an essential need, just like food and water, and a place to find refuge is becoming obsolete in San Francisco.

Co-op Housing is the needed solution for San Francisco it provides density, and opportunity while ensuring that housing purchases and people interested in living in SF are contractually bound to support and enrich the community where they live. If housing is developed in a similar vein to how Parkmerced was originally designed and developed there would be a better sense of community and longevity to living in the same unit, but having the flexibility of moving to a smaller unit or assisted and shared facilities. Many of the long time residents of Parkmerced were 2nd and 3rd generation's staying in the same units, and many of the older residents decry why the city does not reign in SFSU-CSU and other growing institutional development that cannibalizes the housing stock such as Stonestown and Parkmerced, but provides little solution to the traffic, parking, housing and social issues they create.

If the University Park South blocks were required to be Teacher Housing, and Staff Housing for the employees of SFSU-CSU the blocks would be more stabilized than the student turn-over currently that has eroded the sense of security and family styled living Parkmerced once enjoyed. The result of years of sell-off of amenities to SFSU-CSU and developers like the 800 Brotherhood Way project only bode more ill for the future backbone of rental housing in SF.

The Co-Op solution could provide a better solution for Parkmerced, and other areas of the city, if units were developed on empty sites, provided as additional density bonuses and assistance to finance the developments if they meet requirements on preservation of units, access to existing transit infrastructure, and assurances that they are built in ALL areas of the city and not imbalanced and spot-zoned developments as has been the case in the larger pipe-lined projects.

Urban re-densification comes at a price, environmentally, physically and emotionally as we must tackle issues that go beyond most of our petty instincts on housing and red-lining in the consistent battle between landlords, tenants, property moguls, home-owners, and business interests. Yet we need to begin to develop a common core of understanding in terms of what worked prior, and why was it so successful as a development. Parkmerced was built at time when housing needs and prices were similar in debate, we just need someone like Leonard Schultze, Thomas Dolliver Church and a money-backed interest like Met-Life, perhaps there is a Twitter/Google/Facebook solution that can come from a more focused effort on design, vertical development of existing areas, and looking at real estate not per site, per parcel but per community for the betterment of all involved. Parkmerced's sister development Parkfairfax in Virginia became a co-op, why should we not look into such solutions now before the Parkmerced "vision" becomes a vision of \$3500 for a studio and nothing for the ordinary citizen.



IN *San Francisco*

YOU CAN LIVE
BETTER AT

Parkmerced

A SIZE AND PRICE TO FIT YOUR FAMILY
FROM 1-BEDROOM SUITES TO 4-BEDROOMS 4 BATHS
FROM \$79 TO \$350 PER MONTH
CHILDREN WELCOME • SUPERVISED RECREATION
FINEST SCHOOLS

Tower View Apts.



Garden Court Apts.



DeLuxe Patio Homes



Rental Offices & Display Apartments at
100 FONT BOULEVARD PARKMERCED
Open 9 a.m. to 6 p.m. daily
including Saturdays and Sundays
Telephone JUniper 7-6322

Parkmerced provided the idea of family housing and could have been a co-op and can still become one if the city thought through properly the development agreement with Fortress Investments (currently still in court)



Housing as a mixed collection of types and income levels providing flexibility and opportunity to change.



Aerial view of Parkmerced, which is denser than the majority of the single family housing in surrounding neighborhoods. The SFBG ran an April Fool's joke which was dead on when it suggested Stellar Management was buying up another site in the sunset for a 2nd Parkmerced!



Integration of old and new is done regularly overseas why cannot it be done here?



Housing sites in Germany, France, Amsterdam and England can provide a wealth of ideas on how to integrate and provide better density with landscapes and space that is enjoyable. (Woodlake in San Mateo comes to mind when I see such housing above.



Parkmerced was featured in the 2008 Marvels of Modernism Landscapes @ Risk on the Cultural Landscape Foundation's website www.tclf.org and could still be on the national and state register's if the owner's were to invoke the mills-act in renovating the units.



Density and infill can take a variety of ideas from micro-units, to new towers. Narrow sites and odd lots actually provide fantastic solutions when ideas and competitions are invited. Such was the ideas of the Bau-Haus and international invites.



Housing in socialized settings often helps breakdown barriers, and provide inter-relationships in the housing communities that flex over time allowing change, and adjustments.



Although sterile in appearance, these units display a similar look and feel to that of Parkmerced when it was originally built, and give nature the more pronounced display, in 10-20 years this area's landscape will look like Parkmerced's 70 year landscape in the making.

Supplemental Materials: Comments R1-15 and R1-16

RECEIVED

FEB 07 2014

San Francisco Formula Retail
Potential Issue Brief Topics

Received at CPC Hearing 1/23/14

S. Smith

CITY & COUNTY OF S.F.
The City will select a total of four issue brief topics for further study.
PLANNING DEPARTMENT
M E A

Already Selected

- a. **Explore the potential effects of changes to "formula retail" definition:** Study the potential impact of proposed changes to the definition "formula retail" in the Planning Code (e.g., changes to uses that come under the definition of formula retail, new ownership criteria) on the number and types of businesses that are likely to be subject to formula retail controls. Existing establishments in San Francisco (from D&B database) will serve as a proxy for understanding potential impacts (with the caveat that existing businesses are not subject to the FR controls).

Other Potential Issue Brief Topics

- b. **Focus on one specific store type (1 issue brief per type -- e.g. restaurants, grocery, coffee, pharmacies, pet stores):** Compare square footage, employment, cost of goods (qualitatively), other factors TBD for formula v. independent; map establishments by size or other relevant characteristic; lit review as available.
- c. **Expanded analysis of the Supervisorial Districts:** Add additional detail to the Supervisorial District analysis, including incomes, other demographic characteristics, and physical characteristics as available.
- d. **Additional characterization of existing formula retail in San Francisco:** Characterize existing formula retail at the citywide level by size of chain (number of outlets in chain), square footage of establishments (e.g., how many are big box?), ownership (how many are headquartered in San Francisco/Bay Area/California?), type of retail (apparel, discount stores, etc). Explore businesses that are "on the edge" of formula retail definition, with slightly fewer or slightly more than 12 establishments (e.g., Books, Inc.).
- e. **Employment impacts of formula retail v. independent retail:** Supplement analysis of total employment and employment density with literature review on job quality factors.
- f. **Relationship between formula retail and local retail real estate market factors:** Assess relationship between where formula retail is located, and local real estate market factors (e.g., average asking rent, vacancy rate, average months on market, construction activity, sales volume, sales price). Note: need to select the appropriate geography for this analysis (by Supervisor District? Select particular concentrations of formula retail and compare to the rest of the city?).
- g. **New buildings and formula retail:** Study prevalence of formula v. independent retail in recently constructed buildings.
- h. **Threshold concentrations of formula retail:** Assess level of formula retail in the Supervisor Districts in relation to each other and other factors; compare to thresholds set by other cities; discuss factors that might affect the desirable/acceptable amount of formula retail different neighborhood commercial districts.
- i. **Relationship between new formula retail and existing independent retail businesses:** E.g., how sales or employment at existing businesses change or are affected by the introduction of new formula retail in the area.
- j. **Urban design impacts of formula v. independent retail**

Key:

Green = Data available

Red = Significant data/methodology challenges

Topics the City is Exploring Separately (Office of Economic Analysis)

- Sales trends for formula v. independent retail businesses
- Price differences at formula v. independent retail businesses (prices of a standard basket of goods)
- Economic impact of consumer spending at formula v. independent retail businesses (multiplier effects)

Not clear to me what exactly is meant by limiting comments to only the “recirculated sections of the EIR.” and The “Revised Alternatives Analysis” document makes references to various other CEQA category sections from the former voluminous Housing Element so I have to wade through those as well. So the noticing was not clear on what you want. I request that this item be re-noticed for 45 days or extend comments to March 3.

The “Alternatives” document mentioned Transit impact and mitigated it to “less than significant.” * * * There is *SIGNIFICANT* Muni incapacity TODAY. * * *

The 38, 38-L, 5 lines have blown past me due to overcrowding at Van Ness and Inner Richmond. Evening commute hours are worse. The City created a new 5L-line to address the incapacity of the 5-Fulton line. I get bypassed at Japantown on Geary when the bus skips the stop when too full. It took me 1 hour and 45 minutes on crowded articulated sardine cans to get across town to Bayview Hunter’s point. The 14 line is horribly packed. The N-Judah is full by the mid-20 avenues. So now there’s a new N-Judah shuttle to handle the people from UCSF Parnassus to Cole Valley. 28 bus too crowded for SFSU / Park Merced area. If you are mid-line of a route, you’re screwed.

I heard one rider say she was giving up and buying a car so she will add to SF’s roughly 80% auto mode. SFMTA’s idea of adding 67% new long buses by 2030 is TOO LATE. We are in overcapacity mode NOW. The new buses will have fewer seats so more people can be squeezed on standing. How will the 1 million people who will be living in SF soon get around on Muni?

You tell people to take transit that does not work for the existing riders today. They then drive but you choke them with parking issues and other impedances. The report says through 2040, 11% of autos will be from the GG Bridge, 18% from Bay Bridge, 21% from San Mateo. Being unable to get on a bus, unable to drive and not having housing for BOTH the low and moderate income working people, you will create a less diverse economic city and see an exodus of this group which is now a larger “community of concern” with the overproduction of “market-rate” housing.

- 2004/2009 Housing Element purposely written vaguely & broadly and the **EIR will be used for ALL future developments in SF for the next 50+ years!!**
- • SF's RHNA for 2014-2022 will be 28,869 – **SF lags behind in building LOW and MODERATE income units but overproduces “market rate” housing**
- **BIG changes to hit YOU** -- next door, your whole block, your neighborhood
 - **increased densification**
 - **significant transit impacts**
 - **impacts to neighborhood character**
 - **increased noise and vibrations**
 - **City and neighbor may not give notice depending on noticing triggers**
- • Say **GOOD-BYE** to low-density areas (RH-1 & RH-2) ^{MIDDLE CLASS} by changing the parameters in Planning Code -- **70% of SF!**
- **Code definition changes for all other residential areas (RH-3, RM-1, etc.) to increase # of units – cram and jam**
- • Allow for **“IN-FILL” units CITYWIDE**
 - Additional units do not stay “affordable”
 - Units turn to “market-rate”
 - More units into starter homes means fewer people can buy at cheaper entry prices
- • Do you want **LESS or NO REAR YARD or SIDE YARD OPEN SPACE** granted via variances?
- • Do you suffer from **MUNI'S OVERCAPACITY?**
- • R U willing to **PAY for BILLIONS of \$\$\$\$ of GENERAL OBLIGATION BONDS?**
- R U willing to **PAY for INCREASED PROPERTY TAXES?**
- R U willing to **PAY for a 9-10% SALES TAX INCREASE?**
- **ORDINARY SF-ers are:**
 - Low income
 - Working middle class
 - Seniors on pensions or social security
 - Disabled
 - Going to **PAY, PAY, PAY for WATER, GARBAGE, TRANSIT, ENERGY for the 1,000,000 people expected to be in SF by 2030**

R. Hillson

Supplemental Materials: Comments R1-37 and R1-38



Received at City Hearing 1/23/14

S. Smith

San Francisco Tomorrow

Since 1970, Working to Protect the Urban Environment

BY HAND DELIVERY

April 18, 2011

RECEIVED

FEB 07 2014

CITY & COUNTY OF S.F.
PLANNING DEPARTMENT
MEA

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City of San Francisco
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102

Re: Support for Kathryn R. Devincenzi's Appeal of Certification of Final Environmental Impact Report for 2004 and 2009 Housing Elements and Related CEQA Findings, Environmental Findings and Statement of Overriding Considerations per Planning Dept. Case 2007.1275E and 2007.1275EM.

San Francisco Tomorrow hereby supports the appeal to the Board of Supervisors by Pacific Heights Residents Association, et. al., by Kathryn R. Devincenzi on April 12, 2011 regarding Certification of the Housing Element EIR.

The appended SFT supportive appeal documents are submissions to the Planning Commission of March 7, 2011 with appendices followed by that of March 21, 2011. These cite relevant state codes stipulations regarding Housing Element requirements that have not been met by the Planning Commission Housing Element (H.E.) current submission to the BOS.

Troubling is the absence of Planning Commission responses to the concerns raised by SFT that require reasonable objective, professional discussion. For example, a continual omission from the proposed H.E. is the lack of specific implementation program proposals as required by state codes. Without the provision of specific means there cannot be implementation. Further, an assertion by the H.E. that adequate resources are available for implementation of housing needs continues to be conflated by a lack of specific indications that the city has sufficient control of those resources and mitigation means to enforce the necessary means of mitigation. Good intentions are insufficient for implementation.

Sincerely,
Bernard Choden for SFT

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To: SAN FRANCISCO PLANNING COMMISSION
Fr: Bernie Choden, representing SFT
Re: Further specification of State Housing Element requirements.

March 21, 2011

The following further specify the requirements for the city's Housing Element in response to the Planning staff's responses to my comments.

I state that a requirement of the H.E. is that policies be an "an administrative directive intended to be enforced", I emphasize that the H.E. contain professional suggestions for implementation of policies through objectives, programs, codes and ordinances to the BOS. The responsibility of deciding whether these suggestions for implementation meet the city's priorities and resources capabilities lies with the BOS and not with the Planning Commission. Per the State Government Code, I note:

65580: "(d) Local and state governments has a responsibility to use powers vested in them to facilitate the improvement and development of housing to make adequate provision for housing needs of all economic segments of the community."

"(e) The Legislature recognizes that in carrying out this responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the General Plan and cooperate with other local governments and the state in addressing regional housing needs."

The key word in the above citation is FACILITATE. That means the H.E. must recommend means to enforce the H.E.. Further, the Planning Commission intent to implant "transit villages" upon the H.E. priorities is a means of avoiding the clear intent of the state legislation that implementation of the H.E. "is a priority of the highest order."

65581: "(c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of state housing goals, provided such a determination is compatible to with the state housing goal and regional housing needs."

The key words in the above citation are "ATTAINMENT OF STATE HOUSING GOALS."

65583: "The housing element shall consist of an identification and analysis of existing and projected housing needs and statement of goals policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing."

This states the clear intent for the H.E. to suggest means of implementation within the constraints of the city's resources.. Additionally, the city's H.E. lists series of institutions and their finances without clearly stating what their object obligations

must be. Missing also are programs to deal with code compliance, overcrowding and preservation.

State Code element (3) deals with an inventory of land suitable of residential development. While the city's provides an inventory of vacant land, it is not a full inventory of all suitable land. Further, the Code specifies that means to make such lands available by means of identified five year funded programs to be presented in the H.E.; this requirement is fully ignored by the city H.E.. The vacant inventory is so much wasted paper given no further intent as to promote its use.

As a further comment regarding H.E. requirements, Planning staff comments that housing related to employment is not fully specified by me although staff fully ignores that relationship, required by Code, in indicating employment location relevancy to housing. With consistency, the Planning Commission has changed the occupational modality of the city's blue collar workers by eliminating their jobs through unwarranted BNP approvals such as in the Eastern neighborhoods. There testimony indicated upwards of 7,000 such workers will lose employment through land use changes that cannot be fully justified by application of the General Plan and previous laws. Those workers will need to migrate out of town to less dense areas using their autos because transit will not suffice for getting to "foot-loose" blue collar employment. The records of the MTC are available to staff and, therefore, it is not incumbent upon me to provide them as staff suggests.

Given the above, I believe that the city H.E. is not complete.



San Francisco Tomorrow

Since 1970, Working to Protect the Urban Environment

TO: SAN FRANCISCO PLANNING COMMISSION
ATTENTION: R. MIGUEL, PRESIDENT
RE: HOUSING ELEMENT ADOPTION

MARCH 7, 2011

Dear President Miquel:

San Francisco Tomorrow believes that the proposed Housing Element does not meet the requirements indicated by state law or for purposes of professional recommendations that can provide the Board of Supervisors with necessary tools to make a "good faith effort" within the scope of the city's priorities and resources. A summary of our objections to the present Housing Element proposal follows:

1. The H.E. must be implementable as to means and resources to meet the variety of housing needs by means of directive policies. Nominally, "policies" are statements that are an "administrative directive intended to be enforced." The H.E. still lacks the required work programs by which its policies would be implemented.
2. The state requires an analysis of past H.E. performances that is entirely absent in the proposed H.E..
3. The background data lacks the scope and correlated analysis necessary to identify variety of housing needs by households, seismically unsafe locations, access to employment / investments and services.
4. The ability of the city/county to provide services and infrastructure is greatly misstated and left without implementation means and alternative resources.
5. The H.E. does make proposals regarding zoning and parking that are unfounded regarding how they would specifically provide for affordable housing and also meets the tests of necessary location and special needs.
6. The H.E. lacks implementation correlation to other General Plan elements.

The above criteria was provided to the Planning Commission and you by SFT; yet none of our concerns and suggestion received acknowledgement or response.

Thank you for your attention to our concerns.

Sincerely,

Jennifer Clary, President

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March 2, 2011

Honorable Members of San Francisco Board of Supervisors

RE: APPEAL OF PLANNING COMMISSION
CERTIFICATION OF PARK MERCED EIR CASE NO.
2008.OO21E.

On behalf of San Francisco Tomorrow, we submit an appeal of the Planning Commission's certification of the Park Merced EIR. Case No.2008.0021E on February 10, 2011. The reasons for our appeal are the many unresolved environmental issues raised at that hearing by Planning Commissioners and the public.

In sum, these issues include: (1) failure to include and analyze an alternative encompassing physical preservation of low rise affordable housing; (2) inclusion of a non-viable continuation of rent stabilization as a mitigation, (3) failure to adequately consider PG &E pipeline safety in terms of construction and long-viability of the area, (4) failure to protect the historic, iconic architectural heritage and commodiousness of this modestly dense model of American development, (5) area wide environmental impacts such transportation, (6) sufficient economic area analysis to ensure the developer and city will have implementable timely mitigation resources, and (7) the actions of the Planning Commission did not follow due process as required by the City Charter and normative legal procedures.

More detailed explanation of these issues is attached, primarily from the February 10 hearing.

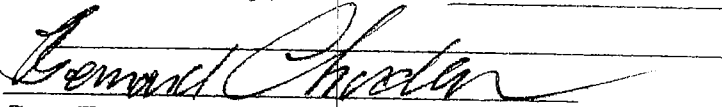
A further issue is that not only was certification of the EIR

premature, in light of missing analysis, but that action was taken on a complex development agreement whose content was being substantially amended minutes before the hearing ended late in the evening, not providing the public or the commission adequate time for review.

It is time to be more deliberative and accountable for this major and important project.

Signatures of appellant

____ Bernard Choden, Chair Planning on behalf
____ Jennifer Clary, President

A handwritten signature in cursive script, appearing to read "Bernard Choden", written over a horizontal line.

San Francisco Tomorrow

Attachments:

Stuart Flashman Statement
Bernard Choden Statement
Planning Commissioner Kathrin Moore's statements
Aaron Goodman Statement
Supportive Testimonies



San Francisco Tomorrow

Since 1970. Working to Protect the Urban Environment

April 13, 2011

John Rahaim
Director of City Planning
1650 Mission St., Ste. 400
San Francisco, CA 94103

RE: Request for Fee Waiver as a neighborhood organization

Dear Director Rahaim,

I am writing this letter to confirm that San Francisco Tomorrow (SFT) is a neighborhood organization according to the definition specified by your department. Our organization was established in 1971 to protect and preserve San Francisco's neighborhoods, and have frequently acted in that role. We have been listed on the Planning Department's list of neighborhood organizations for many years.

In the matter of the appeal of the Housing Element, I have also authorized Bernard Choden to act on behalf of our organization supplementing Kathryn R. Devincenzi Appeal of certification of Final Environmental Impact Report for the 2004 and 2009 Housing Elements and Related CEQUA Findings, Environmental Findings and Statement of Overriding Considerations for Case #'s 2997.1275E and 2007.1275EM.

Sincerely,

Jennifer Clary
President

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San Francisco Tomorrow

Since 1970, Working to Protect the Urban Environment

To: San Francisco Dept. of Planning
Attention: Bill Wycko, Environmental Review Officer
Fr: Bernard Choden
Re: DEIR Housing Element 2010
Aug. 31, 2010

San Francisco Tomorrow has submitted a review of the draft DEIR that is expert, objective and in conformity with the purposes of state law. It is our conclusion, that a delay of approval is necessary in order that others may review the DEIR as fully and as objectively as we have. To this end we suggest appointment of a panel of non-conflicted experts who would use the extended time to evaluate those many portions of DEIR that do not provide either a sufficient analysis of needs nor effective mitigations for action by the Board of Supervisors.

In order to assure the city of its due subventions, we suggest that the city send the Department of Housing and Community Development a letter of intent regarding the city's commitment to meet the objectives noted above within the additional time.

SFT is the oldest city's environmental organization and it is distinguished by its many highly relevant proposals for the city. SFT is not a "stake-holder"; we believe our views are objective and expert regarding the needs of the city's people. We hope to assist you with suggestions for a review panel and its relevant agenda.

Sincerely,
Jennifer Clary, President



San Francisco Tomorrow

Since 1970, Working to Protect the Urban Environment

To: San Francisco Dept. of Planning
Attention: Bill Wycko, Environmental Review Officer
Fr: Bernard Choden (em: Choden@shcglobal.net)
Re: Review of the Housing Element EIR
Aug 5, 2010

The Housing Element EIR and its underlying Housing Element document are deficient and premature in meeting objective professional and legal requirements for state Government Codes 65580 thru 65583. The over arching purpose of a Housing Element is to create and sustain localities capacity to adequately house its present and projected workforce and population, with a balance of housing types, sizes of units, ranges of affordability and land reserves.

San Francisco faces unusual challenges including its relatively high residential density, high costs, and its geographic position in relation to surrounding suburban highly urbanized counties. The existing draft Housing Element lacks reality and is particularly deficient in meeting legal requirements as detailed below. This severely compromises the foundation and adequacy of the environmental review.

An evaluative comparison, as required, of the effectiveness of actions promoted by the Housing Elements of 1990 to the present.

Sufficient data as to the scale and type of diverse housing needs, mitigating resources and institutional means to meet those needs.

Mitigation recommendations, as required, for a five year action plan as to costs, location, scale, diversity, ordinances, codes, resources and intended implementation means.

Infrastructure and service resources available for the identified life of the mitigations.

Health, welfare and safety concerns relevant to housing such as structural and life loss through seismic events and an inability of the locality to provide acute hospital care during disasters.

Contributing to the weakness of the draft DEIR, is the "policy" lexicon of 'promote, encourage, enable, ensure, vision, consider and support' -none of which provide specific action recommendations for the mitigation of unmet needs. The correct definition of

“policy” is an “administrative directive intended to enforced.” Without the proper use of the term “policy”, the EIR/Housing Element document lacks both appropriate mitigation measures and enforcement. **In sum, it is not possible to measure the impact of platitudes.**

Detailed commentary:

BACKGROUND:

1. Efficacy comparisons for Housing Element proposals from 1990 to the present is absent from the draft EIR/Housing Element and would likely indicate a major shortages of accomplishments. Clearly, far more market rate housing has been constructed or approved or is now in the pipeline, often on endangered sites, than needed housing for low and moderate income residents. The process obviously lacks the means to establish a commitment to professional and legal requirements of a Housing Element. The lessons to learned by the comparison process and identified shortages of accomplishments must be part of any acceptable draft.
2. The draft needs a “best practices” data abstract to be added to lessons learned from prior year comparisons. How do other entities achieve housing betterment?
3. The population basis for needed housing mitigations is flawed. Reliance on the state Dept. of Finance limits the draft to an insufficient analysis that is short of economic substance. More substantial, professional resources need to be considered that take into account current jobs/investment probability such as the current, prolonged recession. Projections from the current population base estimates of growth vary wildly. For example, the CCSF Dept. of Environment assesses current population at 841,000, far more than the draft assessment. When coupled to the draft’s estimate of (mostly market rate) 65,000 new dwellings in the pipeline is added to the current stock, we reach a population potential approaching 1,000,000 persons in the short run. That is a current potential that already exceeds the draft’s estimate for a population twenty years into the future. That and the unacknowledged potential increase of on-site employment in the city and regionally will place far more stress on the city’s capability to provide infrastructure and services. **The city’s “holding capability” will be stressed beyond our capabilities.**

The DEIR does not provide cost estimates for infrastructure improvements needed for substantial population growth and the constraints on population to the city/county financing such improvements. Further, such finances requires significant front end loading because most such infrastructures are high capacity systems requiring large terminus investments that must be acknowledged by the DEIR as requiring funding commitments by various means of mitigation.

4. The draft seeks a jobs/ housing assessment of need that ignores the regional realities that exist beyond the political boundaries that affect both opportunities for mitigation and deficiencies in likely resources and means. For example, more lower paid workers are forced to travel from the city to lower density areas with

less public transit. These are areas with necessarily less public transit. Because much of this employment often is short term, workers must be able to use their automobiles. Although such areas have limited affordable housing, outbound workers must continue to reside in San Francisco. Yet this unfortunate but necessary process is inhibited by the city's indiscriminate policies of car less housing developments abetted by the DEIR's indiscriminate recommendations.

5. The population analysis lacks **correlated** information regarding family size, incomes, job skills and locations, and special physical needs. Unless we can specify the diversity of needs, we cannot gauge the type and level of housing that must be produced or conserved.

The Mayor's Office of Housing has provided some of this information in its reports to the federal government regarding its use of federal subventions. The draft ignores this subsidiary and, often conflicting, data resource.

6. Data is missing on units that are obsolete or deteriorated beyond minor rehabilitation by size, location and income occupancy and probable costs of replacement.
7. The approximately 30,000 illegal housing units identified by survey in the 1990 Housing Element are unacknowledged in the 2010 draft as to present day disposition and condition.
8. The seismic endangerment study, "Preventing a Catastrophe," by the Dept. of Building Inspection identified approximately 4,900 soft story residential buildings with five or more units subject to retrofit needs. Of these, about 3,000 buildings have rent controlled units. Involved, therefore, is more than 10% of the housing stock for which there is no assistance program to protect both seismic safety and affordability.
9. High rise residential structures are insufficiently protected against seismic survivability especially with the delay in adoption of CAPS II. Yet, the Planning Commission continues to approve construction of such buildings often on unstable land. This issue is a prime example of the lack of government actionable commitment to the policies of past Housing Elements.
10. The holding capability of city for residence and commerce is more limited than acknowledged by the draft. For example, water availability at an affordable cost is limited both by source limitations, especially with regard climate change, and the increased service demands of its 2,500,000 service populations in the Central Valley and San Mateo County. The continued upgrades of this service is further impaired by severe costs overruns. Waste disposal is constrained by cost limitations imposed by the need to improve its digester treatment with regard to secondary and tertiary treatment and reuse principally for residentially associated uses.

MITIGATIONS:

1. Comments regarding the 2003 Housing Element are appended (B) and offer the same view as present observations.

2. Mitigation recommendations for the 2010 draft derived from the state Government Code and professional assessments submitted to the draft scoping hearing are appended (A) and appear in the draft DEIR CD. These and others previously submitted to this process follow in more detail.
3. The draft must be in accord with the General Plan(GP); however, this plan is both obsolete and lacks integrated planning and implementation actions especially with regard the Capital Program and Economic Program. Further, the GP is not consistent with the city's zoning code. This GP is now under legal challenge with regard its applicability to the Market/Octavia BNP. Piecemeal additions to the G.P. have no cumulative impact analysis or mitigations and, therefore, lack legal substance with regard integration with the Housing Element.
4. In order for the housing program to conform to the holding capability of the city for its limited resources a "**Quota Zoning**" system of public priorities, bidding processes and public use criteria should be imposed on neighborhood regions of the city. The ability to build in such areas would be governed by each area's holding capacity for infrastructure and services. The incremental costs of providing specific holding capacity needs must be identified. Entry for developers would be by a bidding process. Since individual lot zoning would not be involved the process would be legal.
5. Surcharges should be imposed by the city on zoning density increases based upon the value of the development on the parcels. The derived revenue could then be allocated as a public benefit for making housing affordable or for mitigating associated cumulative community impacts. The legal basis for this proposal is that land, especially urban, is a "monopoly in space." Urban land is not a "free market" commodity that can be bought and sold nor was that intention of the Supreme Court in creating the Health, Safety and Welfare basis for zoning in America. Land is an inelastic commodity that in urban areas, by Common Law, is considered "public goods." Its use then can be prioritized and directed for the common good. . Further, this proposal has the virtue of reducing the prospects for land speculation. This discussion calls for removal of the DEIR recommendation for zoning bonuses. Such bonuses has a regressive cost implication for the support of housing and, further, has no indicated process for the developers' profit to be retrieved for the creation of affordability of housing.
6. A "PROSPECTUS FOR AFFORDABLE HOUSING," 2005, is appended (C) as a means to achieve large scale housing rehabilitation and new development using the example of the cities of Boston, Ma, and NYC.Urban Development Corporations(UDC). A corollary to this proposal is the movement of the San Francisco Redevelopment Agency to such an agency, all of which would be under the aegis of the Board of Supervisors as permitted the state Housing and Safety Code 33200 through 33206. As noted in the appended prospectus, this new agency would permit both NGO's and for profit developers to collaborate in mutual assistance for both rehabilitation and new development. In doing so, the following can be achieved:
 - a. Pre-development underwriting and insurance that could save up to 5% of costs.

- b. Industrialized construction that could save up to 25% of costs. Further, the construction technique modeled on European practices could establish a local industry with sales throughout the region and a growth in construction employment on large scale projects. The example of Newark's (N.J.) work with TRACOPA of France is offered.
- c. Encourage worker/management joint participation .
- d. Enable economical use and development of public land trusts and REIT's that would provide the following benefits:
 - i. Ground rents that provide internal subsidies.
 - ii. Environmental and aesthetic placement of construction without hindrance of lot ownerships.
 - iii. Long term renewal.
- 7. Use of federal Stimulus funding to underpin the above UDC and the seismic safety retrofit through the above organization could provide a means of preserving affordable housing for soft story residential buildings and providing needed employment.
- 8. Consideration of the use of the state's New Communities Act should be re-considered as a means of creating new regional communities where resources and new job growth exists. Ancillary to this need and antidote to central city infilling is the strengthening of regional planning as to scope and authority including use of inter-governmental redevelopment powers.

IMPLEMENTATION:

It is the purpose of the EIR/Housing Element to recommend to the BOS feasible, affordable recommendations for meeting housing needs projected for five year terms. It then becomes the duty of the BOS to adopt these recommendations in a manner that commits the city/county to the implementation of its suggested mitigations. **Without adoption of mutually supportive, comprehensive mitigations there cannot be a legal Housing Element or an adequate environmental review.**

APPENDIX A:

To: San Francisco Dept. of Planning
Att: Wm. Wycko, Env. Review Officer 1650
Mission St. Suite 400 San Francisco, Ca.
94103

Fr: Bernard Choden
85 Cleary Ct., # 11
San Francisco, Ca. 94109

Re: Scoping Hearing on EIR for 2004 Housing Element of the General Plan response.

Nov. 6, 2008

The following are from the California Gov. Code 65580-65589.8 as violations of the clear directives from that code. (H.E. in initial form refers to the Housing Element.) that affect the EIR requirements for mitigation.

65580: The purposes of the H.E. cited are variously unmet particularly with regard the diversity of needs and mitigations required.

65581: The limitations permitted local government require clearly defined competitive priorities and resource limitations. The department's claim to resolve mitigations primarily through market forces clearly ignores the possible use of ground rents from almost \$ 4 billions in public land equities and other subsidy resources. A regional HUD finding in 2003 indicated that 95% of households could not enter the rental or ownership market with a form of public subsidy.

As previously testified, the 2004 H.E. does not sufficiently identify the diversity in housing needs by cross-tabulation of household incomes with such variables as disabilities, ages, tenure, occupations, location of occupations and condition of facilities that would identify special occupancy and vocational needs. For example, the 1990 H.E. cited about 30,000 units occupied without permits; did they disappear in 2004 and what might one surmise about the condition of those units?

65582(l): Requires a sufficiency of water and sewer hookup. Current PUC hearings indicate

that the city lacks sufficient infrastructure and resources to accommodate current and expanded populations. What is the holding capacity of the city as to infrastructure, services and income/job generation? Clear commitment to such sufficiency in advance is required but is not fulfilled.

65583: Analysis is needed as to needs and mitigation for all income levels with inclusion for dwelling requirements for conservation and rehabilitation.

65583(2): Again, this requirement refers to the "availability of financing" and the "price of land." If below market households cannot maintain themselves in the open market because of they lack financing and because of the increasing price of land, then there are environmental displacement issues not addressed in the H.E.. That issue is exacerbated directly by City Planning policy to increase the price of land through upscale zoning without mitigating for the effect such price increases have on housing availability for ALL HOUSEHOLD INCOMES GROUPS REQUIRING HOUSING. To be perfectly clear, the administration's desire to obtain increased property tax revenues through an increase in the price of land violates in some degree the ability of most households to afford housing in their city. The legal equivalent of such action is "**inverse condemnation.**"

The department further indicates that an adequate supply of land exists to meet current and future needs. This is a non sequitur. Such sites are not identified to be suitable as to safety (say seismic events), adequate services, employment location and infrastructure. Secondly, all city land has other usage claims on it, some of which have more substantial economic verity and community needs. Further, the city deliberately lacks a commitment to the institutional and fiscal resources needed to make such land available, by priority, for household developments when and where they are needed.

65583 (B): There are no stipulations for housing replacements resulting from public actions or approvals.

65583 (D): The H.E. must identify all actions needed to make land available (as noted above) during the five year period of the General Plan implementation. Given that the General Plan is both obsolete and lacks an implementation policy mechanism, one cannot have an operable H.E. within, in effect, a General Plan that lacks policy implementation means and, therefore, the General Plan cannot provide a mechanism for mitigation particularly with regard such other required elements of the General Plan as transportation and capital programs. That is, the Planning Department determines "policies" to be a "goal", an encouraging wish. A legal and professional definition of "policy" is "**an administrative order intended to be enforced.**". If you can't enforce the General Plan, it doesn't exist. Without a General Plan, there cannot be a H.E..

The proposed H.E. EIR is not a good faith document.

EXHIBIT A;

Definitions, professional and legal, for use in Housing Elements:

- a. **Background:** Current information, inter-related, in such a manner as to provide the construction of program strategies and priorities through an assessment of housing conditions and personal needs regarding incomes, family size, occupation and place of work and infirmities.
- b. **Goals:** The achievements intended to be gained for housing regardless of time and resource constraints.
- c. **Strategies:** Provide decision makers with choices among varied approaches possible for efficient and effective programs for supportable affordable housing policies in a timely manner.
- d. **Programs:** What is to be done; who is to do it, and; what are the resources to be committed.
- e. **Objectives:** The time in which programs are to be carried out.
- f. **Policies:** These are “administrative directives intended to be enforced” with regard specific programs and objectives as necessary to create an efficient, effective affordable housing program.

APPENDIX B:

To: San Francisco Planning Commission and Dept. of City Planning
Fr: Bernard Choden
Re: Scoping Hearing on the Proposed 2009 Housing Element
Sept. 30, 2009

Appended and resubmitted to you are suggested means for the alleviation of the many housing needs of San Francisco's residents. These professionally considered techniques, or mitigations, should be included in the Housing Element and, therefore, be part of the EIR scoping. Their absence from the Housing Element or its EIR scoping should also be a topic for public discussion.

At the root of our concerns is the practice to treat "policies" as a vague wish, a goal without implementation specifics. Planning practice must acknowledge that the state, in order to receive federal funding, has acquiesced to the federal "Great Society" legislation which defines "policy" to accord with the professionally accepted definition is "**A POLICY IS AN ADMINISTRATION DIRECTIVE INTENDED TO BE IMPLEMENTED.**"

A policy, therefore, must be actionable and effectively time based. The Housing Element excludes, for the most part, remediable, actionable, proposals, regardless of political feasibility, that can alleviate the city's housing needs in terms of ordinances, institutions, techniques and resources. The department over the past 19 years has taken an approach of "MANY PROBLEMS BUT NO SOLUTIONS" so that the city can be permitted by the state, per Gov. Code 65581, to get off of the hook of undertaking an effective, actionable, public interest Housing Element. Your response is urgent:

The Environment Commission reports that housing turn-over last year was 20% or three times the normal rate for the city or the nation. This was primarily due to unemployment and housing unaffordable exacerbated by city planning actions that curtail employment and housing availability for middle and low income families.

While the Housing Element prognosticates a population increase of 50,000 residents, the city officially claims for infrastructure needs a 200,000 population increase, a 25%

increase, for a future total of 1,000,000 residents. Economics dictate that these new residents will be affluent. Circumstances involving competing demands for infrastructure resources during an era of climate change and the city's inability to afford either current or future infrastructure requirements must be a vital part of devising means of providing for the city's housing needs through recommendations provided in the Housing Element for this larger population projection. The city must ration development.

Current changes proposed for development in the city are not considered in the Housing Element. For example, the Planning Commission and BOS approved an EIR for a dysfunctional, unaffordable Central Subway that would Manhattanize Chinatown that, by estimates by representatives of the Mayors Office, would add 30,000 affluent residents without public requirements for mitigation of these effects on the displacement of many poor, elderly residents as well as many merchants. This is poor precedent.

APPENDIX B:

To: City County of San Francisco Department of City Planning

Fr: Bernard Choden

Re: Policies Proposals for the Housing Element Required under current State Law

Nov. 19, 2008

The following documents are submitted for your consideration of policies for the Housing Element.

1. Prospectus for Affordable Housing, a policy proposal document.
2. San Francisco Tomorrow Housing Plan 2000.
3. "The question of the Sale of Development Rights."
4. Comments to the Planning Commission regarding the requirements, program and objectives, June 2, 03 & Oct. 9, 02.
5. Comments to the Plan. Dept. EIR scoping meeting of Nov. 6, 08 reiterated.

The use of the redevelopment process is necessary for an effective implementation of the Housing Element. As an added policy, I also suggest the redevelopment process be under the aegis of the BOS that as a more trustworthy agency that would better conform to state law in full protection of the equitable rights of our citizens and the safeguarding of the city's social and economic interests. As oversight, I suggest the creation of an urban development "ombudsperson."

The legal and professional definition of "policy" is "an administrative directive that is intended to be enforced." Policy proposals that do not include an implementation means are not policies. Such means must include legal and codified basis, resources and institutional aegis. Anything less is a wish without procreation.



San Francisco Tomorrow

Since 1970, Working to Protect the Urban Environment

June 2, 2003

Planning Commission
1660 Mission St.
San Francisco, CA 94103

Dear Commissioners:

San Francisco Tomorrow is deeply concerned that the Draft Housing Element is inadequate, and asks you to delay approval until its problems have been addressed. Our substantive comments are below.

State law requires that a Housing Element must have specific recommendations (e.g. a road map) to enable the conservation and development of affordable housing, within a specified time frame. It must do so for all of the city's present and future residents in terms of their specifically identified needs. **The San Francisco Planning Department's Housing Element does not do this.**

A principal reason for this failure is a persistent attempt by the department to mis-define policies as a general goal. The department thus seeks to avoid its legal and professional responsibilities. The Housing Element should be organized in format and respond to the following appropriate and legally accepted definitions:

- **Goals:** broadly defined future achievements, 'general in nature.'
- **Policies:** administrative directives intended to be enforced.
- **Objectives:** goals intended to be implemented within a specific time frames.
- **Programs:** methods to accomplish goals and objectives.
- **Projects:** specific actions to accomplish programs within time frames.

BACKGROUND

1. **The Element does not identify needs clearly enough to set priorities for proposed programs.** For example, citing the incomes of households without estimating the corresponding character of these households (i.e., size, ages, occupations and work of household members, disabilities or consanguineous relationships) in specific numbers is a programmatically unuseable statistic.
2. **The data for the Element are inadequate and often obsolete.** For example, stating that the city's economy lost 30,000 jobs early in the decade, then grew by 50,000 jobs later in the decade and, then well before the Element was complete failed mention the known loss of 30,000 certain jobs during 2000 through 2002. Some of the most recent job loss is due directly to the Planning Department's policies. For example, the rising costs of

land in areas invaded by so-called 'live-work' developments have made use of such land less profitable for use by blue-collar industries. The department's administrative policies have been blinded by a lack of economic insight and able planning.

Another example lies within the report regarding illegal units. The 1990 Housing Element estimated, with evidence, that the City had over 30,000 illegal dwellings. About four years ago, a former member of the Planning Department's housing planning staff surveyed several hundred new homes constructed in the western half of the city and found that at least 1/3 of them had illegal units. On page 36, the Element states that there is no known number of illegal units and on page 128 cites, unsupported by evidence, the existence of 20,000 illegal dwellings today. This contradiction between Department records, and within the Element itself, needs to be resolved.

3. **The Housing Element does not adequately identify resources:** The Element wrongly states that there is sufficient land for housing needs without specifically indicating what and how many housing needs can be placed into play on these sites in a timely and affordable manner. Why does the economic market not rush to build upon this land? Are there constraints that programmatically need to be addressed?
4. **The report does not, as required by the State, evaluate why the prior Housing Element did not succeed in providing fully effective programs.**
5. **The basis for addressing San Francisco's affordable housing needs is specious:** The determination of San Francisco's long-term housing needs, the Element's goals, is primarily determined by the need for new units determined, speciously, by an formulaic allocation determined by ABAG as to the City's growth.

STRATEGY

1. **A coherent strategy is needed.** Given problems and opportunities (in so far as the report provides them) what are the various approaches that could achieve a workable program ("General Approach", p. 76) and, then, which would be the preferred ones and why?, we need to know why the report prefers one process or program over others. Further, the section of the report that might be an attempt at a strategy, "Terms and Methodology," does not pick up on most of the serious problems identified in the background part of the report.
2. There needs to be a strategic discussion of the institutional roles and collaboration necessary to achieve an effective, unified affordable housing program including the roles and efficacy and efficiency of existing institutions as follows:
 - a. **New development, involving their use of eminent domain, the freezing of acquisition costs for infill lands and for bolstering the efficacy of a public lands trust:** This process could have explored use of ground-rents and the sale of development rights using lands remaining in public trust as a means of lowering

land costs, providing collateral for bond sales and the provision of internal project subsidies.

- b. **Conservation of affordable housing:** processes unmentioned at all.
- c. **Departments involved in the capital improvement process** associated with the enforcement of the General Plan (of which the Housing Element is a part) as required by the City Charter and Administrative Code. For example, the use of the City's good faith and credit as means of underwriting private financing of affordable housing could provide financing cheaper, faster and with fewer hooks than use of the State's bond money. Further, public capital expenditures could be used for co-development of affordable housing with public works such as civil servant housing.

The Element's negative declaration of infrastructure needs related to expanding the expansion of the City's housing stock is wrong. For example, the city's high-pressure fire lines require several hundred million dollars for repair (especially in high-density seismically prone areas) may require a substantial expenditure of \$4.5billion for these system needs. Also, regional transportation studies of comparable areas indicate expensive, socio-economic positive impacts regarding the Element's presumption of forgiveness of home parking requirements.

- 3. **The report does not identify strategies which could ameliorate housing costs for each cost component..** For example, land costs (an inelastic cost), construction costs and finance costs could be reduced using well known techniques such industrialized building processes and collaborative private/public co-development processes that were not operationally examined.

IMPLEMENTATION

The proposals are significantly lacking in several areas; regarding legislative changes (what specific changes are needed); institutional requirements (who must do what, when and where); finance (the necessary techniques and resources) and; in recommending formal working inter-departmental relationships. Outside of on-going programs (which are not critically examined), the Department principally describes actions within the Department's purview, such as zoning, as if that is really all that is necessary to attain an effective Housing Element.

- 1. The Element uses far too many devices limited to persuasion (encouragement or discouragement of resident and developer actions). The Element indicates a lack of timely expertise in regard to many cost- lowering techniques .
- 2. The major Element recommendations are increases in (a) permitted increased densities, (b) parking forgiveness and (c) continued and wider use of the Department's CAP. None of these recommendations are preceded by analysis indicating that these actions would result in more or better targeted affordable housing or less demand for parking.

The premises used for these proposals are totally unsupported by evidence that normally would be addressed in an EIR, and other impact studies involving the holding capacity of the city (with regard infrastructure, services and public/private resources) and socio-economic impacts.

CONCLUSIONS

1. **It is recommended that the Planning Commission delay approval of this Housing Element.** Staff has attempted to intimidate the Commission into the Element's approval by insinuating that the City will loose access to State housing bond money unless the Element is approved by July 1.
 - a. The private finance market can provide housing revenue bond monies at less cost, faster and with less encumbrance than the State, **provided that the City underwrites the bond.**
 - b. An unworkable Housing Element will prove far more costly to the City than the cost of waiting for an effective Element.
2. **The Planning Commission should hire expertise.** This expertise should be free if political or economic ties to (a) prepare a work program for a Housing Element that would be programmatic, effective and efficient and (b) supervise the preparation of a new Housing Element utilizing the cost savings and work force (from a reorganization plan) from a new, single, responsible conservation and development agency for the City/County.
3. **The Commission should recommend that there be a single, responsible coordinating agency for the conservation and production of affordable housing and other public development interests.**

Thank you for you consideration of this matter

Sincerely,

Bernie Choden, Housing Chair
(415) 929-7714

Jennifer Clary, President
(415) 585-9489

PROSPECTUS FOR AFFORDABLE HOUSING: APPENDIX C

Proposal:

Suggested is the use of Commercial Bonds under the aegis of an Urban Development Corporation to create and maintain affordable housing for diverse households in diverse areas of the City. This approach must be creative, multi-faceted and coordinated with all parties involved with affordable housing. Speed and need are the underlying motives.

Needs:

HUD's region IX indicated that only five percent of the households within the City could afford to enter the housing market today. Yet, this five percent of the City's households who already possess homes are the principal target today for home creation and conservation. To add to this small market ready minority are those who seek in this city corporate and speculative vacation housing.

Those engaged in the creation and preservation of affordable housing do so by informal means hindered by very limited resources including the scarcity of low-cost funds and a strong, consistent, coordinated public program. The City needs to change its housing priorities by dramatically changing how it assists in the creation and preservation of affordable housing.

Process:

Proposed is the creation of an Urban Development Corporation that would be invested with right to create private/public partnerships for the development and conservation of affordable housing and associated uses on public lands. The resources for this effort are:

1. A development entity that can coordinate and ensure available resources.
2. Resources on a sustained basis for land, financial assistance and technical assistance.

3. Cost savings through agglomeration and industrialized techniques.

Strategy:

Recent elections have demonstrated that Obligation Bonds for affordable housing cannot obtain public support and that the strife among proposal participants has been destructive of public support and investment efficacy. While property taxes have virtues as a means of spreading the underwriting costs of housing bonds and deepening the level of public support for such bonds they have notable limitations. First, G.O. bonds conflict with the City's other G.O. bond priorities, which are many and, perhaps, for some- un-fundable. Secondly, their use is less flexible than would be desired due to the constraints of law than use of commercial bonds.

However, the effective use of commercial bonds requires a highly coordinate program and direction; thus, the City needs an Urban Development Corporation (UDC) to be, first, a locus for setting public policy and evaluation and, secondly, a sustainable means of assuring and insuring implementation. A UDC would provide cooperative grounds for effective, high quality development for a diverse population and provide the modus for underwriting housing costs by many possible means. Through the aegis of an UDC, the prospect of leaseholds on public lands offers a cost effective and timely sharing of infrastructure and environmental needs together with cost effective design and construction methods.

Use of commercial bonds for affordable housing has several advantages now. They do not require an election; they can be speedily issued by the Mayor and Board of Supervisors subject only to their fiscal viability. Their cost is historically low, a cost assisted by public underwriting, development rights sales and a pledge from the use of derivative revenues from development to assist in the repayment of the bonds and provide substantial subsidies needed to make housing affordable.

Cheaper bonds can be used to lower the cost of construction and/or provide other development benefits that can further reduce the costs for development and maintenance. Raising the cost of the bonds for market rate housing through increased arbitrage can be viewed as income redistribution or/and a means of providing front-end development cost savings that could, and should, benefit both market-rate and subsidized housing users.

Resources:

Revenues: Proposed is issuance of Commercial Bonds assisted by :

1. Public underwriting using either "letters of credit" or letters of participation."
2. Existing public lands bundled together as collateral.
3. A pledge of derivative revenues to fund a second commercial bond that would be used to subsidize housing and development costs from:
 - a. Ground rents from the values created on land.
 - b. Surcharges above the administrative costs of the bonds.

- c. Use of the allowable "possessory interest tax" on land and improvements.
4. Sale of leaseholds and development fees.

Implementation:

Through the aegis of an UDC, create a management board comprised of profit & non-profit developers, professional experts, the Redevelopment Agency, citizens and representatives of the Board of Supervisors. The Board of Supervisors, co-extensively, would create an evaluation commission with oversight authority. Procedures might be as follows utilizing city agencies for staff where warranted and objectively possible:

1. Create an investment and management program:
 - a. Development management.
 - b. Funding management.
 - c. Design and Planning.
 - d. Assistance
 - e. Subsidy process.
 - f. Construction.
 - g. Approvals
2. City and Redevelopment plan approvals *en-masse*.
3. Evaluation and alteration processes.

Example of Construction and Cash flow Process

The sample process indicates the original cost of the bonds can be subsidized through issuance of a second bond that is financed by revenues from bond surcharges, ground-rents and possessory interest taxes that, in total, amounts to more than 30% of the original cost of the bonds. Utilizing mass construction techniques (industrialized construction) provides more costs savings.

The revenue calculations are appended. Because, at this time, it would be too difficult to estimate the market absorption rate for use of the bonds, the table reflects revenue from both arbitrage and ground-rents simultaneously. As a result, the table indicates bond cost savings, roughly, of 60%, half of this amount would reflect reality, because the revenues from arbitrage would decrease as the bonds were sold and retired while ground-rents, in a greater amount would increase as the projects were built out depending upon the absorption rate of new development.

A further caveat, is that the costs of commercial bonds would remain competitive with the market, again roughly, because the costs of carrying a higher bond surcharge would be off-set by interest rate savings obtained through public underwriting either as letters of credit or participation. An additional savings is reflected in the table due to public price control of the land that would, in turn, prevent speculative land prices resulting from the relative inelasticity of land market prices.

Conclusions:

It is presumed that a mix of market rate and subsidized housing will be constructed and/or preserved. Further presumed, is that the subsidies would vary as a mode of income redistribution, through internal subsidies, a means of developing self-sustaining diverse communities.

It is presumed that the feedback of this form of derivative financing can be used in a number of ways.

1. Lower the costs for all subsidized housing using a needs formula.
2. Lower the costs for all subsidized housing and subsidizing Urban Development Corporation front-end services for subsidized housing development.
3. Providing the equivalent of Section 8 individual housing subsidies.
4. Creation of Mass Production factories and sales to the region including investment and employment services.
5. Public acquisition of other development sites in fee-simple or as private/public partnerships. Explore the creation of regional joint-development of new-communities.

Steps Required:**1. A Resolution of Intent by the Board of Supervisors:**

- Limit City land sales to Trust Deeds and uses essential to City's long-term needs including the objectives of this proposal.
- Undertake expedited studies of this proposal by Bond Counsel as to legal steps, risk analysis, efficiency and efficacy utilizing LAFCO as the coordinating agency.
- By administrative directive, amalgamate the City/County agencies involved in issues related to the operations of an "Urban Development Corporation." and a "Housing First Fund" capital holding corporation.
- Create a Citizens Advisory Review Committee to monitor and evaluate the process on half of the Supervisors, the Mayor and the LAFCO process.

2. Implement the Process.

- Incorporate a "Housing Development Corporation" and its ancillary "Housing First Fund."

- Create a staff, principally through amalgamation of existing staff from related programs and an organizational and operational program.
- Transfer operational assess and implement the program.
- Authorize the operation to enter into contracts involving private-partnerships for all aspects of the program, the creation of a mass construction agency involving all modes of construction and joint-development operations with other constituencies within the region that promote the City/County's public benefit goals.

APPENDIX B:

To: San Francisco Planning Commission
Re: Comments on the Draft Housing Element

July 21, 2002

SFT believes that this draft still is a document with major short-comings. While the Housing Element will be probably be approved by the Commission soon, we suggest, at least, that there be stronger, clearer enforceable policies in these subjects of concern:

- A central authority for facilitating affordable housing especially for larger households.
- Provision of adequate Capital budgeting for increased to housing density especially with to regard available resources.
- Provide neighborhood holding capacity analysis in devising density standards especially with regard to adequate infrastructure and services.
- Provide mitigations for reduced residential parking.

In detail our implementation suggestions for amendments to the Housing Element are:

1. Policy 7.2 (p. 149) **City Organization Framework**: Create a single local government source for the implementation of housing development and housing conservation. Amalgamation of various housing organizations into a single agency is needed to more effectively finance the implementation of housing policies. A new agency will enhance the formation of private/public partnerships, the use of cost-saving construction techniques and the pro-active acquisition of appropriate housing sites, a process that will alleviate payments for speculative land and materials prices.
2. Policy 11.2 (p.169) **Capital Budgeting Needs**: Require extensive infrastructure improvements and innovative financing particularly with regard to water, sewer and transit needs, all to be integrated with neighborhood housing.
3. Policy as above, **Holding Capacity Analysis**: Relate residential density to an analysis of each neighborhood's holding capacity regarding infrastructure and services, (such as schools, parks, health and safety) with especial reference to item 2, above.

4. Policy 1.1 (p. 113), **Mitigation for Parking Reduction**: Mitigate the impacts of reduced parking requirements for housing especially in transit/commercial corridors and, where warranted, provide for car share and public transit disability services.

Sincerely,

Jennifer Clary, President Bernard Choden, Housing Committee

APPENDIX B:

January 27, 2009

To: San Francisco Planning Department

From: Bernie Choden

RE: FATAL FLAWS IN PROPOSED HOUSING ELEMENT POLICIES AND FINDINGS

In relation to State requirements for Housing Elements and recent pending court writs related to environmental review of prior housing element work, MUCH IS INADEQUATE OR MISSING:

- Holding Capacity Analysis for San Francisco. No basic analysis has been done of environmental and infrastructure constraints for San Francisco in terms of proposed densities. Seismic risks have been ignored.
- Needs Analysis Fully Recognizing Diversity of San Francisco's Population. Who can pay and who can't? And what are the detailed characteristics of those needing subsidy? Are existing and proposed resources allocated fairly among the various groups?
- Evaluation of Past Efforts. State law requires evaluation of past Housing Element policies and programs. What worked and what didn't? What was left out that now should be added?

- Policies Clear Enough to Be Implemented and Evaluated. The intent and implementation for policies must be identified and progress must be measurable. Policies should not be so vague as to be meaningless.
- Emphasis on Financial Tools and Institutional Changes. Too much attention is focused on zoning and too little on variety of financial tools and institutional innovations. Particularly missing is intelligent use of publicly owned land and resources including the imposition of appropriate ground rents, as is done in Los Angeles.

APPENDIX B:

To: J. Clary
 Fr: B. Choden
 Re: SFT BOS HSG PROPOSALS.
 3/12/09

1. **Development should not exceed the city's holding capacity for infrastructure or services as measured by law and best practices for health, safety and welfare.**

Currently the city does not have adequate holding capacity for its residents for infrastructure, such as sewer and water, or services such as schools. The city has indicated that it is not willing or unable to finance such capacity on a sustainable basis nor is the city willing to commit to such funding and other necessary development resources to such future needs.

Therefore, the city should not commit to further development in the absence of such holding capacity.

Should holding capacity be made available on a long-term, sustainable basis, then development should only be granted on a measurable pro-quid-pro basis by priority quota as determined overall by public needs criteria for housing and employment inter-related citywide and by neighborhoods either on a first come basis or by lottery and by development as best relates to the development pattern of each area. This method of land control is termed "quota zoning."

Development should contribute to the resource and funding of the holding capacity needs of the city in accord with the city's needs for such development including subsidies or surplus values.

2. **Seismic safety assistance for rent controlled below market housing should be subsidized in a manner that preserves the affordability of those housing units.**

Approximately 3,000 residential buildings with about 9,000 units under rent control and that are presently affordable require seismic retrofit subsidies in order to both achieve seismic safety and affordability of that housing. It is unlikely that most of these units would remain affordable with such assistance that might include:

1. Rehabilitation pooling of construction resources and techniques such "mass production" and builders' insurance and architectural and permit assistances.
2. Applying for federal stimulus assistance for aid to contractors and owners to offset costs given guarantees of tenant affordability. These projects would be shovel ready and income

APPENDIX B:

February 11, 2004

Proposed Board of Supervisor Resolutions for Amendment to the Housing Element.

WHEREAS:

The City/County requires a Housing Element that meets State legal requirements and that also provides an effective road map for its implementation. That Element of the General Plan must programmatically provide an assessment of housing needs and the means to meet those needs in terms of specific strategies, policies and objectives as directed by the General Plan and constrained by possible resources.

Approval of the Housing Element is urgent as directed by Section 33333.7 of the Health and Safety Code in order to preserve the City's redevelopment processes. An approved element must also be effective and efficient with regard the timely provision of urgently needed affordable housing for the great majority of San Francisco's residents.

The Draft Housing Element is inadequate with regard background, strategies, programs and objectives. It is also harmful with regard the location, procurement and conservation of affordable housing in a manner that preserves and sustains the quality of life and resources within our communities.

THEREFORE, BE IT RESOLVED:

The following resolutions are proposed to amend the Draft Housing Element so that, (1), a reliable commitment remains to provide a detailed, varied and fundable affordable housing program and (2) commensurate changes be made with regard City policies necessary for the effective implementation of the Housing Element

1. The Housing Element, upon approval by the Board of Supervisors as amended here, shall immediately be scheduled and funded for revision in a manner that

- provides a timely, efficient and effective housing program for the preservation and creation of needed, varied, affordable housing
2. The Zoning Ordinance of the City/County of San Francisco shall be made consistent the General Plan of the City/County of San Francisco in accord with the requirements of State Health and Safety Code of Section 65860.
 3. The placement of housing, within the context of the Housing Element, shall be in accord with the proven, fundable holding capacity of the city and each area of the city with regard infrastructure and community facilities and in a manner that conforms to an enforceable and approved General Plan.
 4. It shall be the policy of this City/County to permanently retain title to all lands it owns or will acquire.
 - Such land may be made available for private development through the sale of development rights or the use of private/public development partnerships.
 - Title to such lands shall be held, financed and administered by a public lands trust in accord with policies set by General Plan as approved by the Board of Supervisors.
 - Revenues derived by the trust from such sources as ground rents and fees and operational charges shall be deposited in the General Fund.
 5. All actions proposed by the Housing Element for further study shall have within the Housing Element specific work programs, funding and staffing required and due dates.
 6. Policies and programs related to the granting of benefits to developers including higher densities and the alleviation of parking requirements resulting in savings to the developers should be refunded in the form of benefits to the community.

RECEIVED

FEB 07 2014

Received at CPC Hearing 1/23/14

CITY & COUNTY OF S.F.

PLANNING DEPARTMENT

SAN FRANCISCO TOMORROW HOUSING PLAN 2000 SUMMARY

San Francisco's households are squeezed by the highest rate of housing cost inflation in the nation. While the need for affordable housing is addressed by a number of agencies administering a variety of programs, the results are woefully inadequate to serve San Francisco's enormous need. San Francisco Tomorrow believes there is an urgent civic imperative to provide affordable housing for (a) people whom the unregulated real estate market cannot serve but who are people necessary to the social and economic fabric of San Francisco and (b) people who require special assistance and support unique to San Francisco. Proactive approaches that we advocate are:

COST REDUCTION

- Facilitating the benefits of large scale purchasing of materials, financing and insurance for local producers of housing
- Reducing the price of land, materials and production through creation of cooperative institutions, production subsidies, tax policy and public underwriting.
- Mixed use developments generating internal project subsidies

FINANCIAL RESOURCES

- Anti-speculation land transfer tax
- Increasing the real estate transfer tax
- Utilizing ground rents from City-owned projects
- Public land bank and trust

PLANNING REFORMS

- Increasing oversight and involvement by the Board of Supervisors
- Accurate measurement of current housing needs
- Comprehensive analysis of alternative strategies, programs, consequences in the General Plan, the Capital Budget and a housing allocation plan
- Regional approaches that preserve the natural environment including New Communities, in fill housing, improved infrastructure and transit and joint powers development

NEW INSTITUTIONS

- New forms of citywide cooperative housing institutions for affordable housing development and management

I. PREMISES:

San Francisco Tomorrow proposes a plan for affordable housing in San Francisco. SFT's proposal is intended to assist creation of the City's Housing Assistance Program (HAP) later this year and which is a required part of the City's General Plan. SFT also hopes that this document will assist discussion of affordable housing related issues during forthcoming political debates. This is because this plan, any housing plan, is about who should live in San Francisco; it about making choices; who makes those choices; and, facing the consequences of those choices.

SFT has a viewpoint with the following premises:

- A. House all persons who need to be in San Francisco.
 1. Utilitarian needs(Jeremy Betham, relative benefits measured in tangible costs).
 2. Distributive justice(John Rawls, intangible costs measured as benefits required for the maintenance of a republican society).
 3. Personal needs, which cannot be met elsewhere.
-

Utilitarian needs and desires are goods which can be measured ultimately in terms of costs. The most prominent ethical proposal regarding this viewpoint is known as the Pareto Optimum (Wilfredo Prareto, an early 20th Century Italian sociologist) that suggest that the goal of utilitarian society is to produce the greatest good for the greatest number of persons.

Alternatively, John Rawls (currently, a Harvard philosopher) proposes a societal economic goal of distributive justice (a redistribution of the economic wealth) that provides sufficient economic means for every individual to gain equal access to justice that also stipulates equal opportunity for access to our republican form of political system. Justice, in this view, is a societal imperative-an intangible- that cannot be measured in direct costs but which has costs that must be paid-at large-by society through its legal and economic systems.

- B. Not everyone who wants to be in San Francisco needs to be or can be in San Francisco.
- C. The City/County must establish effective, implemental, sustainable priorities to house those persons who should be in San Francisco.
- D. The City/County must coordinate its housing programs with other public and private needs and quality of life desires.
- E. Regional housing solutions must be long-termed and implemented in conjunction with investment, job formation, the ecology of the region and public/private infrastructure investments.
- F. While long-term planning and programs must expeditiously be put in place, the City should not wait for determination of the most suitable

2. Discussion of contents will initially be by subject matter, step by step. Participants will be asked to individually edit their recommendations for change at home and bring their rewritten, added points to the next meeting. Literacy questions will wait.
3. When the content is reconciled, the entire document will be transferred to our journalist specialists for editing and publication.

CONTENT:

1. Premises and Goals.
 - premises
 - reconnaissance
 - land costs.
 - construction costs.
 - Public guardian.
 - Processes.
2. Prescriptions.
 - land.
 - construction.
 - planning process
 - 0 reconnaissance.
 - 0 analysis.
 - 0 processes and organizations.
 - 0 policies and programs.
 - 0 evaluation and reconciliation.

Forward and Executive Summary

Choden: 5/17/00

means. The City must take professionally directed action based upon what is already known, what is known to work here and what known expertise can be called upon.

The structure of this paper is based broadly upon an analysis of the components of housing; each component is examined, as part of a societal system, for possibilities that should make housing more affordable and available in the City. Incidental, but essential to our principal quest, are proposals that relate, within the larger geographic area, to the economic, social and environmental underpinnings necessary for making housing available and affordable to those persons who need to and should live in San Francisco.

II. BACKGROUND:

The Mayors Office of Housing has provided an initial survey of needs and programs as a forward to its Five Year Consolidated Plan for HUD. This Plan should form a basis for the State's Housing Assistance Program (HAP) later this year, which is also a required part of the City's General Plan. There is a paucity of data necessary to convert the HUD plan to the HAP. This gap is a critical problem.

In order to help bridge the gap in conception and data, current information has been supplemented, inadequately by simulation, by data from past statewide studies and more current data necessary for simulation.

In addition to the 5 year plan, our data comes from two statewide housing plans- that are, uniquely, sufficiently detailed for our needs but obsolete- and much more current, principally, federal data concerning housing costs. Current data necessary to comprehensively plan for housing programs is far less available to the general public than it was, say, twenty years ago for reasons that infer a general ethical breakdown in the public decision process.

One reason that the City cannot provide sound estimates for housing needs is that these estimates require long-ranged, cross tabulated socio-economic estimates and current population simulations that do not exist and for which there is no will or sufficient skills for its provision (i.e., the Planning Department where such processes, by Charter, are presumed to be available). For example, data such as how many needy families-as to what size and type- there are or might occur later who require how much and what type of housing support in location relationship to existing and potential jobs and services.

Information needed for the 5 year plan to evolve into the HAP plan is:

1. **components** of housing costs by type of unit, condition, infrastructure and services dependency and location.
2. **users** by social class and economic situation.

3. **resources**, public and private, existing and potential.
4. **means** of implementation.

COMPONENTS OF HOUSING:

Land Costs:

Resource availability: For new units, traditional costs per unit were (as they are nationally) 25% of total component costs. In San Francisco, these costs approach 50% of total costs according to recent Department of City Planning surveys. Housing resale prices reflect land costs that more often exceed the land costs of new units. Cost increases, in part, are attributive to:

O Inelasticity: In urban areas, there is only so much land available with regard to the demand for it. In terms of bidding for land, some locations for some uses are more preferable with regard economic, social, interdependent infrastructure and ecological factors (such as seismic safety) than others; therefore, there is competition from other uses than housing for the use of land. Since land is a finite resource (without filling the Bay), it is necessary to create a more intensive and effective use of land in San Francisco, more often involving greater construction costs and legal and institutional prescriptions.

For example, intensively increasing the use of land by increasing housing densities require greater service and infrastructure costs and, if density increase results in buildings higher than three stories (thereby requiring a jump to eight stories and steel and or concrete construction in lieu of wood construction) construction costs escalate from \$ 125 per square foot to over \$ 250 per square foot principally due seismic and other safety requirements.

Further, there are intangible costs (none utilitarian costs) that deal with a lost quality of life resulting from density increases. Many resident complaints concerning feeling of a lost life quality are based on reality but, often, they are without a full understanding of why such a loss occurs or what, as a community, can be done about it.

O Institutional Factors: Besides limited supply, land costs are affected by institutional constraints such as:

Insurance and financing costs: some sites are too dangerous or cannot be underwritten at an acceptable price.

Public intervention: Since land is considered a public resource, in terms of health, safety and welfare (constitutional constraints), it is regulated and taxed with regard public needs.

One means of controlling the price of land is through **zoning**

Of course, there are also sound environmental and dysfunctional reasons for prohibiting the mix of non-industrial uses with industry (i.e., housing) regardless of bidding pressures for land by competition from other uses. Consequently, bidders for industrial land or low density residential land offer prices which reflect legal limits on the use of such land, if such limits are consistently enforced, reflect acceptable legal constraints and have an underlying basis of functional criteria (performance zoning).

When the legal limits set by zoning are not enforced, prices are then set by short term economic opportunity and/or long-term speculative pricing supported by funding underwriters (i.e., Houston) without concern for intangible costs attributed to the public interest , for example, education or social processes.

This bidding war, in cities such as San Francisco, affects housing supply and costs by increasing the supply of high-end, high density, childless housing at the expense of affordable housing which may be functionally more suitable for families with children and multi-generational families. Also, it is a process that directly increases housing costs by lessening access to housing infrastructure, services, supplies and repair facilities.

Unfortunately, the costs to society are increased. Compensation to the public for their increased costs are not included in purchaser costs or, more often, not included in side payments to the governments for remedial actions or too trivial (or misdirected) to be considered as a remedial side payment.

Because an urban society requires affordable housing for workers, land for industrial services and products and land for public services such as hospitals and schools, the increased costs of that land are ultimately passed on to society as consumers of housing, services and industry. Ultimately, institutions and programs must exist which can either sufficiently compensate or protect society for these costs increases. This is the crux of the problem since neither the City's institutions nor programs exists together with sufficient will, integrity and professionalism needed to bring them into a coordinated and efficacious existence.

San Francisco' administration of zoning has lost credibility and creditability as a constraint on the costs of land has two affects:

1. **social inequality** in term of entry to the housing market.
2. **inconsistent economic markets** too unpredictable for long-term investments.

The result is that land prices reflect the highest economic demand for the moment rather than society's immediate and long-term needs and costs (synoptic decision making).

Construction Costs: Two California statewide housing plans adopted by the state Department of Housing and Community Development in the 1970's detected evidence of collusion in the Bay Area wholesale market with regard to the pricing of materials, both natural and manufactured. For example, lumber shipped through Bay Area ports were priced from 15 to 25 % lower in the central valley than in the Bay Area. Similar pricing was noted for plumbing fixtures. Although both Central Valley and Bay Area community-builders engaged in large-scale industrialized construction costs differences between the Central Valley and the Bay Area remained. The state and Bay Area governments chose not to pursue remedial action or provide periodic reiteration of these findings.

There is also the possibility of profit pyramiding, financing and management over-pricing as well as higher pricing due to the scale and type of construction and the greater costs of interacting with the neighborhoods and bureaucracy than elsewhere.

Even without the possibility of collusive pricing, the benefits of mass purchasing and industrialized construction probably will be more difficult to realize in the City due to the necessity to build on a smaller scale than used in constructing suburban subdivisions. In summary, higher construction costs appear, in part, to be due to: (a) the need to meet in-fill smaller site scale of construction, (b) the lack of readily obtainable cooperative construction agreements among smaller scale contractors and/or with public partners in order to obtain the benefits of larger scale, industrialized construction techniques and materials prices and, (c) a lack of more advantageous construction financing.

A question remains regarding the costs of larger scale, non-stick built, housing in the City. The earlier state studies also indicated higher pricing for steel and concrete construction; given the intervention of twenty years since the studies and the appearance of pricing collaboration between government and developers, it is possible that the City continues to suffer from overpricing of housing construction regardless of the scale and mode of construction of housing.

Users:

The great need for affordable housing is well established. In order to provide long-term solutions to meet these needs, the City requires reliable estimates of the extent and variety of these needs. Reliable, specific numbers with regard

the variety and extent of that need is not available because current estimates are based upon the old and limited 1990's census, various estimates drawn from current programs with variable degrees of accuracy and objectivity and the lack of a continuing, coordinate data base and sampling process to make current estimates usable. There is an estimate made by various journals that of the over 330,000 households in the City, only 15% of these can afford to buy a home in the City; and, there is no similar estimate for affordable rental needs. As the Mayors Office of Housing makes clear, there are overwhelming needs, with regard available resources, just with regard the maintenance of current programs and these programs only address the needs of a small portion of the population who would otherwise be eligible for current programs.

By implication, a solution to the affordability concern would be varying degrees of subsidy for home ownership without defining what type and location of home would be required; renter ship, in the same journals, is editorially addressed by suggesting affordability for all is obtained through the removal of rent controls, removal of most building code requirements and the removal of density controls, suggesting the unbridled slum construction of the 19th century. But given reality, the question that remains is how over 330,000 households can be provided with the opportunity to obtain affordable homes, rental or owner occupied, much less homes with the qualities, services and locations due our residents. Then the affordability problem is exacerbated by the need to find homes for new migrants to the City who desire or, even, need to be here.

There are two forces at work here. One is that if you ignore the problem, you can expend the City's resources elsewhere. There other is that of a political expediency that distrusts and avoids, as competitors, objective professional approaches to good government.

IMPLEMENTATION:

Means:

Direct public intervention in the housing market: This process may involve the follow approaches:

Public Housing: direct public ownership (that is now diminishing through a federal and city policy of demolition without full replacement, occupancy by higher income families who replace lower income tenants).

For example, many other cities offer public ownership housing to special categories of occupants; for example, Detroit, New York City and Paris (Fr.) provide artists studio while Pittsburgh (Pa.) and London (UK) offer housing public school teacher and highly valued public employees, all as supplements to their income (much as the military offers housing).

Rental Subsidies: Section 8, senior person housing subsidies and various welfare assistance programs are examples.

Public/Private Co-investment: All forms of public subsidies for housing could be considered to a form of co-investment. For example, the City and the State and some federal rural housing programs offer secondary mortgages at low or no interest for lower income households and then recoup their investment at the time of sale while, usually, limiting the resale price. Section 8 programs were a form of co-investment (albeit a poor ideological bargain).

Various programs sponsored by the City co-invest funds obtained from development side payments. Though substantial and well addressed at first glance, these funds are very inadequate in terms of amounts and programs eventually needed for affordable housing. This inadequacy is exacerbated by more recent, administration efforts to abrogate even these meager side payments (i.e., Proposition M, office development requirements).

A rough estimate of the inadequacy of these side payments is that, for office space, the payments would generate assistance, for a median of need, for approximately one to two percent of the work force needing such assistance.

Redevelopment: In California, redevelopment agencies have significant abilities to create greater housing affordability. For example, the redevelopment process can freeze the valuation of properties at the time of project designation. Further, agencies can use their powers to acquire the underlying titles to project lands thus providing the means for internal project subsidies to public goods such as affordable housing. Further, in California, ground rents for use of public lands provides considerably greater public revenues in the form of constant dollars than the equivalent of property taxes. San Francisco has made no use of these "eminent domain" possibilities for the creation of affordable housing. Other cities, such as Pittsburgh (Pa.) and Newark (NJ) have made the permanent the acquisition of all land acquired through "eminent domain." The value created in land through public action, thus, is retained in these cities and even increased as private development on these lands increase in value. Rough calculations regarding the potential public return through such redevelopment action in the downtown AC terminal area indicate that the City has lost at least \$ 150 millions per year, much of which could have advanced the City's Proposition M policies requiring the creation of affordable housing as a direct by-product of

downtown development (development which would have occurred or even increased as result of pursuing this aspect of existing public policy).

Conservation/Rehabilitation: The City Department of City Planning estimates that over illegal 30,000 housing units existed before 1991; a high percentage of these were below state and city safety code requirements and were more expensive than equivalent legal housing. Since then, without a change in rent and safety conditions, one-third of the new units are probably illegal. Clearly lack of code enforcement and an equitable means of protecting the economic interests of tenants and owners have created a continuing instrument for the creation of more expensive rental housing as well as more unsafe housing, in effect creating slums.

Formerly, the City's RAP programs for conservation and rehabilitation were a national model for public co-investment and assistance, a significant spur to City's salvaging its older housing heritage. This program, for political reasons, was abandoned during the administration of Diane Finestein; this action signaled the end neighborhood stability and housing affordability as principal public goals.

Legal Requirements:

Resources:

Currently, the major resources available for the provision of affordable housing are:

1. Direct government rental subsidies, primarily federal in origin, as noted above

THE FOLLOWING REQUIRES MUCH MORE RESEARCH

Public Guardian Practices: Approximately 60 units a month are acquired by the City on behalf of owners too fragile or improvident to maintain them. In turn, the City sells these units to well informed dealers who, in turn, become highly provident speculators. Clearly the public's housing policy is not in charge.

- **Condition of housing and associated costs:** As indicated above the prevalence of illegal housing units amid the failure of code enforcement processes and ethics have added to the increase of housing costs. Further, the City has failed to adequately survey the

extent of such substandard illegal housing and has permitting the destruction of long-term records which might have assisted in such findings.

-
- **Market Concerns:** It is improbable that the City can provide housing within its boundaries for all persons who either need or want to be in San Francisco.
-
- The holding capacity of the City is extremely limited; further, the Administration has removed the research structure which until four years ago recorded the condition of at least the capital infrastructure's condition (the personal service sectors are still largely unmeasured and prognosis regarding obsolescence and long-term possibilities are unclear given the almost complete lack of long-term planning and implementation decisions).
-
- Even by erasing most density limits, the City cannot provide sufficient infrastructure within the constraints of financing resources to provide for Manhattan like densities. Further, the costs to occupants of increasing densities, given such factors as seismic safety and the increased costs of private services would not only eliminate most possibilities for affordable housing but would render even market rate housing as economically undesirable. Given the disastrous social and urban design implications of a market approach to housing density, housing for the City's job market must be found expeditiously outside of the City perhaps best accomplished through revival of the New Communities Act (that might be administered regionally through a joint powers form of development).
-
- Choice and Priorities: In any case, the residents of the City must be engaged in some form of discussion and resolution, based upon the highest level of professional planning and research, regarding the choice between who must and desires to live in the City. Most of these choices are based upon intangible economics that involve indirect payments, collectively, by society. Unknown is the ultimate costs for affordable and needed market rate housing and who will pay these costs for those persons who should and need to live here. Given the political and professional proclivities of those who guide the City, it is unlikely that this form of engaged democracy and professionalism working in tandem will occur by normative means or in a timely manner.
-
- Filtration is a term raised by the Administration and those who support a market approach to housing affordability. Filtration refers to a process where the creation of new housing creates the possibility for older housing to pass on, as more affordable housing, to lower income

residents. Filtration affects costs and sources of financing inclusive of effectiveness and inequities. With regard to cities such as San Francisco, Filtration is **bogus** concept created by Miles Colean, a Baltimore realtor using Baltimore of the 1950's (at the time, a declining, white flight, rust bucket city). Numerous, well structured studies (i.e., the PennJerDel Transportation Study, 1968, of the Philadelphia metropolitan area and similar studies for Detroit, New York and Pittsburgh) have proved that cities with stable economic situations (a four percent housing vacancy rate, etc.) never develop a filtering down of expensive homes to the less fortunate families. Most people engaged in the process of development know Filtration to be a bogus concept in cities with expanding markets.

There is a caveat with respect to the Filtration of homes owned by older, childless families whose aged life style no longer needs the space of a home more suitable for younger, larger families more often with children and, sometimes with more than one generation. In the City it is very difficult to abandon such larger housing for more suitable, smaller units. The institutional mechanisms, cost transfers and the very real loss of community associations are all factors in the lack of mobility for older persons and, therefore, the absence of Filtration of their homes to younger, larger families. This is a problem addressed in other cities through such programs as a Home Equity Exchange (Newark, NJ. And Oak Park , Ill.).

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- Filtration occurs in such declining cities as Detroit where there is a significant population abandonment and high unemployment; that is certainly not San Francisco's situation. There is no reasonable means by which San Francisco can ever have enough additional housing to provide, through the free market mechanism, the means for Filtration to function especially if this process requires the loss of non-transportable equity or the abandonment of investment collateral.
-
- Relationship to infrastructure resources, needed and existing.

Need for analysis of the City's holding capacity given various trend scenarios involving available resources and related needs.

- Relationship to requirements of an implement able General Plan.

The existing General Plan , generally, is not implement able to the degree that it prescribes San Francisco's future. In the main, it is a set of so called "policies" which are in fact, a wish list, a set of ephemeral goals rather than a plan which is intended to be implemented with sufficient specificity and legal standing to ensure its implementation. In the idiom of public administration, a policy is an administrative

directive intended to be enforced. To be legally believable, a general plan must have a desired planned outcome which must be accompanied by workable prescriptions; further, those prescriptions should be based upon universally acknowledged criteria in large part based upon performance standards (standards which are objectively testable and commensurate with the federal criteria of "health, safety and welfare"). The enforcement of the General Plan relies largely upon:

1. zoning which is not performance based and which has lost effectiveness because of political interference and ineptitude.
2. often, non-objective visual criteria based upon local heritage rather than universal acknowledged criteria.
3. largely federal and state prescribed health and safety code subject, today, to political abuse and, therefore, a loss of credibility.

As a result, the City's General Plan possibly does not have sufficient legal standing as a basis for the sale of bonds and the legal standing of building permits and zoning and other public/private actions requiring conformance to a General Plan.

PRESCRIPTIONS:

LAND:

Problem:

The high price of land and the ineffective and inefficient disposition of land resources need to be ameliorated. Land needs to be viewed and treated in the public interest as a scarce public resource. At the same time the public control of land must permit a response to land market signals. Highest and best use, as a "utilitarian" concept, should be operationally acknowledged while giving primacy to "communitarian", economically "intangible," concepts of the public's interests. Solutions must provide:

1. Enforceability, legal, universal criteria and low cost..
2. A means of redistribution of income from the profitable use of land to public, less affordable public needs, particularly to affordable housing with its services, infrastructure and amenities.
3. Criteria and a plan for the use of land based upon the above.

Solutions:

1. **An anti-speculation tax** on the unearned increment from the sale price of land (defined as the price obtained which would be above what such land would cost were such land where supply and demand were operational or economically fully

elastic with respect demand –traditionally where land costs are roughly 25% of total development costs). The tax would be applied at the time of sale as a transfer tax. In order to be fair, enforcement would necessarily be gradual and gradually deflationary because of the role land value has played in the holding of equity by individuals and institutions.

None the less, public returns from the tax would, from the outset, be substantial and long-term prices of land would be substantially reduced due to the expectation of full implementation of the tax. Economists have developed techniques for artificially pricing goods (such as urban land) subject to monopoly conditions. The tax, therefore, would be based on formulas allowing some flexibility, through artificially pricing, in order to encourage some bidding for land. Developing overall public benefit criteria, based upon planning, for pricing land will be essential.

About an Anti-Speculation Tax: the legal basis of the tax is based upon Common Law (the rights inherent in the Commonwealth). It is not based upon the former rights of the Crown forsaken with establishment of American independence and our Constitution (private ownership to the center of the earth). Further, the tax is not a form of rent control on land as forbidden by State law. It is an public exercise in the use of land as a public utility.

The proposed tax is not form of Henry George's "single tax." The anti-speculation tax would be assessed upon the increased value (or earnings) of the land as those values increase. The tax would be based upon existing value, not upon an anticipated value (i.e., the city of Pittsburgh, Pa.'s single tax) as with the concept of Henry George's "single tax." As a result, unlike a Georgian tax, an anti- speculation tax would not tend to force land into premature development because of market demands based upon a so-called utilitarian "highest and best" use; it would enable the protection of the environment (especially environmental endangered land) by recognizing intangible environmental and amenity benefits of land as needs and costs to be shared by the community at large.

2. **Public ownership of land:** All public acquired land should remain in the public trust perpetually. State Sovereign Lands (acquired through federal grants) should benefit and be administered by the City as an administrative unit of the State (a County) as if the City had underlying title. Proceeds to the City based upon public ownership, then, would be in the form of sales of development rights and, in constant dollars, a percent of the values generated from the use of that land (traditionally about 3%). Of course, possessory interest taxes on land could continued to be collected at the same rate as property taxes.

Through public land ownership, the public could gain several advantages not easily obtainable otherwise. Among these advantages would be:

Fostering public/private partnerships with public provision of land as an

investment co-equity.

Providing greater control design and maintenance collectively and singularly for development.

Providing a means for internal project subsidies for public needs such as open space or housing subsidies.

It may be necessary to institutionalize the management of a public land trust perhaps as part of a housing and community development corporation.

3. **Pooling land resources:** There is precedent in the creation of the collective development of separately owned scattered or adjacent sites as well as the creation of collectively, share owned land sites. Advantages of pooling land are several. It permits larger scale, more industrialized, development. It limits bidding contests which might drive up the costs of development and land. It provides a proportionately larger equity base for underwriting development costs. The City should provide the means and incentives for land owners and developers to join together in pooling land.

An example lies in the Program of Oak Park, Ill. to provide home owners with equity participation in the use of in-fill housing sites by forming, with City help, a "real estate investment trust" on a block basis. The pooled back yards with the addition of abandoned public rights of way formed very usable development sites protected by City Investment Insurance and abetted by various public facilities improvements such as inner block green ways and washing facilities. As a result the area provided for a variety of housing for life cycle changes while stabilizing the neighborhood population and local investment values. The process was also termed an "investment dike" which stopped the speculative development of intrusive slum housing from neighboring Chicago.

CONSTRUCTION COSTS:

Problem:

Housing construction costs may be higher in the City due to small scale of housing construction and rehabilitation, the relatively small scale of construction businesses and relatively lack of agglomeration financing and purchase price benefits compared to large scale community builders. There is also the possible problem of collusive price fixing with regard construction and material costs.

Solutions:

1. Provide a public means for construction pools among both profit and non-profit developers which would permit more industrialized and cheaper construction for stick built housing. This process would be particularly appropriate for rehabilitation and conservation work especially involved in providing large scale

code compliance for the City's great numbers of illegal housing units. It would also enhance the capability of contractors and residents of working together to create more inhabitable environments.

2. Assist contractors to obtain lower priced materials and financing through public underwriting and pooling of mass purchases and creditability.
3. Investigate and remedy possible price fixing in the obtaining of credit and materials for small scale contractors.
4. Provide a means of pooling labor resources such as a shape-up system, which would permit workers to be continuously employed regardless of the duration of individual projects while maintaining union representation, and employment benefits from one job to another.

THE PLANNING PROCESS:

Problem:

The City, with able leadership, should be able to proceed expeditiously to apply known remedies to the known problems associated with access to affordable housing without waiting for more detail. However, the lack of able leadership is a large part of the problem. To move forward all of us must direct the Administration to proceed; to do this all of us must be made aware of the extent and variety of the affordable housing problem and the varied resources and solutions which can and must be applied. Choices and priorities must be made which politicians and bureaucrats shun, but this is what professional and open planning is all about.

Four steps must be taken, in public, to deal with this problem:

1. In a coordinate, professional manner, proceed from what is known and use the professional and other resources that we already have.
2. Determine the ultimate extent of the problem and the City's capacity solve it.
3. Create a plan which sets goals, priorities, policies, strategies and projects so that an efficient and efficacious, coordinate approach can be built upon step.
4. Legislate the plan into action.

RECONAISANCE:

Problem:

While much is known, we do not know in detail who the ultimate consumers for affordable will be, what the long-term economic and social trends for these people will be, what physical requirement must and should be met and what resources can be directed by priority over time to meet these needs and desires. The City must provide much money than has been proffered. The City must also require new money to go well designed and professionally undertaken research. Further, such research must be a

permanent and open part of the City's professional planning structure and in manner that ensures that such research will continue beyond the tenure of ephemeral political agendas.

Solutions:

1. Cross tabulation of housing data with social and economic factor trends.
2. Capacity analysis of the City's holding capacity for housing with regard existing and potential resources, needs, desires and obsolescence.
3. Evaluation of existing housing related programs.
4. Determine where a resolution of policy and program conflicts between zoning and the General Plan after the Plan is modified to be fully enforceable and in compliance with both the premises of this SFT document and the sustainable resources available to the City.

ANALYSIS:

Problem:

The planning process is no longer coordinated and resolved under a single entity. It is subject, frequently, to dysfunctional and conflicting decisions made by competing and more often unqualified persons and departments. Further, the process is very obsolete, possibly illegal and very inadequate to address the concerns mandated to it. The entire process is shaped to justify political imperatives rather than provide professional, open and objective guidance with regard the consequences of societal and political desires.

Solutions:

The Planning Process:

1. Who, what, where and when?
 - a. Design a planning process that is timely, is highly professional and coordinate with and centered upon a single authority for final resolution of proposals made by, possibly, multiple planning sectors.
 - b. The planning process must be made with public and institutional participation and governments agencies.
 - c. Design the process so that it can be implemented step by fortuitous step as needed and applicable without waiting for a full completion of the process.
 - d. Create a feedback process for evaluation of planning efficacy and efficiency, step by step, community wide and throughout the administration. This process will ultimately provide a better, long-term product. Planning never ends.

2. Integrity:

- a. Is an Initiative or/and legal action needed in order to create an accountable, professionally responsible and effective product?
- b. Where should the locus for major long range planning lie in order for planning to be at its most honest when pursuing professional, comprehensive, objective, accountable, responsive government policy. One might argue that long range planning is part of legislative process and should be under the aegis of the Board of Supervisors, especially in a supervisory/evaluative role regarding the implementation of General Plan policies by the Administration. Project planning and regulation, by a similar inference, might be under the aegis of the Administration as part of BBI and/or Redevelopment.

3. Costs of undertaking planning process. Sufficient funding for the General Plan and in particular a City affordable housing plan and program must be guaranteed, free of political black mail. This is another argument for placing long term planning with the Supervisors.

4. Objectives as Related to the Components of Housing: An open, informed forum is an essential part of creating a plan. We need to know the purposes and objectives of a plan as part of the design of the plan. There is little space in the City and we must ration who is to live here and how we can make it possible; it is a choice to be made in the most democratic manner.

5. Policies: The City needs to define what types of housing and housing environments need to be conserved and/or created. For example, many west European countries create asocial housing that meets acceptable living standards but temporarily sets aside persons into compounds where they cannot bring social disorder to other parts of the community.

We need to know who the intended beneficiaries are before we can plan to benefit them. This is not a choice to be in isolation by political operatives or by well-intended proponents of single issues or of narrow institutional agendas. These choices must be made openly, with great civility and with a plentitude of comprehensible information on what is needed and what consequences would result from their choices of beneficiaries and actions.

5. Strategies: What is the most efficient and efficacious means of carrying out the plan.

PROCESSESS AND ORGANIZATIONS:

Problem:

Participation in civic affairs and the decision process has become increasingly partisan. Reasonable viewpoints and needed professional advice have been stonewalled, removed from the forum if what is said is by politically undesired persons or if what is said is an undesired message with regard pre-determined political agendas abetted by private investment ventures-more often inimical to the goals and plans of the polity. The process of producing an affordable housing plan must be an open and civil one.

Further the process is complicated by the difficulties in obtaining legal remedies because of the great costs involved, the difficulties of obtaining representation, and the politicalization of the local lower courts.

Note the difference in the results in obtaining court ordered Mandamus's regarding planning matters successfully in Los Angeles and the imperviousness of action here.

Solutions:

Planning: Transfer the long-range planning function to the Board of Supervisors with a sufficient, guaranteed revenue (Rexford Tugwell's concept).

Create a representative Citizens Advisory Sub-Committee of the Supervisors: Its function would be the evaluation of the planning process and its efficacy. Its function would also be to provide a citywide forum for the planning process. While the Administration would advise regarding the creation of implementation programs, the determination would ultimately be made by the Supervisors.

Legal Remedies: Examine the possibilities for adequate enforcement of existing City legal requirements for planning and implementation regarding affordable housing. Examples of such remedies include a court approved and administered Mandamus requiring that the City enforce the law through a court directed administration and the use of Consent Degrees where the City's administration carries out the court's directive under the court's supervision.

POLICIES AND PROGRAMS:

Problem:

Existing affordable housing programs, most of which are quite good and useful, are only loosely coordinate (principally by compatible, capable personalities). Often their ability to carry out their programs are restricted by State or Federal mandates regarding costs, applicability and process; who they benefit is narrowly prescribed. Their funding is not fungible. Moreover, they are often subject to political patronage and narrow, more synoptic agendas. These programs need to be protected from political interference, expanded, added to and placed within a coordinate administrative context that has a firm

and informed legislative oversight. The Administration would have the purview of carrying out programs and projects, but must be firmly policed by the legislature's General Plan purview as to responsiveness, efficiency and effectiveness. In addition to existing affordable housing program, we suggest the following:

1. **Finance:** Creation of a dependable resource base for maintenance and creation of affordable housing. Suggested are:

An anti-speculation tax.

Expansion of the Prop M housing development charges citywide.

Raising the property transfer tax to 10 mills.

Creation of a public land trust by expanding public ownership of land (i.e., eminent domain, land trade, compensation for public services, sale of underwriting creditability and participation in public/private co-investments). The trust would provide increased affordable housing constant dollar revenues through ground rents and development rights sales.

Creation of private affordable housing equity and collateral for neighborhood development of affordable housing through backing neighborhood co-operative REIT's (Real Estate Investment Trusts).

Stronger use of the federal community investment banking laws with regard creditability and below market loans. Cryptic use of speculative land values as the basis for collateral should be suspended and where it exists, slowly eliminated.

Investment Insurance to guarantee affordable housing environments would be free of red-lining effects and fears.

Redevelopment involvement in area wide projects by creating of internal project housing subsidies encompassing the freezing of land prices, tax increments, ground rents and project tax authority for infrastructure (for example, Mello-Roos bonds).

Price-fixing and other collusive practices eliminated.

Assisted financing for rehabilitation and home ownership by expanding the City's second mortgage program and modifying its terms by lowering its interest rates to zero and recycling debt (essentially creating forgivable loans). The legalization of housing with code problems would be less costly

and, in exchange for lower rents, help hold the owners harmless when they improve their property.

Construction Programs:

1. **Create an Equity Exchange.** Provide a means for the creation of equity exchanges between (a) senior persons who have needs for smaller, community located housing and (b) younger families who have need for larger, child centered affordable housing. This program would be proactive, professionally managed and, unusually, fair implementation of the concept of Filtration.
2. **Create a Community Development Construction Association.** Provide an institution to foster co-operative contractor associations for the purposes of lowering construction costs and time for the construction and rehabilitation of affordable housing. The association could provide services such as interim financing, contract procurement, materials purchasing, employment access – benefits and representation, clerical and legal work and accounting.
3. **Create neighborhood co-operative facilities** as part of a REIT. These facilities, which would enhance neighborhood cooperation, might consist of block home rooms as an extension of the educational process, auto repair, laundries, community gardens and play grounds.
4. **Re explore the feasibility of large scale industrialized and pre-fabricated housing construction** (for example, London, and Paris have benefited from concrete construction techniques suitable for moderate scale housing which is seismically safe and provide for a great variety of good design possibilities(i.e., the Pimlico district in London). The Paris examples and provided by TreCoBa , a worker owned corporation which by the 1970's had provided France with several hundred thousand housing units-some of which are indeed over-dense and ugly). It is conceivable that the almagation of many otherwise small scale contractors and/or workers co-operatives could use these off-the-shelf technologies for in-fill and large scale housing at more affordable construction costs. Newark, NJ., even went so far as to successfully market sales of such units to other New Jersey cities (unfortunately a change of city administration caused cancellation of the entire worker/public co-investment enterprise).

Planning Programs:

1. The immediate priorities of the planning function would be:
 - a. Creation of a data base as to city needs and resources.
 - b. Create a legally acceptable and creditable General Plan.
 - c. The premier component of the General Plan would be an affordable housing plan.

2. **Rezone the City:** The planning process, in order to be both fair and understandable must have, as a coordinate tool of implementation, zoning designed to also be flexible, fair and understandable while meeting the legal tests of servicing legal basis of zoning (health, welfare and safety). Therefore, the City requires a radical change in its zoning criteria, format and processes.
 - a. **Performance Criteria:** Use measurable criteria based upon performance (how does the zone designation effect the environment and the social and economic processes it is designed to protect and enhance). Such use criteria would better withstand legal tests now based upon traditional, outdated and often arbitrary zone designations. Arbitrariness of criteria also leads to political machination.

Most great cities use an internationally recognized set of performance standards base upon the American Public Health Association's report of 1936 and various standards principally developed by the London County Council (1947-8) dealing with special and environmental needs (i.e., air, daylight, wind, noise, etc.,etc.). Such testable criteria permit great design flexibility (beyond the historical and often deadly boring limitations of "context"). Crudely put, if you can't hear it, see it or smell and it doesn't interfere with life's functions why ban it ?

- b. **Quota Zoning:** Use processes which reinforce and respond to implementation of planning policies, particularly those which deal with the City's capacity to house its residents.

Quota zoning is based upon an area's capacity (i.e., an integral neighborhood) to sustain housing, permission to build would be on a first come first serviced basis. Uses which meet performance criteria (above) and use fully the area's capacity would be permitted at any density (liable still to vague tests of design context). One could conceive of a process where owners of potential capacity use would sell their capacity entitlement (i.e., Floor Area Ratios). Further, quota zoning would lead to a process of lot amalgamation in order to obtain a greater claim on an area's capacity and to obtain greater design flexibility with regard performance criteria.

- c. **Urban Design Criteria:** Redo the City's Urban Design Plan and criteria to incorporate the above revised zoning code. Because a revised code will liberate design from its very narrow "context" dictat, design professionals should be encouraged to develop design models for variable densities (or capacity ratios) which

incorporate the new performance criteria and capacity standards. For example, area ratios can be established for open space (Green Area Ratio) and Capacity (Capacity Area Ratio) initially applicable to housing. London (U.K.), for example permits a mix of area ratios within a project thus encouraging multiple use in a creative way. One benefit will be a necessity to approach each new project in a professional way rather than abrogate design decisions to clerks who use a "cookie cutter" code or formula (they look it up and you get uniform junk).

Another thought would be to include within the performance standards for design the use of public facilities or open space which could added to the capacity allowance of individual projects.

EVALUATION AND RECONCILIATION:

Problem: There is a need for a conciliation and community based decision process. The community should not allow itself to be divided by political tactics which sets renters against owners, market rate owners against lower cost owner occupied housing, high density advocates against lower density advocates and advocates of free-enterprise against those who see a need for government involvement as a co-investors as well as a regulator.

Solution:

1. **Planning Districts:** Create election district planning commissions (or community councils) and staffs to provide local overview, advice and evaluation of the implementation process.
2. **Citizens Advisory Council:** Local concerns and evaluation and representation would be melded together by the Council at the level of the Board of Supervisors.
3. **Create a professional evaluation process:** The implementation process will require constant adjustment and improvement as part of the long-range planning process interacting with the Citizens Advisory Council.
4. **Eliminate the credo of the great leader (or man on a white horse):** Planning and the republican decision process requires individual endurance and constancy. We should not encourage quick fixes to relieve us of duty to be bored and decisive. Our inattention has led to a corruption of the entire housing process and with it a loss of faith in government and our abilities to achieve what is desirable and needed.

PROSPECTUS FOR AFFORDABLE HOUSING: APPENDIX C

Proposal:

Suggested is the use of Commercial Bonds under the aegis of an Urban Development Corporation to create and maintain affordable housing for diverse households in diverse areas of the City. This approach must be creative, multi-faceted and coordinated with all parties involved with affordable housing. Speed and need are the underlying motives.

Needs:

HUD's region IX indicated that only five percent of the households within the City could afford to enter the housing market today. Yet, this five percent of the City's households who already possess homes are the principal target today for home creation and conservation. To add to this small market ready minority are those who seek in this city corporate and speculative vacation housing.

Those engaged in the creation and preservation of affordable housing do so by informal means hindered by very limited resources including the scarcity of low-cost funds and a strong, consistent, coordinated public program. The City needs to change its housing priorities by dramatically changing how it assists in the creation and preservation of affordable housing.

Process:

Proposed is the creation of an Urban Development Corporation that would be invested with right to create private/public partnerships for the development and conservation of affordable housing and associated uses on public lands. The resources for this effort are:

1. A development entity that can coordinate and ensure available resources.
2. Resources on a sustained basis for land, financial assistance and technical assistance.

3. Cost savings through agglomeration and industrialized techniques.

Strategy:

Recent elections have demonstrated that Obligation Bonds for affordable housing cannot obtain public support and that the strife among proposal participants has been destructive of public support and investment efficacy. While property taxes have virtues as a means of spreading the underwriting costs of housing bonds and deepening the level of public support for such bonds they have notable limitations. First, G.O. bonds conflict with the City's other G.O. bond priorities, which are many and, perhaps, for some- un-fundable. Secondly, their use is less flexible than would be desired due to the constraints of law than use of commercial bonds.

However, the effective use of commercial bonds requires a highly coordinate program and direction; thus, the City needs an Urban Development Corporation (UDC) to be, first, a locus for setting public policy and evaluation and, secondly, a sustainable means of assuring and insuring implementation. A UDC would provide cooperative grounds for effective, high quality development for a diverse population and provide the modus for underwriting housing costs by many possible means. Through the aegis of an UDC, the prospect of leaseholds on public lands offers a cost effective and timely sharing of infrastructure and environmental needs together with cost effective design and construction methods.

Use of commercial bonds for affordable housing has several advantages now. They do not require an election; they can be speedily issued by the Mayor and Board of Supervisors subject only to their fiscal viability. Their cost is historically low, a cost assisted by public underwriting, development rights sales and a pledge from the use of derivative revenues from development to assist in the repayment of the bonds and provide substantial subsidies needed to make housing affordable.

Cheaper bonds can be used to lower the cost of construction and/or provide other development benefits that can further reduce the costs for development and maintenance. Raising the cost of the bonds for market rate housing through increased arbitrage can be viewed as income redistribution or/and a means of providing front-end development cost savings that could, and should, benefit both market-rate and subsidized housing users.

Resources:

Revenues: Proposed is issuance of Commercial Bonds assisted by :

1. Public underwriting using either "letters of credit" or letters of participation."
2. Existing public lands bundled together as collateral.
3. A pledge of derivative revenues to fund a second commercial bond that would be used to subsidize housing and development costs from:
 - a. Ground rents from the values created on land.
 - b. Surcharges above the administrative costs of the bonds.

- c. Use of the allowable "possessory interest tax" on land and improvements.
4. Sale of leaseholds and development fees.

Implementation:

Through the aegis of an UDC, create a management board comprised of profit & non-profit developers, professional experts, the Redevelopment Agency, citizens and representatives of the Board of Supervisors. The Board of Supervisors, co-extensively, would create an evaluation commission with oversight authority. Procedures might be as follows utilizing city agencies for staff where warranted and objectively possible:

1. Create an investment and management program:
 - a. Development management.
 - b. Funding management.
 - c. Design and Planning.
 - d. Assistance
 - e. Subsidy process.
 - f. Construction.
 - g. Approvals
2. City and Redevelopment plan approvals **en-masse**.
3. Evaluation and alteration processes.

Example of Construction and Cash flow Process

The sample process indicates the original cost of the bonds can be subsidized through issuance of a second bond that is financed by revenues from bond surcharges, ground-rents and possessory interest taxes that, in total, amounts to more than 30% of the original cost of the bonds. Utilizing mass construction techniques (industrialized construction) provides more costs savings.

The revenue calculations are appended. Because, at this time, it would be too difficult to estimate the market absorption rate for use of the bonds, the table reflects revenue from both arbitrage and ground-rents simultaneously. As a result, the table indicates bond cost savings, roughly, of 60%, half of this amount would reflect reality, because the revenues from arbitrage would decrease as the bonds were sold and retired while ground-rents, in a greater amount would increase as the projects were built out depending upon the absorption rate of new development.

A further caveat, is that the costs of commercial bonds would remain competitive with the market, again roughly, because the costs of carrying a higher bond surcharge would be off-set by interest rate savings obtained through public underwriting either as letters of credit or participation. An additional savings is reflected in the table due to public price control of the land that would, in turn, prevent speculative land prices resulting from the relative inelasticity of land market prices.

Conclusions:

It is presumed that a mix of market rate and subsidized housing will be constructed and/or preserved. Further presumed, is that the subsidies would vary as a mode of income redistribution, through internal subsidies, a means of developing self-sustaining diverse communities.

It is presumed that the feedback of this form of derivative financing can be used in a number of ways.

1. Lower the costs for all subsidized housing using a needs formula.
2. Lower the costs for all subsidized housing and subsidizing Urban Development Corporation front-end services for subsidized housing development.
3. Providing the equivalent of Section 8 individual housing subsidies.
4. Creation of Mass Production factories and sales to the region including investment and employment services.
5. Public acquisition of other development sites in fee-simple or as private/public partnerships. Explore the creation of regional joint-development of new-communities.

Steps Required:**1. A Resolution of Intent by the Board of Supervisors:**

- Limit City land sales to Trust Deeds and uses essential to City's long-term needs including the objectives of this proposal.
- Undertake expedited studies of this proposal by Bond Counsel as to legal steps, risk analysis, efficiency and efficacy utilizing LAFCO as the coordinating agency.
- By administrative directive, amalgamate the City/County agencies involved in issues related to the operations of an "Urban Development Corporation." and a "Housing First Fund" capital holding corporation.
- Create a Citizens Advisory Review Committee to monitor and evaluate the process on half of the Supervisors, the Mayor and the LAFCO process.

2. Implement the Process.

- Incorporate a "Housing Development Corporation" and its ancillary "Housing First Fund."

- Create a staff, principally through amalgamation of existing staff from related programs and an organizational and operational program.
- Transfer operational assess and implement the program.
- Authorize the operation to enter into contracts involving private-partnerships for all aspects of the program, the creation of a mass construction agency involving all modes of construction and joint-development operations with other constituencies within the region that promote the City/County's public benefit goals.



San Francisco Tomorrow

Since 1970, Working to Protect the Urban Environment

June 2, 2003

Planning Commission
1660 Mission St.
San Francisco, CA 94103

Dear Commissioners:

San Francisco Tomorrow is deeply concerned that the Draft Housing Element is inadequate, and asks you to delay approval until its problems have been addressed. Our substantive comments are below.

State law requires that a Housing Element must have specific recommendations (e.g. a road map) to enable the conservation and development of affordable housing, within a specified time frame. It must do so for all of the city's present and future residents in terms of their specifically identified needs. **The San Francisco Planning Department's Housing Element does not do this.**

A principal reason for this failure is a persistent attempt by the department to mis-define policies as a general goal. The department thus seeks to avoid its legal and professional responsibilities. The Housing Element should be organized in format and respond to the following appropriate and legally accepted definitions:

- **Goals:** broadly defined future achievements, 'general in nature.'
- **Policies:** administrative directives intended to be enforced.
- **Objectives:** goals intended to be implemented within a specific time frames.
- **Programs:** methods to accomplish goals and objectives.
- **Projects:** specific actions to accomplish programs within time frames.

BACKGROUND

1. **The Element does not identify needs clearly enough to set priorities for proposed programs.** For example, citing the incomes of households without estimating the corresponding character of these households (i.e., size, ages, occupations and work of household members, disabilities or consanguineous relationships) in specific numbers is a programmatically unuseable statistic.
2. **The data for the Element are inadequate and often obsolete.** For example, stating that the city's economy lost 30,000 jobs early in the decade, then grew by 50,000 jobs later in the decade and, then well before the Element was complete failed mention the known loss of 30,000 certain jobs during 2000 through 2002. Some of the most recent job loss is due directly to the Planning Department's policies. For example, the rising costs of

land in areas invaded by so-called 'live-work' developments have made use of such land less profitable for use by blue-collar industries. The department's administrative policies have been blinded by a lack of economic insight and able planning.

Another example lies within the report regarding illegal units. The 1990 Housing Element estimated, with evidence, that the City had over 30,000 illegal dwellings. About four years ago, a former member of the Planning Department's housing planning staff surveyed several hundred new homes constructed in the western half of the city and found that at least 1/3 of them had illegal units. On page 36, the Element states that there is no known number of illegal units and on page 128 cites, unsupported by evidence, the existence of 20,000 illegal dwellings today. This contradiction between Department records, and within the Element itself, needs to be resolved.

3. **The Housing Element does not adequately identify resources:** The Element wrongly states that there is sufficient land for housing needs without specifically indicating what and how many housing needs can be placed into play on these sites in a timely and affordable manner. Why does the economic market not rush to build upon this land? Are there constraints that programmatically need to be addressed?
4. **The report does not, as required by the State, evaluate why the prior Housing Element did not succeed in providing fully effective programs.**
5. **The basis for addressing San Francisco's affordable housing needs is specious:** The determination of San Francisco's long-term housing needs, the Element's goals, is primarily determined by the need for new units determined, speciously, by an formulaic allocation determined by ABAG as to the City's growth.

STRATEGY

1. **A coherent strategy is needed.** Given problems and opportunities (in so far as the report provides them) what are the various approaches that could achieve a workable program ("General Approach", p. 76) and, then, which would be the preferred ones and why?, we need to know why the report prefers one process or program over others. Further, the section of the report that might be an attempt at a strategy, "Terms and Methodology," does not pick up on most of the serious problems identified in the background part of the report.
2. There needs to be a strategic discussion of the institutional roles and collaboration necessary to achieve an effective, unified affordable housing program including the roles and efficacy and efficiency of existing institutions as follows:
 - a. **New development, involving their use of eminent domain, the freezing of acquisition costs for infill lands and for bolstering the efficacy of a public lands trust.**: This process could have explored use of ground-rents and the sale of development rights using lands remaining in public trust as a means of lowering

land costs, providing collateral for bond sales and the provision of internal project subsidies.

- b. **Conservation of affordable housing:** processes unmentioned at all.
- c. **Departments involved in the capital improvement process** associated with the enforcement of the General Plan (of which the Housing Element is a part) as required by the City Charter and Administrative Code. For example, the use of the City's good faith and credit as means of underwriting private financing of affordable housing could provide financing cheaper, faster and with fewer hooks than use of the State's bond money. Further, public capital expenditures could be used for co-development of affordable housing with public works such as civil servant housing.

The Element's negative declaration of infrastructure needs related to expanding the expansion of the City's housing stock is wrong. For example, the city's high-pressure fire lines require several hundred million dollars for repair (especially in high-density seismically prone areas) may require a substantial expenditure of \$4.5 billion for these system needs. Also, regional transportation studies of comparable areas indicate expensive, socio-economic positive impacts regarding the Element's presumption of forgiveness of home parking requirements.

- 3. **The report does not identify strategies which could ameliorate housing costs for each cost component..** For example, land costs (an inelastic cost), construction costs and finance costs could be reduced using well known techniques such industrialized building processes and collaborative private/public co-development processes that were not **operationally** examined.

IMPLEMENTATION

The proposals are significantly lacking in several areas; regarding legislative changes (what specific changes are needed); institutional requirements (who must do what, when and where); finance (the necessary techniques and resources) and; in recommending formal working inter-departmental relationships. Outside of on-going programs (which are not critically examined), the Department principally describes actions within the Department's purview, such as zoning, as if that is really all that is necessary to attain an effective Housing Element.

- 1. The Element uses far too many devices limited to persuasion (encouragement or discouragement of resident and developer actions). The Element indicates a lack of timely expertise in regard to many cost- lowering techniques .
- 2. The major Element recommendations are increases in (a) permitted increased densities, (b) parking forgiveness and (c) continued and wider use of the Department's CAP. None of these recommendations are preceded by analysis indicating that these actions would result in more or better targeted affordable housing or less demand for parking.

The premises used for these proposals are totally unsupported by evidence that normally would be addressed in an EIR, and other impact studies involving the holding capacity of the city (with regard infrastructure, services and public/private resources) and socio-economic impacts.

CONCLUSIONS

1. **It is recommended that the Planning Commission delay approval of this Housing Element.** Staff has attempted to intimidate the Commission into the Element's approval by insinuating that the City will loose access to State housing bond money unless the Element is approved by July 1.
 - a. The private finance market can provide housing revenue bond monies at less cost, faster and with less encumbrance than the State, **provided that the City underwrites the bond.**
 - b. An unworkable Housing Element will prove far more costly to the City than the cost of waiting for an effective Element.
2. **The Planning Commission should hire expertise.** This expertise should be free if political or economic ties to (a) prepare a work program for a Housing Element that would be programmatic, effective and efficient and (b) supervise the preparation of a new Housing Element utilizing the cost savings and work force (from a reorganization plan) from a new, single, responsible conservation and development agency for the City/County.
3. **The Commission should recommend that there be a single, responsible coordinating agency for the conservation and production of affordable housing and other public development interests.**

Thank you for you consideration of this matter

Sincerely,

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