



# SAN FRANCISCO PLANNING DEPARTMENT

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July 23, 2015

Mr. John Arntz  
Director of Elections  
Department of Elections  
City and County of San Francisco  
1 Carlton B. Goodlett Place  
City Hall, Room 48  
San Francisco CA 94102

VIA INTERDEPARTMENT MAIL AND  
VIA ELECTRONIC MAIL TO: [barbara.carr@sfgov.org](mailto:barbara.carr@sfgov.org)

RE: Mission District Housing Moratorium

Dear Director Arntz,

Thank you for the opportunity to review the "Mission District Housing Moratorium" initiative measure ("Measure") that will appear on the November 3, 2015 ballot. As you requested, and in anticipation of the Ballot Simplification Committee's preparation of a fair and impartial summary of the Measure, the Planning Department is providing an objective analysis of the Measure's impact on current law and current Planning Department and City practices.

Generally, the Measure would affect current law and/or practice in the following ways:

- 1. The Measure would impose an interim moratorium, or halt, to City approval of certain uses in the area generally corresponding to the Mission Area Plan, as identified in the San Francisco General Plan, for a period of 18 months, with a possible extension of an additional 12 months by vote of a majority of the San Francisco Board of Supervisors.**

The moratorium would encompass the area generally bounded to the south by Cesar Chavez Street, to east by Potrero Avenue, to north by US Route 101 and to the west by Guerrero Street. This area closely corresponds to the what is popularly known as the Mission District neighborhood and to what is identified as the Mission Area Plan in the City's General Plan.

While portions of the Mission Area Plan are in an area where the Planning Commission has initiated possible interim zoning controls or where a member of the Board of Supervisors has proposed interim zoning controls, there are currently no interim zoning controls in effect that encompass the area.<sup>1</sup>

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<sup>1</sup> On June 2, 2015 Supervisor David Campos introduced an Urgency Ordinance (BF 150584) for an interim prohibition on commercial storefront mergers of greater than 799 gross square feet in the proposed Calle 24

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The Measure would require City staff, including Planning Department staff and the Planning Commission, to abstain from the issuance of certain permits in the identified area beginning on the date the Measure is effective and lasting for an 18 month period. This term may be extended by vote of a majority of the members of the San Francisco Board of Supervisors.

2. **The Measure would prohibit any City Department or Commission from issuing any permit or provide a Planning Approval, for projects proposing either of the following scopes of work, if located in the area identified above, (and with exceptions noted below):**
  - a. **The demolition, conversion or new construction of any housing project containing five or more units; and**
  - b. **The demolition, conversion or elimination of Production, Distribution and Repair (PDR) uses.**

City Departments, including the Planning Department, currently issue permits and approvals for development projects that meet applicable codes and regulations. The Planning Code currently regulates the demolition, conversion and construction of the City's housing stock and the demolition, conversion and elimination of the City's light industrial uses (known as "Production, Distribution and Repair (PDR)"). The Planning Department is tasked with reviewing permits that seek to add to or eliminate housing units and light industrial uses (generally, building or demolishing), and approve those permits should they meet applicable codes and regulations.

The Measure would require City Department staff, including Department of Building Inspection staff, Planning Department staff and the Planning Commission, to withhold permit issuance or approval for projects in the area identified above that meet applicable codes and regulations but propose either scopes of work. This would include projects at any stage of review, from initial acceptance at the Planning Department to permit issuance from the Department of Building Inspection. This would delay approved entitled projects, already under City Department review, for at least an additional 18 months, from getting permits to proceed with construction.

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Special Use District, which generally includes all lots bounded by 22nd street, Potrero Avenue, Cesar Chavez and Capp Street, and includes both sides of 24th Street from Capp Street to Bartlett Street. The interim controls would be in effect for 45 days after enactment.

On July 9, 2015 the Planning Commission considered a Resolution of Intent to Initiate Commission-Sponsored Interim Controls Related to the Mission Action Plan (MAP) 2020 (Planning Department Case No. 2015-000988CWP). The interim controls are intended to allow time for analysis of affordable housing needs, assess sites for affordable housing production, and stem the loss of existing income protected units while maintaining production, distribution, and repair (PDR) capacity in PDR zoned lands and preserving vital community resources. The area proposed for interim controls under this Resolution is generally defined by the following boundaries: 13th and Division Streets to Mission Street, to Cesar Chavez Street, to Potrero Avenue, and back to 13th and Division Streets. The interim controls are proposed for a period of six months.

The Planning Department estimates that the Measure would require withholding Planning Department or Planning Commission approval for 24 projects. These projects are proposing 1,495 units of housing. The Measure does not prevent the submission of new permit applications and does not prevent City Department staff from accepting and reviewing new permit applications during the Moratorium. However, because a number of development impact fees, including fees dedicated to developing affordable housing, child care facilities, public transit improvements and new open space, are collected at permit issuance, the Moratorium would delay the collection of these fees for at least 18 months.

- 3. The Measure would exempt "100% Affordable Housing Projects" from the prohibition on the permit issuance for the demolition, conversion or new construction of any housing project containing five or more units and the demolition, conversion or elimination of Production, Distribution and Repair (PDR) uses.**

The Measure defines "100% Affordable Housing Projects" as projects where every residential unit is affordable to a household at or below 120% of the Area Median Income (AMI) and which maintain this affordability for a term of no less than 55 years. According to Planning Code Section 401, housing is considered affordable to a household if no more than 33% of combined household income is paid toward housing, under ownership tenure, or if no more than 30% of household income is paid toward rent. The Mayor's Office on Housing and Community Development (MOHCD) defines 120% of the Area Median Income for a one person household as \$85,600 and \$122,300 for a four person household.<sup>2</sup>

City Departments, including the Planning Department, review permit applications for projects proposing affordable residential units, including what the Measure defines as "100% Affordable Housing Projects." In compliance with Planning Director Bulletin No. 2, Planning Department Priority Application Processing Guidelines, the Planning Department gives priority assignment and review to projects where 100% of the on-site dwelling units meet or exceed the standards in Planning Code Section 415 and the Inclusionary Affordable Housing Program Monitoring and Procedures Manual for affordable housing.

This exemption would maintain the City's current review and approval process for projects the Measure defines as "100% Affordable Housing Projects." Where "100% Affordable Housing Projects" are also in compliance with Planning Director Bulletin No. 2 the Planning Department would continue to provide priority assignment and review.

- 4. The Measure would require the Planning Department, MOHCD and the Mayor's Office of Economic and Workforce Development (OEWD) to develop a Neighborhood Stabilization Plan ("Plan"), in collaboration with recognized community stakeholders, and complete the**

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<sup>2</sup> <http://www.sf-moh.org/modules/showdocument.aspx?documentid=7823>

**Plan no later than January 31, 2017. The Plan shall include an "Affordable Housing Development Strategy," a "Neighborhood Stabilization Strategy" and at least two public meetings to allow the public to provide input regarding the strategies.**

The Measure requires the "Affordable Housing Strategy" to ensure that at least 33% of all new housing units in the Mission Area Plan be affordable to low and moderate income households, that at least 50% of all new housing units be affordable to low, moderate and middle income households and to ensure that those units will be available to Mission District Residents.

The levels of affordability required by the "Affordable Housing Strategy" are atypical of most current development in the City. The affordability levels proposed in the "Affordable Housing Strategy" are generally reached when a public agency owns a significant portion of units in a project site or significantly subsidizes the project in some manner. Examples include the renovations of San Francisco Housing Authority sites in the Bayview, Potrero and Visitacion Valley neighborhoods. Meeting the requirements in the "Affordable Housing Strategy" would entail an unprecedented level of housing investment on the part of the public sector.

New units affordable to low, moderate and middle income households in the Mission District would be marketed and made available to Mission District residents to the extent the law allows.

The Measure requires the "Neighborhood Stabilization Strategy" to preserve and protect legacy and locally-serving small businesses and arts and cultural organizations, assist community nonprofit acquisition of residential and commercial properties and provide counselling and other support for tenants at risk of displacement.

Should the Measure become effective the Planning Department, MOHCD and OEWD would be required to engage with community stakeholders in a public process to develop the Plan.

The Planning Department, along with other City Departments, is currently engaged with community stakeholders in two processes with goals similar to those of the "Affordable Housing Strategy" and the "Neighborhood Stabilization Strategy."

If the Measure was to become effective, the Planning Department and its sister agencies may look to the two community processes as a means to meet the requirements of the "Affordable Housing Strategy" and the "Neighborhood Stabilization Strategy." It is important to note that the implementation of certain solutions being considered through the community processes, such as the dedication of certain development impact fees derived from market rate development in the Mission District for 100% affordable housing projects in that neighborhood, could be delayed by the duration of the Measure.

It is also likely that completing the "Affordable Housing Strategy" and the "Neighborhood Stabilization Strategy" will require additional resources beyond those dedicated to the completion of the two community processes. These additional resources have yet to be identified.

5. **Please note: on July 9, 2015, the Planning Commission initiated Interim Controls for a slightly smaller portion of the Mission District.** At this time, the Commission has not yet approved any Interim Controls, but the Commission may consider adoption on or after August 6, 2015. If the Commission adopts interim controls, the Department could update this memo upon the request of the Director of the Department of Elections.

Please do not hesitate to consult us as your deliberations move forward by contacting AnMarie Rodgers of my staff at [anmarie.rodgers@sfgov.org](mailto:anmarie.rodgers@sfgov.org) or (415) 558-6395.

Sincerely,

A handwritten signature in black ink, appearing to read "John Rahaim", with a long horizontal flourish extending to the right.

John Rahaim  
Director of Planning

