

April 16, 2017

Land Use & Transportation Committee San Francisco Board of Supervisors 1 Dr. Carlton B Goodlett Place San Francisco, CA 94102

RE: Construction of Accessory Dwelling Units

File No. 170125

Dear Supervisors Farrell, Peskin and Tang:

Thank you for the opportunity to weigh in on the accessory dwelling unit legislation now proposed by Supervisors Peskin to bring San Francisco's Planning Code into alignment with 2016 state legislation. SPUR has been a long-time supporter of making in-law units easier to create, and we are happy to see our partner jurisdictions quickly updating their codes, since any ordinances not in compliance with the new state law are unenforceable until updated.

As we have written before, in SPUR's 2006 *Secondary Units* report, as well as follow-up blog posts and letters, ADUs provide many benefits: they serve many different kinds of households, they typically rent for less than other market-rate units, and they can easily add a little more density in all kinds of neighborhoods with limited physical impact.

SPUR supports the legislation with the Planning Commission's recommended modifications. The modifications add clarity to the ordinance and align the ordinance with existing provisions in the Planning Code.

Further, we urge you to consider the recommendations included in Supervisor Jeff Sheehy and Supervisor Mark Farrell's letter dated April 4. In particular:

- Temporary Evictions Should Be Eligible for the ADU Program. Last year, when the city took ADU legislation citywide, units where evictions had occurred were made ineligible for the ADU program. However, temporary evictions, which are sometimes needed to complete earthquake safety, lead mitigation or other construction work that benefits tenants, were not treated any differently from permanent and more harmful types of evictions. As long as residents can return immediately after the completion of the work, we believe that units with temporary evictions on the record should be eligible to participate in the ADU program.
- Remove the Unit Cap for Seismic Retrofits. Last June, we recommended removing the cap on the number of ADUs per building to create greater opportunities for new housing units. When changes were made to the city's ADU laws last year, some of the existing provisions from the successful seismic retrofit ADU program got lost. This is an important correction that would help enable more units to be created through a program that had a strong track record.

• Neighborhood Notification for ADUs should be consistent with neighborhood notification for similar types of projects and not be unnecessarily burdensome.

Future Considerations

There are several topics that we have suggested should be revisited in the future, including considering how ADUs might be able to use space outside the buildable envelope, treating ADUs similarly to the rest of the housing stock with regard to short-term rentals if/when short-term rental enforcement is improved, revisiting the rent control requirement if we see little ADU construction in single family homes, and exploring other ways to break down barriers to ADU construction, including more homeowner education, a simpler and truly ministerial process, additional financing options, and reducing city fees for ADUs.

We again 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.

Thank you for the opportunity to share our support for ADUs generally, for Supervisor Peskin's proposal and for the additional modifications proposed by both the Planning Commission and Supervisors Sheehy and Farrell. Please contact me if you have any questions.

Best,

Community Planning Policy Director

cc: Supervisor Mark Farrell
Supervisor Jeff Sheehy
SPUR Board of Directors