



SPUR

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June 15, 2016

San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

**RE: Allowing New Accessory Dwelling Units Citywide
Case No. 2016-004042PCA [Board File Nos. 160252 and 160657]**

Dear Planning Commissioners:

Thank you for the opportunity to weigh in on the accessory dwelling unit legislation proposed by Supervisors Peskin, Farrell and Wiener. SPUR has been a long-time supporter of making in-law units easier to create, and we are very happy to see that there is growing interest in expanding recent years' ADU legislation to apply citywide. ADUs serve many different kinds of households, they typically rent for less than other market-rate units, and they can easily add more density in all kinds of neighborhoods with limited physical impact.

SPUR appreciates that both proposals extend this program to all zoning districts that allow residential use. In general we suggest that a less restrictive ordinance would be more successful at creating new ADUs across the city. Planning staff's report is very comprehensive, and SPUR is generally supportive of the case report's recommendations. A few additional notes:

Remove Cap on ADUs on All Buildings

SPUR supports removing the cap on the number of ADUs per building to create greater opportunities for new housing units. We would go further and recommend removing the cap on buildings with fewer than 5 units. This builds on the success of the seismic retrofit ADU program and is in line with other city policies that remove density controls based on numerical standards. This ordinance continues to limit ADUs to the existing envelope, which places physical limitations on the number of ADUs possible and will keep it within reason.

Future Considerations

There are several topics that we believe should be revisited in the future. We suggest that if San Francisco is serious about getting large numbers of ADUs, the city should treat this as a learning process. Over time, we will find out whether or not the current and proposed regulations work to generate large numbers of new ADUs. In five years, the city should study whether it put the right set of incentives in place — and should be willing to change course based on what it learns.

- **Buildable envelope:** We agree with staff's recommendation to allow the use of space in the buildable envelope, beyond the existing building envelope. We suggest that there should be further consideration of how the city might allow ADUs to carefully use space outside the buildable envelope, through backyard cottages or otherwise, and what kinds of physical controls

SAN FRANCISCO

654 Mission Street
San Francisco, CA 94105
(415) 781-8726

SAN JOSE

76 South First Street
San Jose, CA 95113
(408) 638-0083

OAKLAND

1544 Broadway
Oakland, CA 94612
(510) 827-1900

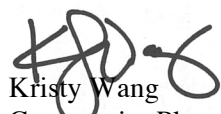
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might be appropriate and effective at balancing the creation of more housing opportunities and protecting mid-block open space.

- Short-term rentals: We understand that monitoring and enforcement of short-term rentals is not yet effective, and we can see that the city would like to avoid incentivizing the creation of ADUs for short-term rental purposes. If and when the city's short-term rental laws are more effectively enforceable, we think that ADUs should not be treated any differently from the rest of the housing stock.
- Rent control: Our understanding is that multi-unit buildings managed by professional landlords are willing to add ADUs under rent control, but single-family units where people live in their own homes are not. Without experience, homeowners are more likely to fear rent control and may not elect to add an ADU if they will be subject to the city's rent stabilization ordinance. Single-family homes offer a great opportunity for ADUs in San Francisco, so we suggest revisiting the rent control requirement in the future if we see little ADU construction in single family homes in the next several years.
- Other barriers: Beyond the planning and zoning issues addressed in this legislation, the success of the ADU program relies on breaking down other barriers to ADU creation. The sf-ADU handbook is an important resource and a great start to making ADUs easier to plan and build, but there may be other efforts to publicize the opportunity once this is possible citywide. In addition, the city should look at its process to make it as simple and ministerial as possible. We also understand that construction cost is a significant barrier at this time, and there are few opportunities to access financing for ADU construction. These are barriers that should be explored, in case there are ways that the city might help facilitate the funding and/or financing necessary to make more ADUs possible.

Thank you for the opportunity to share our support for expanding ADUs citywide. We encourage you to accept staff's modifications and recommend for approval a more flexible version of the ordinance, which is most likely to be effective at making a dent in San Francisco's housing shortage. Please contact me if you have any questions.

Best,



Kristy Wang
Community Planning Policy Director

cc: Supervisor Aaron Peskin
Supervisor Mark Farrell
Supervisor Scott Wiener
SPUR Board of Directors