



Western SoMa Citizens Planning Task Force

MEMORANDUM

TO: Western SoMa Citizens Planning Task Force

FROM: Business and Land Use Committee

DATE: July 26, 2006

RE: *SRO Proposed Controls*

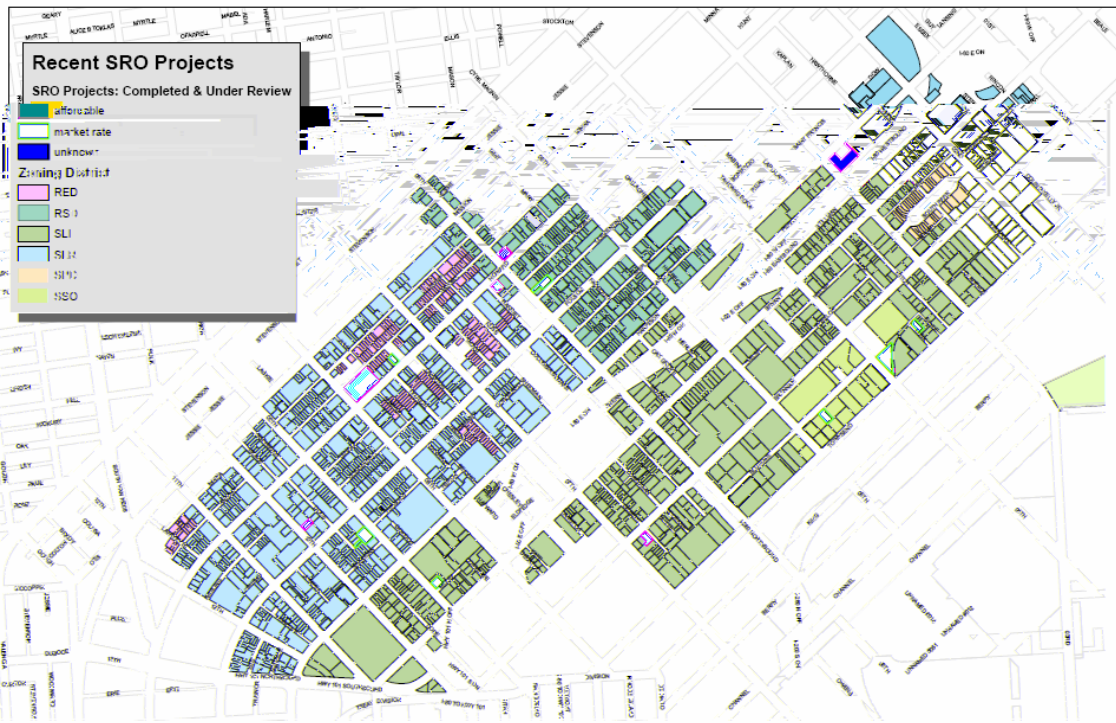
Background

Over the course of the past three months of Business and Land Use Committee meetings, numerous issues and concerns have been raised by the membership regarding the short and long-term appropriateness of Single Room Occupancy (SRO) developments in the Western SoMa SUD. The Planning Code provisions for SRO as a housing type are summarized in Appendix A. Appendix B provides a list of current SRO projects throughout the South of Market Zoning Districts. Background information considered by this Committee on recommended modifications to allowable new SRO development proposals is provided in Appendix C.

Proposed Code Modifications and Changes to the SRO Zoning Geography

In the current context of study, and proposals to consider changes to the existing Western SoMa zoning districts, SRO proposals should be subject to additional planning approval scrutiny and a restricted development geography. The small map below shows the basic MUNI transit service routes in the South of Market. The map that follows the transit map provides the existing Western SoMa zoning districts and the locations of current SRO projects. Western SoMa permanent zoning proposals will not be forthcoming for at least 20 months.

Transit Network



Proposed Interim Controls in the Western SoMa SUD

Given the early stages of formulating zoning proposals for the Western SoMa, **interim controls** in the Western SoMa SUD should **prohibit new SRO proposals in the SLI zoning district and in all other zoning districts be subject to standard Conditional Use and other requirements described below.** New Conditional Use SRO proposals should be subject to authorizations from the Planning Commission that require the standard Section 303 findings and the following new SRO findings.

- ✓ New SRO development proposals shall demonstrate to the Planning Commission that the new units are meeting clearly and definitively underserved segments of the local housing market demand.
- ✓ New SRO development proposals shall demonstrate to the Planning commission that the applicable development location is within one block walking distance of necessary and existing residential serving commercial uses (including but not limited to grocery shopping, dedicated open space).

In addition it is suggested that new SRO proposals should be subject to:

- No allowable variances from the Planning Code SRO requirements except for “parking”.
- No ground floor SRO units except for those with stoops on Western SoMa side-streets (i.e., alleys). On major Western SoMa streets active non-residential uses should be required on the ground floor.
- Apply the most current City and County of San Francisco inclusionary BMR standards to SRO proposals.

APPENDIX A

Definition of SRO Unit [Section 890.88(c)]

- may contain no more than 1 occupied room
- maximum 350 gross square feet
- may or may not have bathroom / kitchen

Parking [Section 151]

- 1 for each 20 SRO units
- *most other residential uses in most zoning districts require 1 space for each unit*

Rear Yard [Section 134]

- SRO buildings lower than 65' may reduce rear yards via averaging to a minimum of 15'
- *Most other non-SRO uses must*
 - *reduce rearmost 10' of averaged building depth to a height of 30'*
 - *have a rear yard that is a minimum of 15' or 25% of lot depth, whichever is greater*

Usable Open Space [Section 135(d)(2)]

- 1/3 the amount of open space is required for SRO units
- *Most other residential uses in the South of Market must provide between 36 and 80 square feet per unit of private usable open space (deck, balcony, yard, etc..). This requirement increases if the designated area is common space.*

Exposure [Section 140]

- There is no exposure requirement for SRO units
- *Most other residential uses must face a street, alley, or qualifying yard or courtyard.*

Density [Article 8]

- No density limit is prescribed for SRO units
- *Most other residential uses in the South of Market require between 200 and 600 feet of lot area for each dwelling unit.*

Affordable Housing Requirement [Section 315]

- The affordability levels and Below Market Rate (BMR) units required of residential development elsewhere in the City are also required for SRO development. There is no increased or diminished affordability requirement for this land use.

How do recent SRO proposals comply with the prohibition of market rate housing in the SLI District?

[This question was raised by a member of the public but merits discussion.]

- In the Service/Light Industrial (SLI) Zoning District, market rate dwelling units are prohibited. However, both (1) dwelling units *that are specifically designated for low-income households* and (2) SRO units, are allowed with Conditional Use Authorization. SRO units, as discussed previously, and excepting the provisions of Code Section 315, are not restricted to low-income occupancy. As such, market-rate SRO units are permitted in a zoning district where no other market-rate dwellings are allowed. The Commission may wish to consider whether the inherent lower cost of SRO units (by virtue of their small size) renders them compatible with the affordability principles of the SLI District, or, alternatively, if *any* type of non-income-restricted housing in the SLI District should be discouraged.

APPENDIX B

	Address	Net New Units	Description	Case / Permit Number	Block / Lot	Project Status	Presumed Affordability
1	401 3 rd St.	257	New construction on vacant lot		3763116	Opened circa 1997	affordable
2	1166 Howard St.	88	Mixed use project which also includes 73 non-SRO affordable dwelling units	1999.475	3727202	Opened mid-2003	affordable
3	988 Howard St.	106	Demolition of existing SRO building and construction of new, larger mixed-use building	2003.0109	3725025	completed early 2006	affordable
4	1011 Howard St.	20	Renovation and expansion of existing 66 unit group housing-type SRO; addition of 20 new units	2002.1166	3731117	Under construction	affordable
5	8 McLea Ct.	29	Construction of new SRO building on vacant lot		3757046	Approved by Planning Commission June 2004; other required City entitlements pending	market rate
6	77 Bluxome St.	102	Demolition of existing industrial structure and construction of new SRO building	2004.0677	3786019	Building Permits issued 3/10/05; other required City entitlements pending	market rate
7	787 Brannan St.	56	Construction of new SRO building on vacant lot; companion project to 4 th & Freelon SUD	2004.056	3784018	Under construction; expected occupancy Fall 2006	affordable
8	251 6 th St.	83	Demolition of existing industrial building and construction of new SRO building	2004.0999	3732074	Environmental Review application filed September 2004; under review as of Jan 2006; awaiting revisions to building permit	market rate
9	1140 Howard St.	32	Demolition of existing office building and construction of new SRO building		3727016	Environmental Review application filed November 2002; project on hold "but not abandoned"	market rate

APPENDIX B (con't)

10	149 Dore St.	8	Construction of new SRO building on vacant lot	2003.1154	3519059	Building permit application filed May 2003; project on hold pending Eastern Neighborhoods Rezoning	market rate
11	346 9 th St.	52	Demolition of existing building and construction of new mixed use structure which also includes 6 dwelling units	2003.1194	3519067	Application for Shadow Study filed in November 2003; project may be coming back on-line with certain revisions and modifications to EE	market rate
12	25 Lusk St.	26	Addition to and conversion of existing business service space	2005.0498	3787022	Pending planning commission hearing.	market rate
13	275 10 th St.	135	Demolition of 3 light industrial buildings and construction of supportive housing for chronically homeless adults in a four-story L-shaped building, with residential over retail, parking, and accessory office space.	2003.1194	3518017	EE under review; Variance hearing scheduled for March; no site permit yet	affordable
14	655 4 th St.	192	Demolition of existing 2-story, 17,640 sq. ft. industrial building	2005.1019	3787026	EE filed in November 2005 but not yet assigned	market rate
15	938 Howard St.	154	Demolish 125ksf industrial and construct new SRO building	2006.0437	3725015	EE filed 3/27/06	unknown

APPENDIX C

ORIGINAL SRO CODE AMMENDMENT INTENT

The SRO legislation was crafted to try and provide housing opportunities for a low income or transitional population that afforded greater personal dignity in bathroom privacy and cost savings of food preparation in a minimal, but private, kitchen facility. The original intent behind the development of the SRO as a use type and its associated Planning Code amendments in the early 1990's was to facilitate the replacement of "group housing SRO" hotels damaged by the 1989 earthquake. Prior to the SRO Code amendments in 1991, "group housing SRO" controls did not permit either a private bathroom or a private kitchen for the occupant. The typical group housing SRO occupant shared a bathroom and a kitchen (if one was available at all) with other tenants in the building.

Pros and Cons

PROS –

- Maximum size allowances for an SRO unit, assuming all other things are equal (e.g., land cost, construction costs, etc.), produce these units to sell in the market for approximately half the cost of an average market rate studio condo without parking. This price point for an SRO place to live in San Francisco could meet needs of single and two person households that are otherwise priced out of the local real estate market. In addition this purchase price point could provide options for those households that might otherwise be limited to a roommate rental situation in the local housing market.
- With no density limit and minimum year yard, open space, and parking requirements, more SRO units can be developed on a parcel than any other housing type, potentially generating a large amount of new housing in SOMA for single person households and couples, of which there are many in San Francisco.
- The SRO units by definitions must be very small, most without parking, thereby the market rent or purchase price for these units will be at the lowest end of the real estate market (although their rent/cost per square foot will actually be relatively high), and thus it will be the "most affordable" housing option for single first-time buyers and seniors who are "downsizing" for retirement.
- These units due to size and density are the most financially feasible government-assisted affordable housing development for one and two person households.
- Market-rate SRO development I the 6th Street corridor, in particular, would advance the Redevelopment Plan goals of a more mixed-income community and thereby enhance retail business opportunities.

CONS –

- Due to the comparative advantages of SRO unit development projects over a standard dwelling unit development, the units can locate in zoning districts where housing production is otherwise severely limited and can therefore take advantage of suppressed land values.
- Even in zoning districts that allow and /or encourage dwelling unit developments, SRO projects can compete with and often outbid other uses in an environment of scarce land resources. This is to say that due to the pent up demand to housing units in San Francisco, SRO projects are nearly certain to enjoy a robust position in the local housing market and therefore able to outbid competing non-residential uses for scarce land resources. This comparative market advantage of SRO development proposals poses a potential risk to the continued competitive viability or a broad spectrum of non-residential uses in the South of Market.
- SRO Code provision do not set any requirements for ground floor uses to protect existing non-residential use or encourage neighborhood serving retail.
- The SRO Code does not prohibit further variances that might reduce rear yard and open space requirements, even though the prevailing Code requirements were intended as minimums for “decent” housing.
- Market rate SROs are allowed by Conditional Use in the SLI Zoning District and that could overwhelm the remaining non-residential nature of this district.
- Very limited SRO parking standards may result in even greater shortages of on-street parking for SOMA residents.
- If the SRO development standards allow the most lucrative housing development market option, it could push up the value of land throughout the SOMA to the new higher residual land value levels and thereby increase the displacement pressure on existing non-residential uses.

ADVANTAGES -

SROs as a land use are only applicable in South of Market zoning districts defined in Article 8 of the Planning Code. Appendix B (attached) summarizes the current information on proposed SRO projects either built or in the development pipeline.

These attached definitions and controls clearly identify the many advantages that SROs, as defined in the Planning Code, have over standard dwelling unit developments. The one disadvantage of the SRO as a use type is the specified maximum size of 350 square feet (not including a reasonable bathroom size).

During the development of the SRO controls in the early 1990s, the use was never anticipated as a market rate development use type and standard dwelling unit standards were reduced to minimum livability standards to keep unit cost as low as possible. The advantages, many of which are identical in character to the advantages previously applicable to “live/work” units, include:

- reduced parking requirements, and
- reduced year yard requirements, and
- reduced open space requirements, and
- reduced exposure requirements, and
- no specified density standards, and
- Conditional Use in Service Light Industrial (SLI) zoning districts where housing development must include 100% BMR units.