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February 7, 2013

Housing Review Committee
City Hall, Rm. 400
San Francisco, CA. 94102

RE: Definition of Significant Increase in Residential Development Potential

Dear Members of the Housing Review Committee:

SPUR wishes to offer comments on the definition of significant increase in residential potential as it relates to Proposition C, Affordable Housing Trust Fund and Housing Production Incentives Program. As you may recall, Proposition C created a long term source of funding for affordable housing, while capping affordable housing fees (with several notable exceptions) and reducing the inclusionary requirement by 20% for those projects that provide their inclusionary units on site.

In instances where significant residential development potential has been created through a change in zoning, the affordable housing cap can be lifted. The Charter includes several instances where this can occur: redevelopment areas, projects subject to development agreements and in SUDs where a significant increase in residential development potential has been conferred. This threshold of significance for SUDs is defined in the Charter as a 20% increase in height or a 50% increase in residential density. :

For area plans of 40 acres or greater, it was also agreed that for those portions of area plans that received a significant increase in development potential the affordable housing fee cap could be lifted. The charter states that the fee cap can be lifted for **“an area subject to a change in zoning enacted after November 6, 2012 that affects 40 or more acres or greater and results in a significant increase in residential development potential, where the area is not also encompassed by a Special Use District adopted after November 6, 2012;”**

This threshold of significance is very important to SPUR. We recommend that the following thresholds be established as standards for defining significant:

1. A 20% or greater increase in developable residential gross floor area, as measured by an increase in height limits or Floor Area Ratio limits (in zoning districts where FAR is applicable to residential space) over prior zoning, or
2. A change in permitted uses allowing residential development as either a permitted or conditional use where previously residential uses were not permitted; or
3. An elimination of density limits on a lot greater than 10,000 square feet in size yielding 15 or more net new units than would have been allowed under the prior zoning.

We strongly believe that this third threshold should not apply to modest infill development on small lots, but rather should apply only to increases in residential development potential that are truly significant.

Applying the above standards to future area plans will allow for value recapture where significant residential development potential has been conferred through zoning actions taken by the city. We believe that the definition outlined above is consistent with the intent of the Affordable Housing Trust Fund and Housing Production Incentives Program and should be set forth as the standard.

Thank you for your consideration of our comments. Should you have any questions, please do not hesitate to contact me at 415-644-4280.

Sincerely,

Tomiquia Moss
Community Planning Director