



# SAN FRANCISCO PLANNING DEPARTMENT

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## Memo to the Planning Commission

HEARING DATE: MAY 28, 2020

*Date:* May 21, 2020  
*Case No.:* 2019-016230CWP

*Project:* **Housing Element 2022 Update**  
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*Recommendation:* **None – Informational Item Only**

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### BACKGROUND

The Housing Element is a major part of San Francisco's General Plan. State Law requires this element to be updated every eight years. The next update to the Housing Element is due late 2022. For each update cycle, State and regional agencies allocate a certain number of households, broken down by income levels, based on the projected growth and housing need calculations known as Regional Housing Needs Allocation (RHNA).

Through the Housing Element policies and implementation programs, local jurisdictions ensure sufficient development capacity exists to produce the number of housing units required by RHNA. For this purpose, the Housing Element must also address, remove, or mitigate governmental and non-governmental constraints to housing production. In addition, the Housing Element is required to include policies that would provide equal housing opportunities for San Francisco residents, assisting in the development of housing, improving and conserving existing housing stock, preserving units at-risk of conversion from affordable to market rate.

### Planning and outreach process for Housing Element 2022 Update

In Spring of 2020, SF Planning is launching a two-year process to complete this update. The Housing Element 2022 Update will rely on robust public outreach and engagement to develop the policies and implementation programs that express San Francisco's housing priorities for the next 30 years. Pursuant to the California Environmental Quality Act (CEQA), an environmental impact report will be prepared for this Update. The environmental and update process will include robust analysis and public engagement, which requires a two-year plus effort that must start now.

The 2022 Housing Element Update started with learning from past efforts and will proceed with three phases:

#### **Learning from Past Efforts** (Winter-Spring 2020)

Since the last update in 2014, the City of San Francisco has embarked on and completed many housing initiatives that continued to understand and address the housing needs of San Francisco residents and community members, as well as their vision for housing in the future. To start the public outreach for the 2022 Update, we summarized what we learned in these initiatives and their

respective community outreach processes. The results were a list of key policy ideas that we will use to frame the public conversation and outreach.

**Phase I. Vetting Key Ideas with the Community (Spring-Summer 2020)**

SF Planning will launch the public outreach for the 2022 update with the key ideas derived from the past and ongoing initiatives. Through an extensive outreach, San Francisco communities will react to these key ideas and share other ideas that should be considered. Using this feedback, SF Planning will develop the first draft of policy updates.

**Phase II. Refining Policies Together (Fall 2020- Fall 2021)**

SF Planning will rely on another two rounds of extensive community outreach to refine the first draft of policy updates. There will be a second and third draft developed during this phase. The third draft will be used for the approval and adoption hearings.

In the fall of 2020, SF Planning anticipates issuing a notice of preparation of an environmental impact report to solicit feedback regarding the scope and content of the environmental information to be included in the report. This will also include a public scoping meeting.

**Phase III. Moving Towards Adoption (Fall 2021-Spring 2023)**

During the last phase, the third draft will be submitted to the State for the review. It is also when SF Planning anticipates issuing the draft environmental impact report for public review and comment and a document that responds to comments received on the draft. After the State reviews the third draft and SF Planning issues the responses to comments document, the Planning Commission will consider approval of the policy updates after certifying the environmental impact report. The Board of Supervisors will then adopt the Update.

**Major changes to California Housing Element Law**

In the past few years, multiple changes to the State Law affects the process and scope of Housing Elements. The 2022 Update for San Francisco will be different than the previous updates due to some of these major changes including:

- Calculation of RHNA: While RHNA used to be calculated mainly based on projected new growth, for the next update these RHNA methodology will incorporate existing housing need as well. This need will be measured by factors such as cost burden, overcrowding, or low vacancy rates. The regional agency for the Bay Area, Metropolitan Transportation Commission, is scheduled to release the RHNA numbers by end of 2021. It is safe to assume, based on the RHNA allocated to other regions in California with an earlier deadline, the RHNA allocated to San Francisco will increase significantly, possibly triple.
- Increased fines: Failure to comply with the update timeline will result in significant fines of up to \$10,000- \$100,000 per month. This is an addition to loss of affordable housing funds that used to be the main consequence of non-compliance.
- Site inventory: Local jurisdictions are required to submit a list of sites at every update that would accommodate the capacity needed to meet the RHNA. New changes will limit reusing sites used in the past based on several criteria, unless development is allowed by-right on those sites.
- State Adopted Affirmatively Furthering the Fair Housing law: The Obama administration adopted law but was later dismissed in the current administration. California adopted the same requirements at the State level. Local jurisdictions must evaluate how they advance Fair housing

law, and adopt programs that would help achieve those goals. Under state law, affirmatively further fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”<sup>1</sup>

### **COVID-19 Pandemic Context**

The COVID-19 pandemic and the Shelter in Place orders have changed our lives dramatically. It is crucial to move forward with the Housing Element 2022 Update for two main reasons: First, this pandemic is intensifying the housing challenges we were already facing in San Francisco and magnifying the city’s longstanding inequalities. It is hitting communities of color and low-income communities the hardest. Secondly, The City has employed bold actions to address the housing needs of vulnerable populations during this pandemic. The Housing Element Update presents the opportunity to incorporate a long-term recovery based on these bold actions when shaping the future of housing for the City. Lastly, it is important to proceed with launching this Update to ensure timely adoption of the Element, avoid significant fines, and loss of affordable housing funds.

In coordination with several City agencies, and in recognition of the need for a near term response to the challenges brought on by the COVID-19 pandemic, the Planning Department is also drafting a Housing Recovery Strategy for San Francisco, parallel to the Housing Element 2022 Update. The Recovery Strategy identifies four main categories of strategies to address our new and continued housing challenges:

- Avoid a longer-term eviction, debt, and foreclosure crisis
- Continue to increase shelter capacity and prevent influx of households entering homelessness
- Ensure that the city continues to build new housing (affordable and market rate)
- Increase public investment to lock in affordability for the future

### **Adjustments to Public Outreach**

For the upcoming outreach phase planned for Spring 2020, SF Planning had originally planned in-person workshops, attending existing neighborhood and community organization events, a promotional video and online participation. Due to Shelter in Place orders, we have shifted our outreach strategy to an online platform, along with phone, mail, public media (English, Spanish, and Chinese), and a resident ambassador group. An email announcement including the promotional video and the project’s new website will inform the public about this project launch ([www.sfhousingelement.org](http://www.sfhousingelement.org)).

The Digital Participation Platform will allow people to leave input and see others’ input on the summarized key ideas. All website content will be translated in Spanish, Chinese, and partially Tagalog. Phone and mail outreach will seek input from communities without access to online participation.

Lastly, the resident ambassador group will constitute approximately of 10 members who have not been involved in housing policy outreach in the past but maintain wide connections to harder to reach communities. These members will be selected through an application process.

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<sup>1</sup> Gov. Code § 8899.50 (a)(1)

As outreach efforts moves forward and Shelter in Place restrictions ease, additional opportunities for members of the public to contribute will become available for later phases of community outreach.

### **Primary Values for the Housing Element 2022 Update**

As discussed earlier, in the past few months Planning staff have been reviewing housing related initiatives completed since the adoption of the last Housing Element Update in 2014. These initiatives relied on community outreach and engagement. The Housing Element 2022 Update will prioritize principles gathered from these current and past outreach and engagement efforts including:

- racial and social equity;
- more housing including affordable housing in all neighborhoods;
- curtailing displacement; and
- resilience to climate change and health crises.

### **NEXT STEPS**

The Housing Element 2022 Update will embark on public outreach in late Spring and early summer and will proceed to the following phases of community outreach and engagement in the next two years.

### **REQUIRED COMMISSION ACTION**

This item is being presented for informational purposes only. No formal action by the Planning Commission is required.

Attachment A: Slide Presentation for the Housing Element 2022 Update Informational Hearing

<b>RECOMMENDATION:</b>	<b>None – Informational Item Only</b>
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Attachment – Presentation Slides



# HOUSING ELEMENT

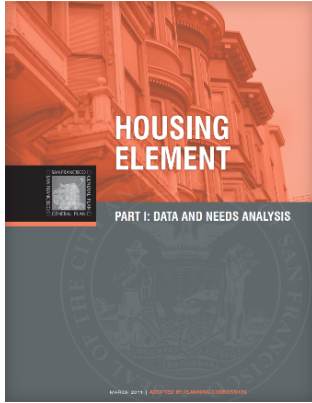
UPDATE 2022



**San Francisco**  
**Planning**

May 28, 2020

# What is the Housing Element?



**Required by State Law**



**Updated every eight years**



**Responds to Regional Housing Needs Allocation**

## **Includes:**

1. Analysis of housing needs from different groups
2. Site inventory that would correspond to RHNA
3. Policies
4. Action Plan (implementation measures)

# Major changes to Housing Element Law



## **Significant Increase to RHNA**

For the first time, RHNA will include existing housing needs (due to cost burden, overcrowding, etc)

We expect the new RHNA numbers to be as high as three times more than what we are currently required (~ 75,000)



## **Increased fines**

Fines of up to \$10,000-\$100,000 a month for failure to comply on time



## **Site Inventory**

Restrictions on what sites can be identified to address the RHNA



## **State Adopted Affirmatively Furthering the Fair Housing law**

# Housing Element 2022 Major Components

## Incorporate changes to policies to reflect



**Racial and social equity**



**Minimum displacement**



**More housing for all, in all neighborhoods**



**Neighborhoods resilient to climate and health crises**

## Develop an Environmental Impact Report



**In compliance with state and local law**



**Comprehensively analyze environmental impacts of the element, including growth**

# Planning and Outreach Process

	PHASES AND TIMELINE	INTENT	OUTREACH	OUTCOME
	<b>Learning from Past Efforts</b> Dec 2019-April 2020	Gather and summarize key ideas from past and ongoing efforts related to housing and community development	None	Draft key ideas to share with the public for feedback
	<b>Phase I. Vetting Key Ideas with the Community</b> May - Sep 2020	The community will reflect on the draft key ideas to inform the first draft of policy updates.	Website, video promotion, phone, mail, social media, email blasts, traditional media, webinars, and digital participation platform	First draft of policy updates based on the key ideas vetted by the community
	<b>Phase II. Refining Policies Together</b> Oct 2020 - Sep 2021	The community will reflect on the draft policy updates	Two rounds of outreach including open houses, workshops and online participation	Second and third draft of policy updates
	<b>Phase III. Moving Towards Adoption</b> Oct 2021 – Dec 2022	Seek approval of the Housing Element update based on the third draft from the elected officials and State Agency	Public hearings with the Planning Commission and the Board of Supervisors	Adopted update to the Housing Element in compliance with State Law



# Covid-19 Pandemic Context

The **COVID-19 pandemic** is intensifying the housing challenges we were already facing in San Francisco and magnifying the city's longstanding inequalities. It is hitting communities of color and low-income communities the hardest. San Francisco quickly took bold and unprecedented actions to maintain housing stability for vulnerable populations and essential workers.

The Housing Element Update presents the opportunity to incorporate a long-term recovery based on these bold actions when shaping the future of housing for the City.



Photo: Alexandra Hootnick for The New York Times

**Residents  
and  
Community  
Members**



**Resident  
Ambassador  
Group**



**Housing  
Policy  
Working  
Group**



# Outreach Participant Groups

**Interagency  
Steering  
Group**



**Government  
Officials**





# Overview of Policy Update Ideas Categories

1

Recognize the historic racial, ethnic, and social inequities in government programs and **champion equitable housing** choice to reverse their consequences.

2

Maintain **housing security** for vulnerable communities and **protect** them against displacement

3

**Preserve affordability** and enhance the resiliency of existing housing

4

Advance the social and economic diversity of San Francisco by increasing **housing production** including permanently affordable housing

5

Promote **sustainable, livable,** and **resilient** neighborhoods when developing housing

# Major Milestones

## FALL

First draft of policy updates based on public outreach

## FALL & WINTER

Complete two rounds of public outreach  
Issue Notice of Preparation for EIR

2020

## WINTER

Second draft of policy updates

## SUMMER

Final draft of policy updates

2021

## SPRING

Complete last round of public outreach

## FALL

Publish Draft Environmental Impact Report (EIR)

## FALL

Approval Hearings and certification of Final EIR

2022

# Housing Element Team

## CITYWIDE PLANNING



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**James  
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**Miriam  
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## ENVIRONMENTAL REVIEW



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## CONSULTANTS



**Interethnica**  
*Outreach and PR*



**Strategic Economics**  
*Analysis*



**Urban Interactive  
Studio**  
*Digital Participation  
Platform*

# Housing Recovery Strategy in Response to COVID-19 Crisis

The Planning Department, in collaboration with other City agencies and consultants, is drafting a **housing recovery strategy** in response to the impacts of the Covid-19 pandemic.

The strategy identifies specific actions in four main categories:

1. Avoid a longer-term eviction, debt, and foreclosure crisis
2. Continue to increase shelter capacity and prevent influx of households entering homelessness
3. Ensure the city continues to build new housing
4. Increase public investment to lock in affordability for the future



# Housing Element

2022 UPDATE

*SHAPING THE FUTURE OF HOUSING  
IN SAN FRANCISCO*

[www.sfhousingelement.org](http://www.sfhousingelement.org)