

File No. 211299 Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date March 7, 2022

Board of Supervisors Meeting Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
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Completed by: Erica Major Date March 3, 2022
Completed by: Erica Major Date _____

1 [Planning Code - Group Housing Definition]

2

3 **Ordinance amending the Planning Code to revise the definition of Group Housing;**
4 **affirming the Planning Department’s determination under the California Environmental**
5 **Quality Act; and making findings of consistency with the General Plan and the eight**
6 **priority policies of Planning Code, Section 101.1, and findings of public necessity,**
7 **convenience, and welfare under Planning Code, Section 302.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Environmental and Land Use Findings.

17 (a) The Planning Department has determined that the actions contemplated in this
18 ordinance comply with the California Environmental Quality Act (California Public Resources
19 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
20 Supervisors in File No. 211299 and is incorporated herein by reference. The Board affirms
21 this determination.

22 (b) On February 10, 2022, the Planning Commission, in Resolution No. 21071,
23 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
24 with the City’s General Plan and eight priority policies of Planning Code Section 101.1. The
25 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
the Board of Supervisors in File No. 211299, and is incorporated herein by reference.

1 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the
2 Planning Code amendments will serve the public necessity, convenience, and welfare for the
3 reasons set forth in Planning Commission Resolution No. 21071, and the Board incorporates
4 such reasons herein by reference.

5
6 Section 2. Other Findings.

7 (a) In 2005, the Zoning Administrator issued an interpretation of the Planning Code
8 definition of Group Housing that allowed Group Housing to include limited kitchens, similar to
9 the Planning Code definition of Dwelling Unit, which made it more difficult to distinguish
10 between a residential Dwelling Unit and a Group Housing unit.

11 (b) The intent of a Group Housing development is to create successful communal
12 living arrangement for permanent residents, largely achieved by shifting the private amenities
13 required in standard Dwelling Units, such as kitchens, to communal facilities shared by all
14 project residents, thus encouraging shared social interactions and shared stewardship of the
15 facility.

16 (c) The Planning Department has partnered with California College of the Arts to study
17 current Group Housing developments and analyze best practices, and has prepared
18 recommendations on how to improve the definition of Group Housing in the Planning Code,
19 many of which are reflected in this ordinance.

20 (d) In 2002, San Francisco adopted its first Inclusionary Housing Ordinance, which
21 requires that projects with ten or more units designate a percentage of units on-site as
22 “affordable for purchase...and rent” by moderate, low, and very low-income households, with
23 the stated goal of addressing San Francisco’s affordable housing crisis. On-site affordable
24 units capture the social benefits of integrated below-market and market rate housing. The
25 Inclusionary Housing Ordinance was subsequently updated in 2016 and 2017.

1 (e) In 2002, the Planning Department reported that between 1992 and 2002 only
2 “3,1991 units of low and very low-income housing were built in San Francisco out of a total
3 need of 15,103 units for the same period.” This effort has not improved in the last two
4 decades. The Planning Department’s April 2021 Housing Balance Report shows that very-low
5 income units (including units for extremely low-income residents eligible for homeless
6 subsidies) and low-income units made up only 19% of net new units constructed between the
7 first quarter of 2011 through the fourth quarter of 2020. These numbers pale in comparison to
8 the need for such housing. The Association of Bay Area Governments’ 2023-2031 Draft
9 Regional Housing Needs Assessment identifies San Francisco’s need for 114,442 units of
10 very-low income housing, or 25.9% of total housing need, and 65,892 units of low-income
11 housing, or 14.9% of total housing need. Together, San Francisco’s Regional Housing Needs
12 Assessment HNA calls for over 40% of all units as below market rate units.

13 (f) Group Housing developments, while designed for permanent residents, are
14 nonetheless tailored to residents who are in a transitional stage in their lives, either as a
15 function of their employment situation or their student status. The smaller floor plans and
16 scaled-back private amenities of individual units are marketed to and designed for residents
17 who are primarily seeking to rent a unit, and not residents who seek to purchase a unit.

18 (g) Group Housing ownership units run the risk of becoming unregulated corporate
19 rentals or second and third homes for San Francisco or non-San Francisco residents, which
20 contravenes the intended social benefits and shared investment needed to ensure a
21 successful Group Housing project.

22 (h) In 2017, the Board of Supervisors updated the Hotel Conversion Ordinance,
23 Administrative Code Chapter 41, to clarify that residential hotels are intended for permanent
24 residents, and that any stay under 32 days would be considered a tourist or transient use and
25 not a residential use, and conformed the Hotel Conversion Ordinance to other sections of the

1 Administrative Code related to short-term rentals. The Hotel Conversion Ordinance updates
2 also reflect an updated definition of “protected tenants” in Chapter 37 of the Administrative
3 Code, the San Francisco Residential Rent Stabilization and Arbitration Ordinance. This
4 legislation conforms the definition of Group Housing with the term of stay for residential hotels,
5 a type of use included in the definition of Group Housing.

6

7 Section 3. The Planning Code is hereby amended by revising Sections 102 and 415.2,
8 to read as follows:

9

10 **SEC. 102 DEFINITIONS.**

11

* * * *

12

13 **Group Housing.** A Residential Use that provides lodging or both meals and lodging,
14 without individual or limited cooking facilities or kitchens, by prearrangement for 30 days a week
15 or more at a time and intended as Long-Term Housing, in a space not defined by this Code as a
16 Dwelling Unit ~~dwelling unit~~. Except for Group Housing that also qualifies as Student Housing as
17 defined in this Section 102, ~~or 100% Affordable Housing as defined in Planning Code Section 315, or~~
18 housing operated by an organization with tax-exempt status under 26 United States Code
19 Section 501(c)(3) providing access to the unit in furtherance of its primary mission to provide
20 housing, the residential square footage devoted to Group Housing shall include both common and
21 private space in the following amounts: for every gross square foot of private space (including
22 bedrooms and individual bathrooms), ~~0.25~~ 0.5 gross square feet of common space shall be provided,
23 with at least ~~50~~ 15% of the common space devoted to communal kitchens with a minimum of one
24 kitchen for every ~~20~~ 15 Group Housing units. ~~Such group housing~~ Group Housing shall include, but
25 not necessarily be limited to, a Residential Hotel, boardinghouse, guesthouse, rooming house,
lodging house, residence club, commune, fraternity or sorority house, monastery, nunnery,

1 convent, or ashram. It shall also include group housing affiliated with and operated by a
2 medical or educational institution, when not located on the same lot as such institution, which
3 shall meet the applicable provisions of Section 304.5 of this Code concerning institutional
4 master plans.

5 * * * *

6

7 **SEC. 415.2. DEFINITIONS.**

8 See Section 401 of this Article.

9 "Owned Unit" shall mean a dwelling unit that is a condominium, stock cooperative,
10 community apartment, or detached single family home. The owner or owners of an owned unit
11 must occupy the unit as their primary residence. An Owned Unit shall not be Group Housing, as
12 defined in Section 102.

13 * * * *

14

15 Section 4. Effective Date.

16 This ordinance shall become effective 30 days after enactment. Enactment occurs
17 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
18 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
19 Mayor's veto of the ordinance.

20 //

21 //

22 //

23 //

24 //

25 //

1 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
5 additions, and Board amendment deletions in accordance with the “Note” that appears under
6 the official title of the ordinance.

7

8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

10 By: /s/
11 AUDREY WILLIAMS PEARSON
 Deputy City Attorney

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REVISED LEGISLATIVE DIGEST
(Amended in Committee, 2/28/2022)

[Planning Code - Group Housing Definition]

Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

Currently, a group housing unit is defined as a residential use without individual cooking facilities, with a minimum tenancy of one week. The definition does not include a requirement for a minimum number of kitchens or other common space. The Inclusionary Housing Program (Planning Code Section 415 *et seq*) definition of “owned unit” does not reference group housing units.

Amendments to Current Law

This ordinance would revise the Planning Code general definition of group housing to clarify that such units do not include limited cooking facilities or kitchens, to require a minimum tenancy of thirty days, to require a minimum ratio of private space to public common space and to require a minimum of one communal kitchen for every 15 group housing units. The ordinance would also amend the definition of “owned unit” in the Inclusionary Housing Program to not include a group housing unit. Student Housing, 100% Affordable Housing, and tax-exempt housing would be exempt from the common space requirements.

Background Information

Group housing units have been allowed limited kitchens based on a Zoning Administrator determination in 1995. This ordinance would clarify that group housing units do not include kitchen facilities.

Amendments adopted at the February 28, 2022 Land Use and Transportation Committee added an exemption to the common space requirements for tax-exempt housing operators; and amended the amounts of common space required, the percentage of common space that must be a communal kitchen, and the required number of communal kitchens per unit.



February 15, 2022

Ms. Angela Calvillo, Clerk
Honorable Supervisor Peskin
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Numbers 2022-000674PCA and 2021-011415PCAMAP
Group Housing Definition and Special Use District
Board File Nos. 211299 and 211300

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Supervisor Peskin,

On February 10, 2022, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Peskin that would amend the Planning Code to revise the definition of Group Housing and to establish a Group Housing Special Use District. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

Board File No. 211299

1. Increase the common space requirement to 0.5 square feet of common space for every square foot of private space, instead of the proposed 0.25.
2. Require at least one kitchen within 15% of the common space, instead of the proposed 50%
3. Revise the minimum number of kitchens to be at least one communal kitchen for every 15 Group Housing rooms, instead of the proposed 20.
4. In addition to Student Housing and 100% affordable housing, also exempt units protected under Section

41.3 of the Hotel Conversion Ordinance from the common space requirements

5. Exempt those organizations like Family House from the common space requirements.
6. Allow academic institutions to provide limited cooking facilities.
7. Define metrics for communal kitchens.
8. Exclude the single-room occupancy aspect from this specific legislation with the intent to continue discussions in the future.
9. For the Department to consider establishing a Working Group to further discuss Group Housing intent, best practices, and future legislation.

Board File No. 211300

1. Revise the proposed SUD to exempt Student Housing and 100% Affordable Housing projects.
2. Exclude the single-room occupancy aspect from this specific legislation with the intent to continue discussions in the future.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,



Aaron D. Starr
Manager of Legislative Affairs

cc: Audrey Pearson, Deputy City Attorney
Sunny Angulo, Aide to Supervisor Peskin
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21071

HEARING DATE: FEBRUARY 10, 2022

Project Name: Group Housing Definition
Case Number: 2022-000674PCA [Board File No. 211299]
Initiated by: Supervisor Peskin / Introduced December 14, 2021
Staff Contact: Veronica Flores, Legislative Affairs
Veronica.Flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REVISE THE DEFINITION OF GROUP HOUSING; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on December 14, 2021 Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 211299, which would amend the Planning Code to revise the definition of Group Housing;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 10, 2022; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Increase the common space requirement to 0.5 square feet of common space for every square foot of private space, instead of the proposed 0.25.
2. Require at least one kitchen within 15% of the common space, instead of the proposed 50%
3. Revise the minimum number of kitchens to be at least one communal kitchen for every 15 Group Housing rooms, instead of the proposed 20.
4. In addition to Student Housing and 100% affordable housing, also exempt units protected under Section 41.3 of the Hotel Conversion Ordinance from the common space requirements
5. Exempt those organizations like Family House from the common space requirements.
6. Allow academic institutions to provide limited cooking facilities.
7. Define metrics for communal kitchens.
8. Exclude the single-room occupancy aspect from this specific legislation with the intent to continue discussions in the future.
9. For the Department to consider establishing a Working Group to further discuss Group Housing intent, best practices, and future legislation.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance will support Group Housing, a much-needed housing typology to help alleviate the housing crisis in San Francisco.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.5

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

OBJECTIVE 5

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

The proposed Group Housing Definition Ordinance supports Group Housing, a housing typology that offers an alternative to traditional living arrangements. There is a wide spectrum of the different types of Group Housing projects, but they all focus on communal living. The proposed Ordinance seeks to ensure Group Housing provides adequate, usable common space for its residents. Further, the proposed Ordinance aligns with the draft Housing Element 2022 Update, which recently appeared in front of Planning Commission, to encourage co-housing. Additionally, the Housing Element 2022 Update noted the importance of minimum quality of life standards for all residences, such as having adequate cooking facilities and common spaces.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve

the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 10, 2022.



Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2022.02.10 16:23:11 -0800

Jonas P. Ionin
Commission Secretary

AYES: Diamond, Fung, Imperial, Koppel, Moore, Tanner

NOES: None

ABSENT: None

ADOPTED: February 10, 2022

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PLANNING COMMISSION RESOLUTION NO. 21072

HEARING DATE: FEBRUARY 10, 2022

Project Name: Group Housing Special Use District
Case Number: 2021-011415PCAMAP [Board File No. 211300]
Initiated by: Supervisor Peskin / Introduced December 14, 2021
Staff Contact: Veronica Flores, Legislative Affairs
Veronica.Flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CREATE THE GROUP HOUSING SPECIAL USE DISTRICT; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on December 14, 2021 Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 211300, which would amend the Planning Code to create the Group Housing Special Use District;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 10, 2022; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed recommendation is as follows:

1. Revise the proposed SUD to exempt Student Housing and 100% Affordable Housing projects.
2. Exclude the single-room occupancy aspect from this specific legislation with the intent to continue discussions in the future.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance responds to the overconcentration of Group Housing in the general Tenderloin and Chinatown neighborhoods.

The proposed Ordinance encourages more family-sized units within these neighborhoods.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modification is consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

OBJECTIVE 5

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

The proposed SUD Ordinance responds to the overconcentration of Group Housing in the general Chinatown and Tenderloin neighborhoods. Additionally, there is a high vacancy rate within the existing Group Housing rooms within these neighborhoods suggesting the need for other housing typologies. The intent of the proposed Ordinance is to encourage more family-sized units in these neighborhoods.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 10, 2022.



Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2022.02.10 10:58:00 -0800

Jonas P. Ionin
Commission Secretary

AYES: Diamond, Fung, Imperial, Koppel, Moore, Tanner

NOES: None

ABSENT: None

ADOPTED: February 10, 2022



EXECUTIVE SUMMARY

PLANNING CODE TEXT & ZONING MAP AMENDMENT

HEARING DATE: February 10, 2022

90-Day Deadline: March 23, 2022

Project Name: Group Housing Definition and Group Housing Special Use District
Case Number: 2022-000674PCA and 2021-011415PCAMAP [Board File Nos. 211299 and 211300]
Initiated by: Supervisor Peskin / Introduced December 14, 2021
Staff Contact: Veronica Flores, Legislative Affairs
Veronica.Flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Recommendation: Approval with Modification

Planning Code and Zoning Map Amendment

The Way It Is Now:	The Way It Would Be:
Board File 211299: Ordinance amending the Planning Code to revise the definition of Group Housing.	
Per Zoning Administrator interpretation, Group Housing rooms may have a limited cooking facility, which is defined as having a small counter space, a small under-counter refrigerator, a small sink, a microwave, and a small two-ring burner.	Group Housing rooms would not be allowed to have individual or limited cooking facilities.
Group Housing rooms need to be rented out for a minimum of seven days.	Group Housing rooms would need to be rented out for a minimum of 30 days.
Group Housing projects do not have a minimum square footage requirement for common space and amenities.	Group Housing projects would be required to provide 0.25 square feet of common space for every square foot of private space (including bedrooms and individual bathrooms). At least 50% of this common space would need to be devoted to a communal

	<p>kitchen, with a minimum of one kitchen for every 20 Group Housing rooms.</p> <p>The only exceptions would be for Student Housing or 100% Affordable Housing.</p>
On-site inclusionary Group Housing rooms can either be rental or ownership tenures.	On-site inclusionary Group Housing rooms would not be permitted as ownership.
Board File 211300: Ordinance amending the Planning Code to create the Group Housing Special Use District.	
Group Housing is Principally Permitted within the Chinatown and Tenderloin Neighborhoods.	The proposed Ordinance would establish a Group Housing Special Use District, generally comprised of the Chinatown and Tenderloin neighborhoods, which would prohibit new Group Housing rooms.

Background

There has been an increase in the number of market-rate Group Housing projects proposed in the last several years. Planning staff began work to ensure that Group Housing projects incorporated common spaces and cooking facilities to improve livability for the future residents of these developments. In early 2019, Planning Staff was awarded a Friends of City Planning (FOCP) grant to work with California College of the Arts (CCA) to better understand how the Group Housing typology is used worldwide, and to better inform policy recommendations and Planning Code amendments related to common areas. The culminating white paper and Informational Hearing are scheduled to appear in front of Planning Commission on the same day (see Case No. 2018-014048CWP). The results of this analysis are discussed further below.

Additionally, there was a [2005 Zoning Administrator interpretation](#) which allowed Group Housing rooms to have kitchens in the form of “limited cooking facilities”. A limited cooking facility is defined as a facility with a small counter space, a small under-counter refrigerator, a small sink, a microwave, and a small two-ring burner; however, if the kitchen had an oven, it would be considered a “full cooking facility”. This interpretation was originally intended to allow limited kitchen facilities in hotel rooms to provide guests the option of making their own meals during their stay. The same logic was applied to Group Housing to provide those residents with the option of preparing their own meals. The interpretation has since been applied to new construction Group Housing projects, which created a loophole for developers to construct higher density projects with fewer Planning Code requirements for unit mix, usable open space, and exposure. Implementing this interpretation made it difficult to determine what differentiated Group Housing from a regular Dwelling Unit. Further, this interpretation strayed from the “communal” aspect of the Group Housing definition, which excludes individual cooking facilities. The proposed Ordinance seeks to clearly define and differentiate Group Housing from a regular Dwelling Unit.

Issues and Considerations

Group Housing and State Density Bonus Interaction

Group Housing projects may elect to take advantage of the State Density Bonus per California Government Code Section 65915. The State Density Bonus Law provides a developer with incentives/concessions and waivers from development standards. Generally, Group Housing projects are allowed a higher density than Dwelling Unit projects in areas with numerical density, and Group Housing is also permitted in areas with form-based density. The Planning Code already requires lower standards for Group Housing projects; for example, Group Housing is only required to provide 1/3 of the required usable open space compared to regular Dwelling Units. Recent Group Housing projects that have elected the State Density Bonus have waived open space and exposure requirements, effectively increasing the density even further while having reduced open space, exposure, etc. The proposed Ordinance includes the common space requirements within the definition of Group Housing, rather than a Planning Code requirement so they cannot be waived. The intent is to make Group Housing a functional housing typology complete with common space and other basic items such as usable open space. As written, all new Group Housing projects (whether new construction or the conversion of existing buildings) would need to comply with the common space requirements. This ensures that future projects provide a true communal living situation and further distinguishes Group Housing from other Dwelling Units.

Definitions

The proposed Ordinances and staff report discuss different concepts which are sometimes interchanged for each other. This subsection clarifies the definitions and distinguishes between some of these concepts before describing other issues and considerations.

- Dwelling Unit is a type of Residential Use with a room or suite of rooms designed for a family to live in. Only one kitchen is allowed within each Dwelling Unit.
- Group Housing is a type of Residential Use focusing on shared amenities and communal spaces. These are distinct from regular Dwelling Units. Group Housing rooms currently may or may not include limited cooking facilities. If a unit is occupied by more than five unrelated individuals, then it would be considered a Group Housing use.
- Efficiency Dwelling Units with Reduced Square Footage (also known as “Efficiency Dwelling Unit”) is a Dwelling Unit with a living room of less than of 220 square feet. Every Efficiency Dwelling Unit is required to provide a separate closet, bathroom, kitchen sink, cooking facilities, and refrigeration. A maximum of 375 Efficiency Dwelling Units are permitted, with the numerical cap reassessed after the approval of 325 Efficiency Dwelling Units.
- Single-Resident Occupancy (SRO) is a residential use *characteristic*, meaning it could be either Group Housing or a Dwelling Unit. SROs are allowed a maximum occupied floor area of 350 square feet and need to meet the Housing Code's minimum floor area standards. The unit or room may have a private bathroom.

Group Housing: A Different Form of Housing

One of the key differences that distinguishes Group Housing from a Dwelling Unit is that Group Housing focuses on shared amenities and communal living. Group Housing usually does not involve a family, but rather individuals seeking a non-traditional form of housing. A person or household may be living in Group Housing for a wide variety of reasons. Some reasons may include, but are not limited to, the following:

- residents have created or joined existing co-living or co-housing communities based on shared values or goals such as a commune or nursery,
- individuals are seeking housing to establish social connections and fight isolation,
- for an opportunity for multiple households to pool and share resources and responsibilities,
- it may be the only affordable housing choice for some households, or
- as a temporary housing solution for newcomers, temporary workers, or as housing for institutions.

Regardless of the reason, Group Housing offers a viable housing option other than a traditional house or apartment.

Physical form

One of the primary challenges in implementing current Group Housing regulations is that Group Housing can occupy a wide variety of building types, ranging from a single-family home to a network of several buildings within a neighborhood.

Group Housing typically includes a private room and potentially private bathroom, with shared communal space in the building. This common space may include a kitchen, lounge, gym, or other gathering place. This allows individuals to have their own private space, while still having access to similar amenities found in traditional Dwelling Units. The Group Housing typology also inherently provides the opportunity for increased interaction and built-in community for its residents through the communal amenities, although the level of communal interaction also depends on the residents of the building.

Affordability

Due to the nature of their sizing, market-rate Group Housing is generally more affordable than a market-rate Dwelling Unit and provides a more affordable option in San Francisco's expensive housing market. SRO models of Group Housing provide an additional option for low- and single-income households. Group Housing also includes congregate living, which could contribute to housing affordability by providing shared resources, such as childcare, vehicles, or meals, further reducing living expenses for residents. Additionally, Group Housing might serve as an entrée into San Francisco as a new resident decides the best location to live in, without being financially tied to a year-long contract in a traditional apartment.

Affordability restrictions generally apply to Group Housing just as they would to Dwelling Units. The Inclusionary Affordable Housing Program applies to Group Housing projects that propose 10 rooms or more. The Rent Ordinance also applies to Group Housing, and existing buildings that were constructed prior to 1979 are generally subject to rent control.

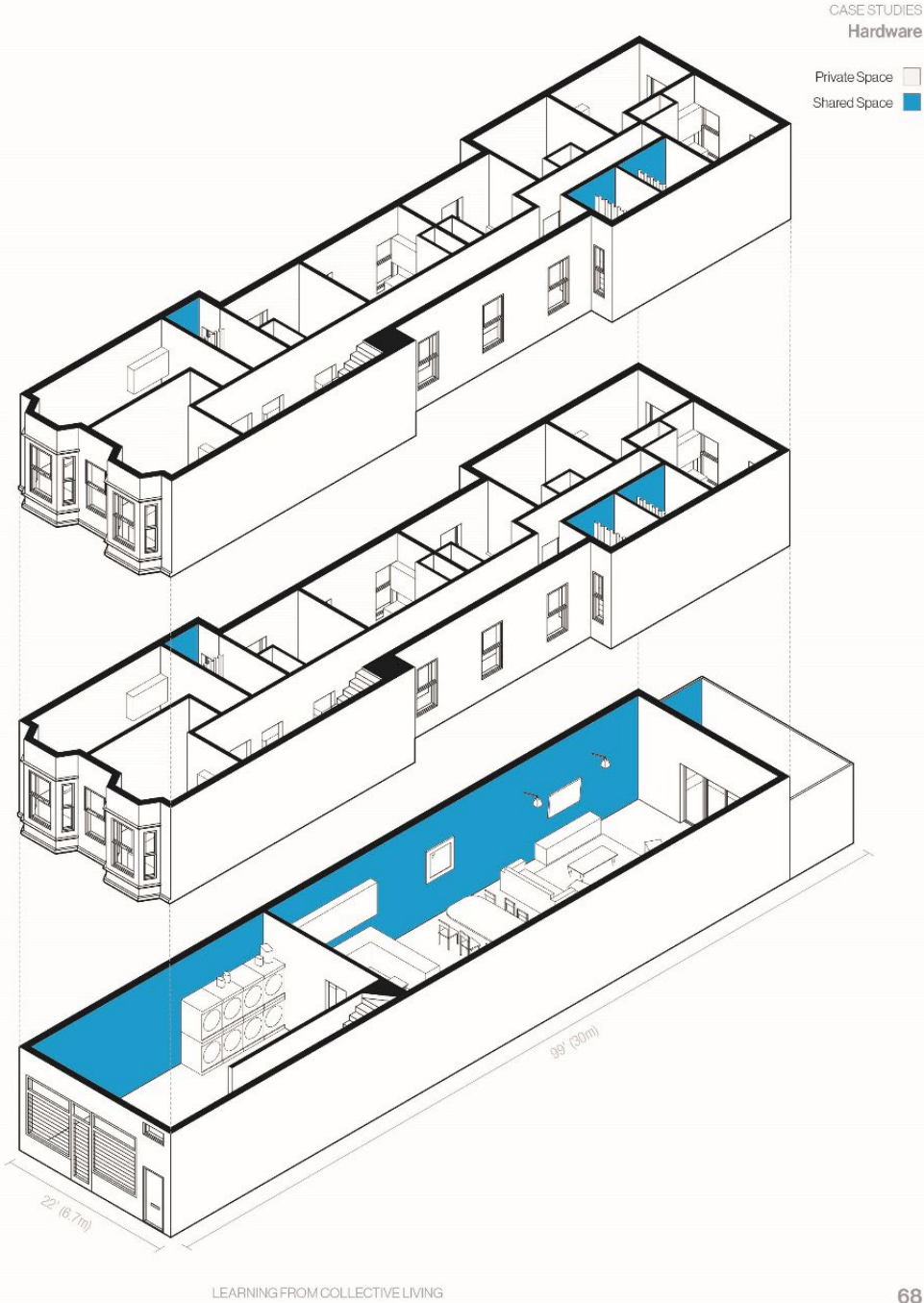


Figure A: Example of Common Space vs. Private Space¹

¹ Source: Bhatia, Neeraj and Antje Steinmuller, “Learning from Collective Living: An Overview of How to Live Together”, White Paper (San Francisco: California College of the Arts / Urban Works Agency, 2022).

Common Space vs. Private Space

Group Housing projects generally provide smaller private “units” or rooms in exchange for more shared facilities and amenities. This is largely achieved by shifting the private amenities normally associated with regular Dwelling Units (such as kitchens and living rooms) to communal facilities shared by all residents. Common space generally includes all the interior areas that cater to communal living, including but not limited to kitchens, lounges, entertainment rooms, fitness rooms, laundry facilities, and shared bathrooms. Figure A, which features the StarCity: Mission project located at 2072 Mission, demonstrates common spaces (highlighted in blue) being spread throughout the building for all residents to access. Common space at the ground floor provides a communal kitchen, dining, living, and laundry areas, and there are shared bathrooms serving the two upper floors. This example provides an appropriate balance of common and private space.

Additionally, Planning Code Section 135 includes separate usable open space requirements that provide outdoor open space to the residents but are not calculated towards common space for the purposes of these Ordinances. Common space does not include circulation, storage, bicycle parking, mechanical space, and other “back of house” space necessary to the operation of the building. Private space is defined as the rentable area of the units or rooms, including the living space, closets, and private bathrooms, if provided.

Group Housing projects need to provide adequate common space for residents to use them. This is key in making sure this housing typology is successful.

Common spaces are integral for Group Housing to function. But it’s not just the mere presence of these amenities. Other critical factors that make common space usable and desirable may include how much common space is provided, what types of common spaces are available, proximity to such common space, and how many people have access to said common space. These variables influence how much time residents spend in their private rooms versus the common space. Further, inadequate common spaces may lead to residents spending less time in the common space with other residents and instead opt to leave the premises altogether.

Cooking Facilities

Currently, the primary physical difference between a Group Housing room and a studio Dwelling Unit are the cooking facilities. Group Housing rooms may have limited cooking facilities, while studio Dwelling Units require a full kitchen. Individual, limited cooking facilities are not a replacement for access to full kitchen facilities. Kitchens and cooking facilities are necessary for Group Housing residents to cook and prepare meals. Like common space, there are several factors which make a kitchen both usable and desirable, including the appliances provided, proximity to the kitchen, number of people served by the kitchen, and who is responsible for maintenance and cleanliness. The number of kitchens and distribution of kitchens depends on the size of the project and the configuration of the lot. Some projects may be better served with one or two large, primary kitchens while others may be better served with smaller, dispersed kitchens.

Special Use District

The proposed Special Use District (SUD) prohibits Group Housing in the general Chinatown and Tenderloin neighborhoods. The proposed SUD boundaries are highlighted in Figure B and enlarged in Exhibit D. These

neighborhoods already have a high concentration of Group Housing, and the intent of the Ordinance is to encourage other types of housing in these neighborhoods.

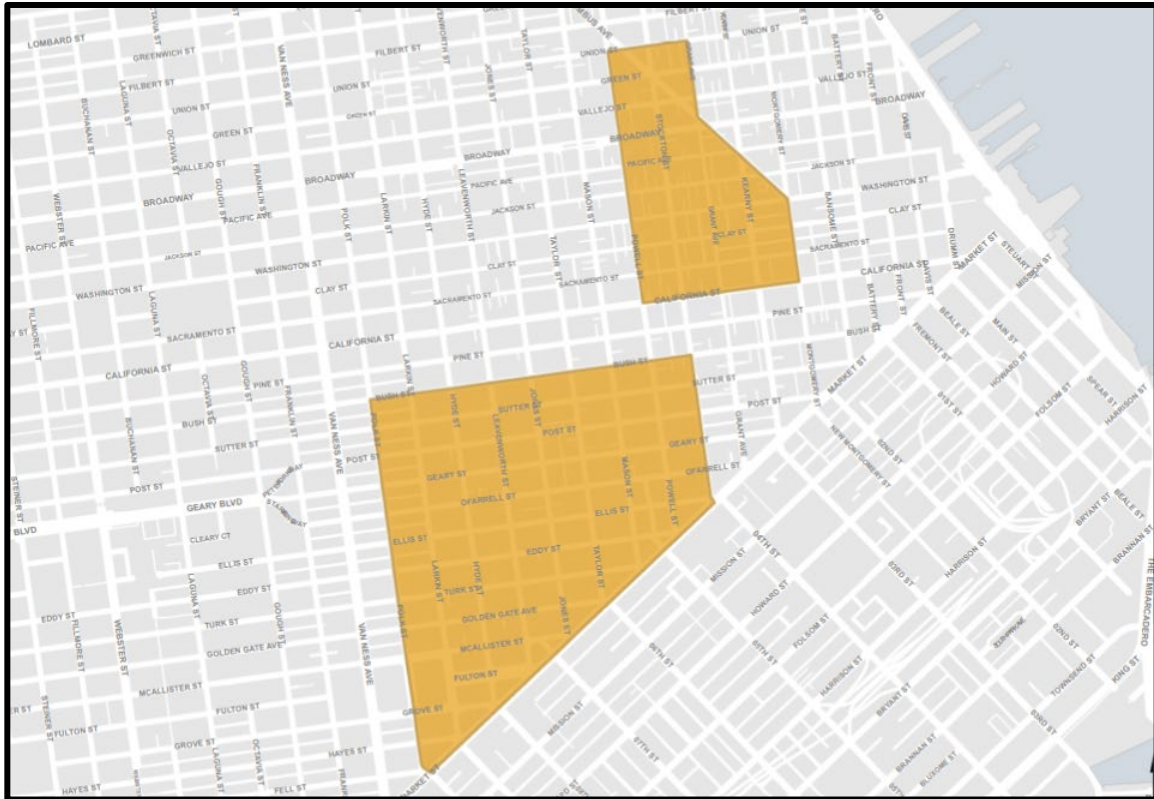


Figure B: Proposed Group Housing Special Use District (SUD) boundaries

The Department of Building Inspection conducts an [Annual Unit Usage Report \(AUUR\)](#), which includes information on Group Housing Residential Hotels administered under Chapter 41 of the Administrative Code. While the AUUR does not encompass all Group Housing rooms, it is still telling because Residential Hotels are one of the most prevalent types of Group Housing projects in San Francisco. Based on the DBI data, 7,037 (or 57%) of all Residential Hotels in San Francisco are located within the proposed SUD. This is an outstanding number considering the small geographic coverage of the proposed SUD. Of these Residential Hotels, approximately 2,102 (or 30%) are vacant. These high vacancy rates suggest that other forms of housing are preferred at this time. This is further echoed by feedback from community members on the desire for more traditional family-sized housing units.

The proposed amendments to the Group Housing definition exempt Student Housing and 100% Affordable Housing Projects from the common space and common kitchen requirements. The intent was to support these types of needed Group Housing projects by providing more flexibility. Based on conversations with Supervisor Peskin's office, the intent was also to exempt 100% Affordable Housing Projects from the SUD. However, the 100% Affordable Housing Project exemption was only included in the proposed Group Housing definition changes related to common space, but not the proposed SUD. Supervisor Peskin intends to introduce a substitute Ordinance or introduce an amendment at the Land Use and Transportation Committee hearing to this effect.

Next Steps

Group Housing has evolved since the inception of the type of housing. The Department will continue to monitor the number and type of Group Housing projects to ensure this typology of housing is a success. The Department's collaboration with CCA and future ongoing research will help inform what other potential changes should be considered for Group Housing, if any. This Ordinance and the CCA white paper only considered interior common spaces. Staff understands that many Group Housing projects also provide outdoor gathering spaces so this may be another aspect to research further in the future.

Currently, the definition of Group Housing and Family are inextricably linked.² The proposed legislation would ensure residential habitability and access to amenities for those seeking to live communally that do not meet the nuclear and heteronormative definition of "family". More than five people living together, unrelated by blood, marriage, or adoption, constitutes Group Housing. Group Housing offers a potential solution for non-nuclear families wanting to live together. Hence, in some ways Group Housing can be considered a "family" comprised of a group of individuals (though not related through blood or marriage) choosing to live in Group Housing functioning much like traditional families. Future amendments should consider if Dwelling Unit and Group Housing definitions should reference the inclusion or exclusion of "family". The Housing Element 2022 Update, which appeared in front of Planning Commission on January 27, 2022, suggested eliminating the definition of "Group Housing" and modifying "Dwelling Unit" to include more than one Family.

Separate from Group Housing projects, there is still the opportunity to build SRO buildings. The proposed changes to the Group Housing definition does not prohibit SROs in this SUD, only Group Housing. Future research should review SROs more closely to determine if these are desirable, appropriate housing typologies within the proposed SUD, or if they should also be prohibited.

Lastly, some of the Group Housing projects the Department reviews include SRO buildings with many small units. However, Group Housing and congregate living may require different layouts or floor plan configurations than SRO buildings. One potential idea that requires further research is revising the SRO definition to be a type of Residential Use, rather than a Residential Use *characteristic*. This would prohibit SROs within Group Housing projects and eliminate some of the confusion around SROs.

General Plan Compliance

The proposed Group Housing Definition Ordinance supports Group Housing, a housing typology that offers an alternative to traditional living arrangements. There is a wide spectrum of the different types of Group Housing projects, but they all focus on communal living. The proposed Ordinance seeks to ensure Group Housing provides adequate, usable common space for its residents. Further, the proposed Ordinance aligns with the draft Housing Element 2022 Update, which recently appeared in front of Planning Commission, to encourage co-housing. Additionally, the Housing Element 2022 Update noted the importance of minimum quality of life standards for all residences, such as having adequate cooking facilities and common spaces.

² Planning Code Section 102 defines "Family" as "consisting of either one person, or two or more persons related by blood, marriage or adoption or by legal guardianship pursuant to court order [...] or a group of not more than five persons unrelated by blood, marriage or adoption, or such legal guardianship unless the group has the attributes of a family [...]".

The proposed SUD Ordinance responds to the overconcentration of Group Housing in the general Chinatown and Tenderloin neighborhoods. Additionally, there is a high vacancy rate within the existing Group Housing rooms within these neighborhoods suggesting the need for other housing typologies. The intent of the proposed Ordinance is to encourage more family-sized units in these neighborhoods.

Racial and Social Equity Analysis

The Planning Code and Zoning Map amendments in the proposed Ordinances support the Group Housing as a different housing typology that is relevant in other parts of the country, but not yet fully realized in San Francisco. Group Housing residents tend to be people who are looking for non-traditional housing. These residents deserve fully functioning usable common space amenities and kitchens. The proposed Ordinance ensures that this housing typology works and is improved by having minimum requirements for common space. This is further needed because it is the communal aspect that distinguishes Group Housing from regular Dwelling Units. Without the common space amenities, the result is incredibly dense buildings without ample space for people. That extreme resembles a tenement, which is what this Ordinance hopes to avoid.

In its earlier days, Group Housing often provided housing for single or migrant workers, with buildings often segregated by sex. It was also a way for new immigrants to move to a city and find affordable housing until they could afford more permanent accommodations. Today, Group Housing offers more and different housing opportunities and caters to people who are unable or not interested in living in a traditional house or apartment. Newer Group Housing residents may include students or those starting a new job in San Francisco. Regardless the situation, the City still needs to accommodate for all types of residents and Group Housing is part of the solution.

The Department's early work on Tenderloin Community Action Plan also supports the proposed SUD. Community members in the Tenderloin neighborhood have emphasized the need for more family-sized units of two- or three-bedrooms. These sentiments are also echoed by the general Chinatown neighborhoods. The proposed SUD responds to their concerns that there is an abundance of Group Housing in these neighborhoods which did not meet their needs. Further, based on information from DBI, there is a high vacancy rate amongst the existing Group Housing rooms within the Chinatown and Tenderloin neighborhoods. The proposed SUD responds directly to this feedback.

Implementation

The Department has determined that these Ordinances will not impact our current implementation procedures.

Recommendation

The Department recommends that the Commission *approve with modifications* the proposed Ordinances and adopt the attached Draft Resolutions to that effect. The Department's proposed recommendations are as follows:

[Board File No. 211299](#)

1. Increase the common space requirement to 0.5 square feet of common space for every square foot of private space, instead of the proposed 0.25.
2. Decrease the communal kitchen requirement to be at least 15% of the common space, instead of the proposed 50%
3. Revise the minimum number of kitchens to be at least one communal kitchen for every 15 Group Housing rooms, instead of the proposed 20.

Board File No. 211300

4. Revise the proposed SUD to exempt Student Housing and 100% Affordable Housing projects.

Basis for Recommendation

The Department supports the overall goals of these Ordinances because they support Group Housing, and the related amendments make this a more successful housing typology. The goal is to improve livability in Group Housing projects and provide more space for residents. However, staff believes that the proposed Ordinances would benefit from the following recommended modifications:

Board File No. 211299

Recommendation 1: Increase the common space requirement to 0.5 square feet of common space for every square foot of private space, instead of the proposed 0.25.

Upon review of relevant case studies, CCA found that the average amount of common space was 0.67 square feet of common space for every square foot of private space, which translates to approximately 40% of the total combined square footage of common and private space. This number initially seems lofty; however, when considering that traditionally private amenities (i.e., kitchen) would be relocated to the communal areas instead, the requirement is more logical. This is possible because Group Housing rooms can be smaller since the space previously dedicated towards kitchens and limited cooking facilities would be reallocated to the communal kitchens in the common space.

As presented in the Informational Item for Case No. 2018-014048CWP, CCA has provided a quantitative analysis of various case studies, two-thirds of which are in the Bay Area, and which represent a variety of different building typologies currently used or proposed as Group Housing. CCA found that these projects provide common space at an average ratio of 0.67 square feet to every square foot of private space.

Staff analyzed numerous recent market rate group housing projects that proposed only SROs. The data shows that the 0.67 ratio CCA found through their case studies was not reflected in any of these projects. The ratio of common space provided by these projects ranged between 0.05 to 1.0 and 0.22 to 1.0. Based on this review of recent projects and considering the CCA case studies, staff recommends the common space requirement be increased to be 0.5 square feet of common space to every square foot of private space. This recommendation is in keeping the data that CCA has provided, but also provides a cushion for projects that may be more constrained.

Staff notes that the CCA case studies reviewed a wide range of types of Group Housing projects, with the majority local to the Bay Area and California. One of the white paper's findings also described that the ideal amount of common space is contingent on the type of Group Housing project. Specifically smaller Group Housing rooms (such as room without a private bathroom) rely more heavily on shared space, whereas bigger units (such as 1+ bedrooms) require less common space. As the Department continues to evaluate Group Housing projects, there could be an opportunity to create a tiered system of requirements for different types of cohousing and co-living models, and/or to separate Group Housing in congregate living from Efficiency Dwelling Units.

Recommendation 2: Decrease the communal kitchen requirement to be at least 15% of the common space, instead of the proposed 50%.

As written, the proposed Ordinance would also require a minimum of 50% of the common space be dedicated to the communal kitchen. Staff finds this number to be high considering there are other types of amenities that may be included in a Group Housing project, not just kitchens. This is especially important to retain as much flexibility for intentional communities in Group Housing, as common space may be dedicated to other uses that are more important or integral to the community. The 15% threshold would maintain flexibility for Group Housing projects to provide other types of programmed space, and for the overall program of the space to evolve over time.

The recommendation is to reduce the 50% requirement to 15%, and to clarify that the language is that 15% of common spaces should include at least one kitchen. This is further supported by CCA's case studies that found the Group Housing projects' communal kitchens were on average 17% of the common space.

The proposed Ordinance does not define how a communal kitchen is measured; however, Zoning Administrator recently defined a Dwelling Unit kitchen in a ["Zoning Administrator Rules, Regulations, and Interpretations" Memo to File](#) dated March 22, 2021. The interpretation defines a kitchen as a room containing the following:

- a full-size oven (gas or electric),
- a counter sink with each dimension greater than 15 inches, and
- a refrigerator/freezer of at least 12 cubic feet.

Staff notes this provision applies these kitchen measurements to Dwelling Units not Group Housing rooms. However, staff recommends using the same measurements because they have already been vetted as to what is required for a full kitchen to function. This approach also allows for consistency.

Recommendation 3: Revise the minimum number of kitchens to be at least one communal kitchen for every 15 Group Housing rooms instead of the proposed 20.

The proposed Ordinance would also require a minimum of one kitchen for every 20 Group Housing rooms. Considering that a kitchen has an oven, counter, and refrigerator/freezer, it would be difficult for approximately 20 people to be able to regularly use such kitchen.³ After noting the average number of residents per kitchen in CCA's white paper, staff recommends this requirement to be revised to be a minimum of one kitchen for every 15 Group Housing rooms instead. This recommendation is meant to ensure the kitchens are usable and that it is realistic for the residents to use the shared amenity.

³ Some Group Housing rooms may include more than one resident, but the Ordinances and this report assume just one resident per Group Housing room since the number of residents vary project to project.

This requirement does not preclude projects from placing communal kitchens side by side. For example, if a communal kitchen had two ovens, two counter sinks, and two refrigerator/freezers of the qualifying sizes, it would be counted as two communal kitchens. These combined communal kitchens could serve up to 30 Group Housing rooms under the recommended modification. However, staff encourages projects to still spread these communal kitchens throughout the different floors of the project, rather than having only one large communal kitchen.

Board File No. 211300

Recommendation 4: Revise the proposed SUD to exempt Student Housing and 100% Affordable Housing projects.

The proposed amendments to the Group Housing definition exempt Student Housing and 100% Affordable Housing Projects from the common space requirements. The intent was to support these types of needed Group Housing projects by providing more flexibility. Based on conversations with Supervisor Peskin's office, the intent was also to exempt 100% Affordable Housing Projects from the proposed SUD, but not Student Housing. Staff still recommends including Student Housing as part of the SUD exemption because of the unique needs these residents pose.

Required Commission Action

The proposed Ordinances are before the Commission so that it may approve it, reject it, or approve it with modifications.

Environmental Review

The proposed amendments are not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because they do not result in a physical change in the environment.

Public Comment

As of the date of this report, the Planning Department has received one public comment with general questions about Group Housing and the proposed Ordinances.

Attachments:

- Exhibit A: Draft Planning Commission Resolutions
- Exhibit B: Board of Supervisors File No. 211299
- Exhibit C: Board of Supervisors File No. 211300
- Exhibit D: Proposed boundaries for Group Housing Special Use District
- Exhibit E: Public Comment



PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: February 10, 2022

Project Name: Group Housing Definition
Case Number: 2022-000674PCA [Board File No. 211299]
Initiated by: Supervisor Peskin / Introduced December 14, 2021
Staff Contact: Veronica Flores, Legislative Affairs
Veronica.Flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REVISE THE DEFINITION OF GROUP HOUSING; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on December 14, 2021 Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 211299, which would amend the Planning Code to revise the definition of Group Housing;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 10, 2022; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Increase the common space requirement to 0.5 square feet of common space for every square foot of private space, instead of the proposed 0.25.
2. Decrease the communal kitchen requirement to be at least 15% of the common space, instead of the proposed 50%
3. Revise the minimum number of kitchens to be at least one communal kitchen for every 15 Group Housing rooms, instead of the proposed 20.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance will support Group Housing, a much-needed housing typology to help alleviate the housing crisis in San Francisco.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.5

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

OBJECTIVE 5

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

The proposed Group Housing Definition Ordinance supports Group Housing, a housing typology that offers an alternative to traditional living arrangements. There is a wide spectrum of the different types of Group Housing projects, but they all focus on communal living. The proposed Ordinance seeks to ensure Group Housing provides adequate, usable common space for its residents. Further, the proposed Ordinance aligns with the draft Housing Element 2022 Update, which recently appeared in front of Planning Commission, to encourage co-housing. Additionally, the Housing Element 2022 Update noted the importance of minimum quality of life standards for all residences, such as having adequate cooking facilities and common spaces.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or

overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 10, 2022.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: February 10, 2022

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PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: February 10, 2022

Project Name: Group Housing Special Use District
Case Number: 2021-011415PCAMAP [Board File No. 211300]
Initiated by: Supervisor Peskin / Introduced December 14, 2021
Staff Contact: Veronica Flores, Legislative Affairs
Veronica.Flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CREATE THE GROUP HOUSING SPECIAL USE DISTRICT; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on December 14, 2021 Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 211300, which would amend the Planning Code to create the Group Housing Special Use District;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 10, 2022; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed recommendation is as follows:

1. Revise the proposed SUD to exempt Student Housing and 100% Affordable Housing projects.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance responds to the overconcentration of Group Housing in the general Tenderloin and Chinatown neighborhoods.

The proposed Ordinance encourages more family-sized units within these neighborhoods.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modification is consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

OBJECTIVE 5

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

The proposed SUD Ordinance responds to the overconcentration of Group Housing in the general Chinatown and Tenderloin neighborhoods. Additionally, there is a high vacancy rate within the existing Group Housing rooms within these neighborhoods suggesting the need for other housing typologies. The intent of the proposed Ordinance is to encourage more family-sized units in these neighborhoods.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss

of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 10, 2022.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: February 10, 2022

1 [Planning Code - Group Housing Definition]

2

3 **Ordinance amending the Planning Code to revise the definition of Group Housing;**
 4 **affirming the Planning Department's determination under the California Environmental**
 5 **Quality Act; and making findings of consistency with the General Plan, and the eight**
 6 **priority policies of Planning Code, Section 101.1, and findings of public necessity,**
 7 **convenience, and welfare under Planning Code, Section 302.**

8

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 10 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
 11 **Board amendment additions** are in double-underlined Arial font.
 12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 13 **Asterisks (* * * *)** indicate the omission of unchanged Code
 14 subsections or parts of tables.

12

13 Be it ordained by the People of the City and County of San Francisco:

14

15 Section 1. Environmental and Land Use Findings.

16

(a) The Planning Department has determined that the actions contemplated in this
 17 ordinance comply with the California Environmental Quality Act (California Public Resources
 18 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 19 Supervisors in File No. _____ and is incorporated herein by reference. The Board affirms
 20 this determination.

21

(b) On _____, the Planning Commission, in Resolution No. _____, adopted
 22 findings that the actions contemplated in this ordinance are consistent, on balance, with the
 23 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
 24 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
 25 Board of Supervisors in File No. _____, and is incorporated herein by reference.

1 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the
2 Planning Code amendments will serve the public necessity, convenience, and welfare for the
3 reasons set forth in Planning Commission Resolution No. _____, and the Board
4 incorporates such reasons herein by reference.

5
6 Section 2. Other Findings.

7 (a) In 2005, the Zoning Administrator issued an interpretation of the Planning Code
8 definition of Group Housing that allowed Group Housing to include limited kitchens, similar to
9 the Planning Code definition of Dwelling Unit, which made it more difficult to distinguish
10 between a residential Dwelling Unit and a Group Housing unit.

11 (b) The intent of a Group Housing development is to create successful communal
12 living arrangement for permanent residents, largely achieved by shifting the private amenities
13 required in standard Dwelling Units, such as kitchens, to communal facilities shared by all
14 project residents, thus encouraging shared social interactions and shared stewardship of the
15 facility.

16 (c) The Planning Department has partnered with California College of the Arts to study
17 current Group Housing developments and analyze best practices, and has prepared
18 recommendations on how to improve the definition of Group Housing in the Planning Code,
19 many of which are reflected in this ordinance.

20 (d) In 2002, San Francisco adopted its first Inclusionary Housing Ordinance, which
21 requires that projects with ten or more units designate a percentage of units on-site as
22 “affordable for purchase...and rent” by moderate, low, and very low-income households, with
23 the stated goal of addressing San Francisco’s affordable housing crisis. On-site affordable
24 units capture the social benefits of integrated below-market and market rate housing. The
25 Inclusionary Housing Ordinance was subsequently updated in 2016 and 2017.

1 (e) In 2002, the Planning Department reported that between 1992 and 2002 only
2 “3,1991 units of low and very low-income housing were built in San Francisco out of a total
3 need of 15,103 units for the same period.” This effort has not improved in the last two
4 decades. The Planning Department’s April 2021 Housing Balance Report shows that very-low
5 income units (including units for extremely low-income residents eligible for homeless
6 subsidies) and low-income units made up only 19% of net new units constructed between the
7 first quarter of 2011 through the fourth quarter of 2020. These numbers pale in comparison to
8 the need for such housing. The Association of Bay Area Governments’ 2023-2031 Draft
9 Regional Housing Needs Assessment identifies San Francisco’s need for 114,442 units of
10 very-low income housing, or 25.9% of total housing need, and 65,892 units of low-income
11 housing, or 14.9% of total housing need. Together, San Francisco’s Regional Housing Needs
12 Assessment HNA calls for over 40% of all units as below market rate units.

13 (f) Group Housing developments, while designed for permanent residents, are
14 nonetheless tailored to residents who are in a transitional stage in their lives, either as a
15 function of their employment situation or their student status. The smaller floor plans and
16 scaled-back private amenities of individual units are marketed to and designed for residents
17 who are primarily seeking to rent a unit, and not residents who seek to purchase a unit.

18 (g) Group Housing ownership units run the risk of becoming unregulated corporate
19 rentals or second and third homes for San Francisco or non-San Francisco residents, which
20 contravenes the intended social benefits and shared investment needed to ensure a
21 successful Group Housing project.

22 (h) In 2017, the Board of Supervisors updated the Hotel Conversion Ordinance,
23 Administrative Code Chapter 41, to clarify that residential hotels are intended for permanent
24 residents, and that any stay under 32 days would be considered a tourist or transient use and
25 not a residential use, and conformed the Hotel Conversion Ordinance to other sections of the

1 Administrative Code related to short-term rentals. The Hotel Conversion Ordinance updates
2 also reflect an updated definition of “protected tenants” in Chapter 37 of the Administrative
3 Code, the San Francisco Residential Rent Stabilization and Arbitration Ordinance. This
4 legislation conforms the definition of Group Housing with the term of stay for residential hotels,
5 a type of use included in the definition of Group Housing.

6
7 Section 3. The Planning Code is hereby amended by revising Sections 102 and 415.2,
8 to read as follows:

9
10 **SEC. 102 DEFINITIONS.**

11 * * * *

12 **Group Housing.** A Residential Use that provides lodging or both meals and lodging,
13 without individual or limited cooking facilities or kitchens, by prearrangement for 30 days a week
14 or more at a time and intended as Long-Term Housing, in a space not defined by this Code as a
15 Dwelling Unit ~~dwelling unit~~. Except for Group Housing that also qualifies as Student Housing as
16 defined in this Section 102 or 100% Affordable Housing as defined in Planning Code Section 315, the
17 residential square footage devoted to Group Housing shall include both common and private space in
18 the following amounts: for every gross square foot of private space (including bedrooms and individual
19 bathrooms), 0.25 gross square feet of common space shall be provided, with at least 50% of the
20 common space devoted to communal kitchens with a minimum of one kitchen for every 20 Group
21 Housing units. ~~Such group housing~~ Group Housing shall include, but not necessarily be limited to,
22 a Residential Hotel, boardinghouse, guesthouse, rooming house, lodging house, residence
23 club, commune, fraternity or sorority house, monastery, nunnery, convent, or ashram. It shall
24 also include group housing affiliated with and operated by a medical or educational institution,

25

1 when not located on the same lot as such institution, which shall meet the applicable
2 provisions of Section 304.5 of this Code concerning institutional master plans.

3 * * * *

4
5 **SEC. 415.2. DEFINITIONS.**

6 See Section 401 of this Article.

7 "Owned Unit" shall mean a dwelling unit that is a condominium, stock cooperative,
8 community apartment, or detached single family home. The owner or owners of an owned unit
9 must occupy the unit as their primary residence. An Owned Unit shall not be Group Housing, as
10 defined in Section 102.

11 * * * *

12
13 **Section 4. Effective Date.**

14 This ordinance shall become effective 30 days after enactment. Enactment occurs
15 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
16 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
17 Mayor's veto of the ordinance.

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

1 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
5 additions, and Board amendment deletions in accordance with the “Note” that appears under
6 the official title of the ordinance.

7
8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

10 By: /s/
11 AUDREY WILLIAMS PEARSON
 Deputy City Attorney

12 n:\legana\as2021\2200120\01571301.docx

1 [Planning Code, Zoning Map - Group Housing Special Use District]

2

3 **Ordinance amending the Planning Code to create the Group Housing Special Use**
4 **District; affirming the Planning Department's determination under the California**
5 **Environmental Quality Act; and making findings of consistency with the General Plan,**
6 **and the eight priority policies of Planning Code, Section 101.1, and findings of public**
7 **necessity, convenience, and welfare under Planning Code, Section 302.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

12

13 Be it ordained by the People of the City and County of San Francisco:

14

15 Section 1. Environmental and Land Use Findings.

16 (a) The Planning Department has determined that the actions contemplated in this
17 ordinance comply with the California Environmental Quality Act (California Public Resources
18 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
19 Supervisors in File No. _____ and is incorporated herein by reference. The Board affirms
20 this determination.

21 (b) On _____, the Planning Commission, in Resolution No. _____, adopted
22 findings that the actions contemplated in this ordinance are consistent, on balance, with the
23 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
24 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
25 Board of Supervisors in File No. _____, and is incorporated herein by reference.

1 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the
2 Planning Code and Zoning Map amendments will serve the public necessity, convenience,
3 and welfare for the reasons set forth in Planning Commission Resolution No. _____,
4 and the Board incorporates such reasons herein by reference.

5
6 Section 2. Other Specific Findings.

7 (a) The Group Housing Special Use District is generally comprised of overlapping
8 areas in whole or in part of the Chinatown Community Business District, the Chinatown Visitor
9 Retail District, the Chinatown Residential Neighborhood Commercial District, the Chinatown
10 Transit Station Special Use District, the North Beach Neighborhood Commercial District, the
11 North Beach Special Use District, the Nob Hill Special Use District and the North of Market
12 Special Use District, which are described more fully in Planning Code sections 810, 811, 812,
13 722, 780.3, 249.66, 238 and 249.5 respectively, and the Uptown Tenderloin Historic District,
14 which is described more fully in the National Register of Historic Places as approved by the
15 State Historical Resources Commission (together, “Greater Chinatown and Greater
16 Tenderloin neighborhoods”). These districts all were designed with the intent of protecting and
17 preserving, to various degrees, the established communities, including the high concentration
18 of low-income residents of single-room occupancy (SRO) residential hotels, a type of group
19 housing as defined in the Planning Code.

20 (b) The Greater Chinatown and Greater Tenderloin neighborhoods continue to have
21 the highest concentration per census tract of low-income families in San Francisco, many of
22 whom reside in overcrowded group housing projects. This concentration of existing group
23 housing projects in the Group Housing Special Use District does not currently meet the
24 housing needs of the population, which lacks access to and choice of housing options that
25

1 provide adequate cooking, food preparation, and storage facilities appropriately sized for
2 families.

3 (c) The San Francisco Human Services Agency (HSA) has documented that both
4 the Greater Chinatown and Greater Tenderloin neighborhood residents are the most at risk for
5 food insecurity and the most reliant on government aid for food subsidies among San
6 Francisco residents; and that without a complete kitchen facility with adequate space to
7 prepare, store, and cook food, residents are more likely to rely on pre-prepared meals and
8 unhealthy snacks, furthering the income inequality and public health concerns in these
9 neighborhoods.

10 (d) Given the lack of adequate kitchens and adequate food storage areas within
11 new group housing projects, as well as Greater Tenderloin and Greater Chinatown residents'
12 limited access to affordable grocery stores, and an increase in documented assaults within
13 both neighborhoods, the Board of Supervisors finds that residents of new group housing
14 projects would need to purchase prepared food and would be unlikely to walk or take transit to
15 food establishments. Thus, residents are likely to rely heavily on Transportation Network
16 Company (TNC) food delivery vehicle services (e.g., DoorDash, GrubHub, and Uber Eats
17 deliveries) to obtain food, leading to additional congestion. As documented by the San
18 Francisco County Transportation Authority in its 2017 "TNC's Today" Congestion Study, an
19 increase in TNC use in turn creates more pedestrian/vehicle collisions and increased
20 pollution; the Greater Tenderloin and Greater Chinatown neighborhood already suffers high
21 levels of both.

22 (e) Group housing projects tend to have higher turnover of tenants given that the
23 typology specifically caters to transient and temporary residents, as interpreted by the Zoning
24 Administrator. Unlike family-sized dwelling units with full kitchens and storage space designed
25

1 for permanent residents, the transient nature of group housing residents contributes to
2 destabilization of the neighborhoods in which they are located.

3 (f) Existing group housing projects within the proposed Group Housing Special Use
4 District have been found to have a high number of vacancies as documented by the
5 Department of Building Inspection’s Annual Unit Usage Report (AUUR).

6 (g) The Board of Supervisors finds that because group housing is already
7 overwhelmingly saturated within the geographic boundaries of the Group Housing Special
8 Use District, and in the interest of promoting density and geographic equity, it is necessary
9 and appropriate to prohibit new group housing uses within the Group Housing Special Use
10 District to incentivize other needed housing typologies, namely affordable family-sized
11 housing, while concurrently increasing density in other areas of the City.

12
13 Section 3. Article 2 of the Planning Code is hereby amended by adding Section
14 249.92, to read as follows:

15 **SEC. 249.92. GROUP HOUSING SPECIAL USE DISTRICT.**

16 (a) Purpose. To incentivize the development of affordable family-sized housing over housing
17 without full kitchens or adequate space to prepare, store, and cook food, in areas of the City where
18 Group Housing is already saturated, a special use district entitled the “Group Housing Special Use
19 District” is hereby established.

20 (b) Boundaries. The boundaries of the Group Housing Special Use District are shown on
21 Special Use District Maps SU 01 and 02, and consist of the following areas:

22 (1) The area within a perimeter established by Bush Street, Stockton Street, Market
23 Street, and Polk Street.

24 (2) The area within a perimeter established by Union Street, Grant Avenue, Columbus
25 Avenue, Montgomery Street, California Street, and Powell Street.

1 (c) Controls. Group Housing, as defined in Section 102, shall not be permitted in the Special
2 Use District. All other provisions of the Planning Code shall apply.

3
4 Section 4. The Planning Code is hereby amended by revising Special Use District Map
5 SU01 and SU02 of the Zoning Map of the City and County of San Francisco, as follows:

6

Description of Property	Special Use District Hereby Approved
7 The area within a perimeter established by 8 Bush Street, Stockton Street, Market Street, 9 and Polk Street.	Group Housing Special Use District
11 The area within a perimeter established by 12 Union Street, Grant Avenue, Columbus 13 Avenue, Montgomery Street, California 14 Street, and Powell Street.	Group Housing Special Use District

15
16 Section 5. Effective and Operative Dates.

17 (a) This ordinance shall become effective 30 days after enactment. Enactment
18 occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or
19 does not sign the ordinance within ten days of receiving it, or the Board of Supervisors
20 overrides the Mayor's veto of the ordinance.

21 (b) This ordinance shall become operative on the later of (1) its effective date stated
22 in subsection (a), or (2) on the effective date of either the ordinance in Board of Supervisors
23 File No. 210564 or the ordinance in Board of Supervisors File No. 210866. The ordinances in
24 File Nos. 210564 and 210866 change the development standards, policies, and conditions
25 applicable to RH-1 districts, increasing the development capacity in those districts. This

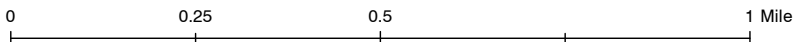
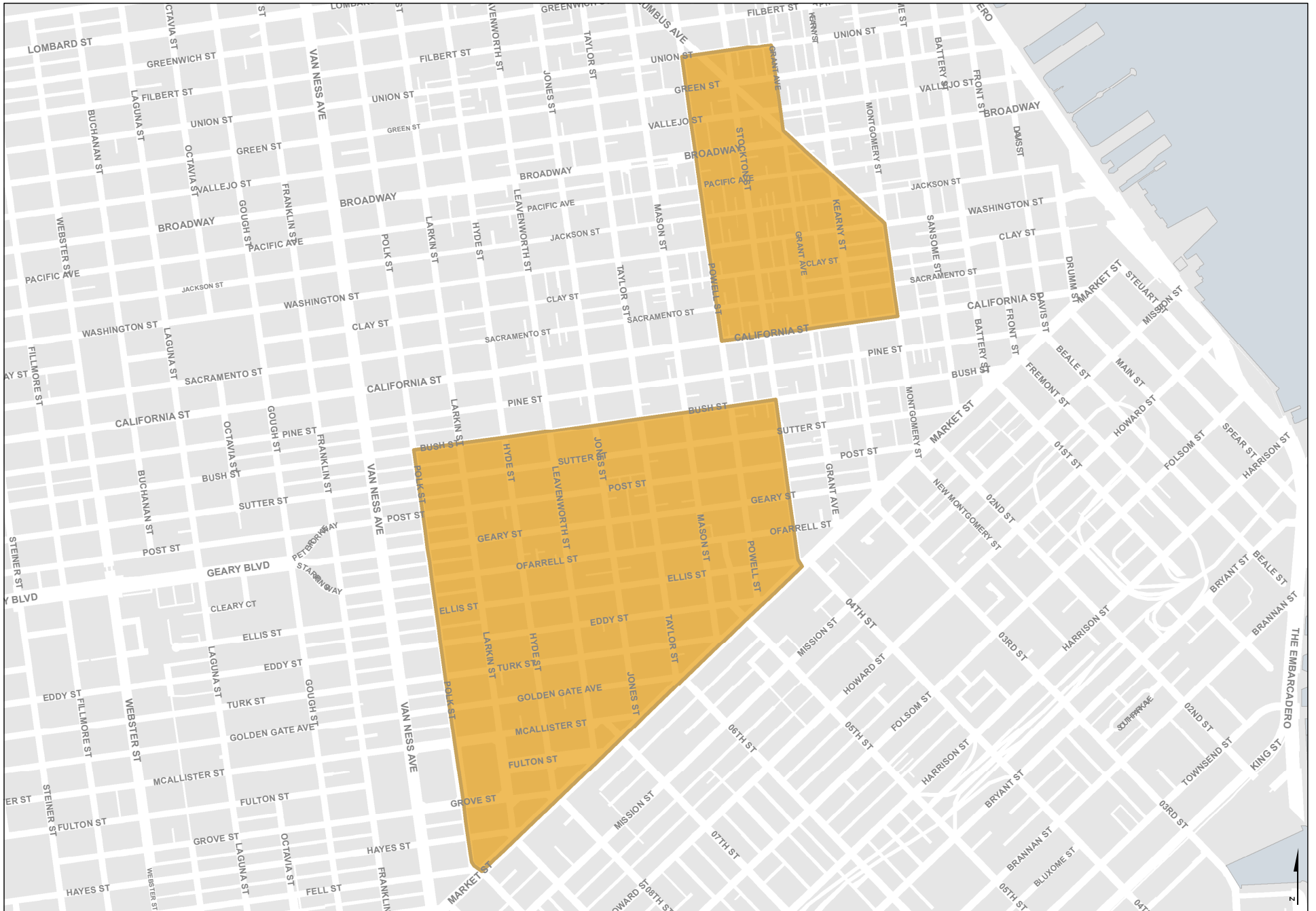
1 ordinance and the ordinance in either File No. 210564 or 210866 or both, together ensure that
2 there is no net loss in residential capacity in San Francisco.

3 APPROVED AS TO FORM:
4 DAVID CHIU, City Attorney

5 By: _____ /s/
6 AUDREY WILLIAMS PEARSON
7 Deputy City Attorney

8 n:\egana\as2021\2200120\01571266.docx

Group Housing Special Use District - DRAFT



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From: [Meg Heisler](#)
To: [Melgar, Myrna \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Major, Erica \(BOS\)](#)
Cc: [Angulo, Sunny \(BOS\)](#); [Colleen Rivecca](#)
Subject: Support - File Number 211299 - Group Housing Definition
Date: Monday, February 28, 2022 2:51:11 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image008.png](#)
[TNDC Support Letter - Group Housing Definition.docx](#)

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Tenderloin Neighborhood Development Corporation submits the attached letter as comment for File Number 211299.

Respectfully,

Meg

Meg Heisler

Policy & Planning Manager

pronouns: she/her

mheisler@tndc.org

c 973.768.6436

Tenderloin Neighborhood Development Corporation
210 Golden Gate Ave | San Francisco, CA, 94102

tndc.org



At TNDC, we believe that everyone deserves to thrive. We support tenants and community members in building transformative communities through Homes, Health, and Voice. Together, we can build a future with economic and racial equity. Join us at tndc.org!



February 28, 2022

Land Use and Transportation Committee of the Board of Supervisors
Chair Supervisor Melgar; Members Supervisor Peskin and Supervisor Preston

Re: File Number 211299 – Group Housing Definition - SUPPORT

Dear Chair Melgar and members of the Land Use and Transportation Committee,

Tenderloin Neighborhood Development Corporation (TNDC) is writing to offer its support for File Number 211299, the revision of the Group Housing definition.

Recently, group housing projects have been proposed in the Tenderloin in ever greater numbers. In response, Tenderloin residents have expressed concerns about the ambiguous definition of group housing and have been clear about the community's need for dwelling units with full kitchens. Without full kitchens, residents do not have the ability to store fresh foods at home or to cook meals from scratch and instead must subsist on more expensive prepared meals or less healthy processed foods. To that end, units that come with kitchen amenities should be classified as Dwelling Units and offer the full breadth of amenities needed for families to thrive. Dwelling units should have full, not limited kitchens.

We ask for your support of this updated group housing definition, and we thank the Planning Department staff and Supervisor Peskin's office for listening to the concerns of residents in developing and refining this legislation.

Respectfully,

Colleen Rivecca
Director of Community Organizing, Policy, and Planning
TNDC



From: [Somera, Alisa \(BOS\)](#)
To: [Major, Erica \(BOS\)](#)
Subject: FW: Group Housing Legislation at Land Use
Date: Tuesday, March 1, 2022 12:51:54 PM
Attachments: [Green, high-tech, high-quality affordab...redevelopers in America. Here s proof.pdf](#)
[22-0210 Planning Commission Letter.docx](#)
[FDP Logo NEW.png](#)

Alisa Somera

Legislative Deputy Director
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
415.554.7711 direct | 415.554.5163 fax
alisa.somera@sfgov.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Due to the current COVID-19 health emergency and the Shelter in Place Order, the Office of the Clerk of the Board is working remotely while providing complete access to the legislative process and our services.

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---

**From:** Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>  
**Sent:** Tuesday, March 1, 2022 8:55 AM  
**To:** BOS-Supervisors <bos-supervisors@sfgov.org>  
**Cc:** Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Laxamana, Junko (BOS) <junko.laxamana@sfgov.org>; Mchugh, Eileen (BOS) <eileen.e.mchugh@sfgov.org>; Ng, Wilson (BOS) <wilson.l.ng@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>  
**Subject:** FW: Group Housing Legislation at Land Use

---

**From:** Bert Polacci <[bpolacci@maximusrepartners.com](mailto:bpolacci@maximusrepartners.com)>

**Sent:** Monday, February 28, 2022 3:29 PM

**To:** Board of Supervisors, (BOS) <[board.of.supervisors@sfgov.org](mailto:board.of.supervisors@sfgov.org)>; ChanStaff (BOS) <[chanstaff@sfgov.org](mailto:chanstaff@sfgov.org)>; Haney, Matt (BOS) <[matt.haney@sfgov.org](mailto:matt.haney@sfgov.org)>; [Mandelmanstaff@sfgpv.org](mailto:Mandelmanstaff@sfgpv.org); [Gordon.Mar@sfgpv.org](mailto:Gordon.Mar@sfgpv.org); Melgar, Myrna (BOS) <[myrna.melgar@sfgov.org](mailto:myrna.melgar@sfgov.org)>; Peskin, Aaron (BOS) <[aaron.peskin@sfgov.org](mailto:aaron.peskin@sfgov.org)>; Preston, Dean (BOS) <[dean.preston@sfgov.org](mailto:dean.preston@sfgov.org)>; Ronen, Hillary <[hillary.ronen@sfgov.org](mailto:hillary.ronen@sfgov.org)>; Safai, Ahsha (BOS) <[ahsha.safai@sfgov.org](mailto:ahsha.safai@sfgov.org)>; Stefani, Catherine (BOS) <[catherine.stefani@sfgov.org](mailto:catherine.stefani@sfgov.org)>; [Shamonn.Walton@sfgov.org](mailto:Shamonn.Walton@sfgov.org)

**Subject:** Group Housing Legislation at Land Use

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**From:** Richard Hannum <[richard@forgedevelopmentpartners.com](mailto:richard@forgedevelopmentpartners.com)>

**Date:** Monday, February 28, 2022 at 11:53 AM

**Subject:** Land Use Committee Hearing 2/28/22

In 1978, as a member of the AIA Board of Directors, I represented the AIA before the Board of Supervisors on the subject of housing policy with a focus on expanding development options in the low rise sections of the City. The process was successful and endured for many years. We are here again, many presentations later, hoping to bring the professional expertise of the City in this important arena of housing, to your service, working for the good of the greater community. This is a very complex matter that will have broad reaching impact on our collective ability to deliver quality, privately financed, workforce housing in San Francisco. Because the negative impacts are significant, we ask that the Committee consider a moratorium on the proposed zoning changes to allow a working group of industry professionals, including but not limited to the AIA, to further assess the impacts of this legislation. **We request a delay of 6 months accompanied by a freeze on any new projects under this zoning be imposed throughout the City while this is resolved.** This approach addresses the sense of urgency while maintaining your opportunity to get this right.

**Group Occupancy**, the zoning affected, is very different from the model called Group Housing being touted and **is the only zoning that supports privately financed, highly sustainable workforce housing in San Francisco.** Material efforts to misrepresent the nature of this housing undermines your ability to clearly understand the potential negative impact of changes to this principally permitted zoning. Once it is gone, we will be hard pressed to find another successful vehicle for this housing.

Our attached letter to the Planning Commission dated February 10 outlines the issues that impact

this housing typology. Minor changes to the language proposed by Mr Peskin would achieve the majority of the benefits sought and not eliminate the housing opportunity. There is a potential balance that is not presented as written but may be amended to address concerns about the typology while maintaining the ability of the development community to provide needed housing.

361 Turk is the only new building being delivered in San Francisco that is based on the Group Occupancy zoning. **It is a state of the art, Independent Living, housing prototype.** It is available to tour at your convenience and demonstrates all of the elements identified in your amendments, including the allocation of community spaces exactly as presented in the proposed legislation. **We encourage you to take the time to join us and walk the project. It is delivering 240 new housing units this summer.**

We hope to share this with you in person later today.

Richard Hannum AIA  
CEO



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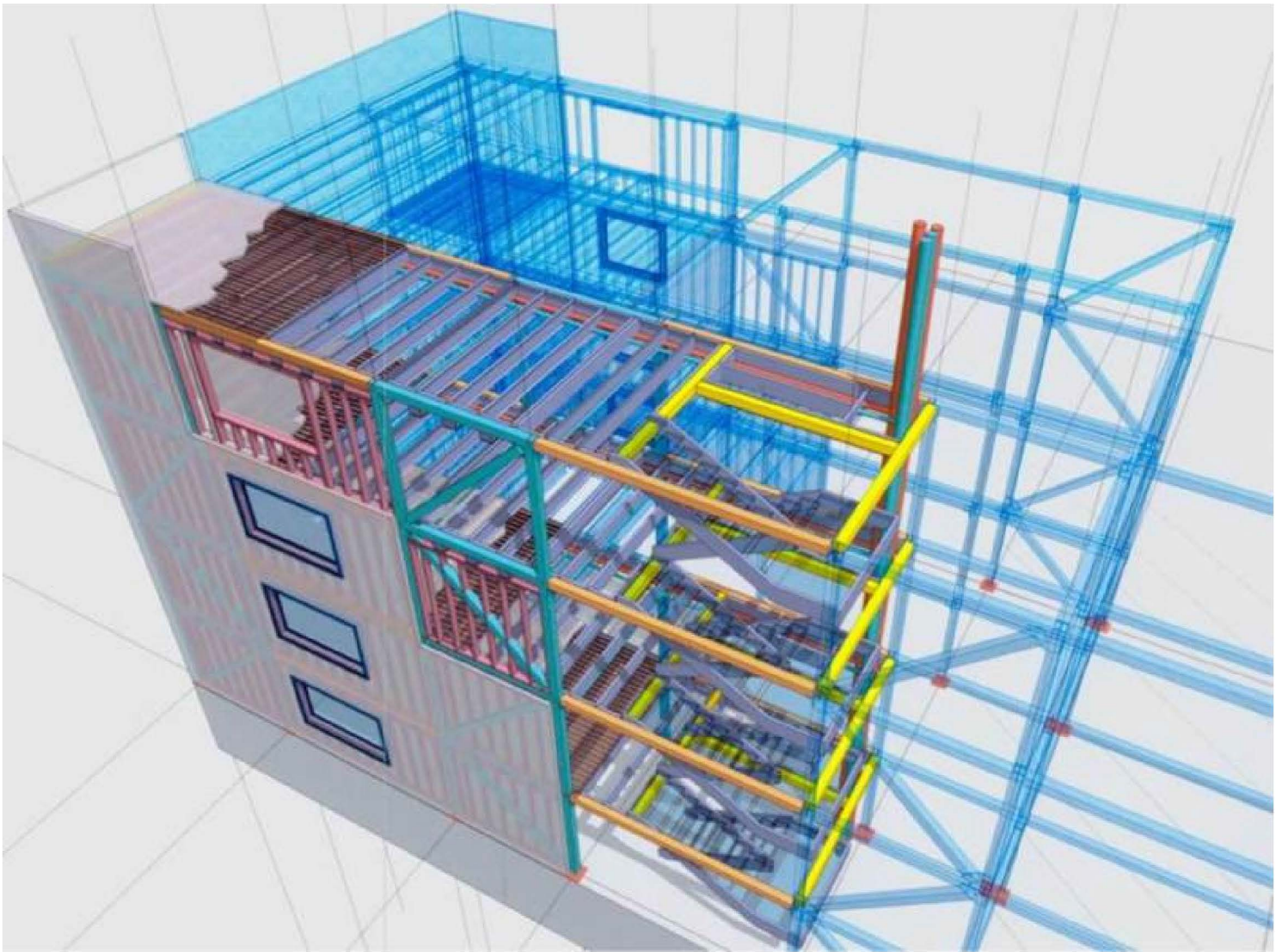
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*News, opportunities & resources to regenerate economies, heritage, farms & nature.*

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## CURRENT ISSUE

**GREEN, HIGH-TECH, HIGH-QUALITY  
AFFORDABLE WORKFORCE  
HOUSING CAN BE DELIVERED BY  
PRIVATE REDEVELOPERS IN  
AMERICA. HERE'S PROOF.**



**O**n January 21, 2022, **Forge Development Partners** and joint venture partner **Bridge Investment Group** showed that technologically advanced, privately financed workforce housing can be delivered in urban **America**.

Their **TL 361** and **TL 145** redevelopment projects in **San Francisco**'s long-distressed **Tenderloin** district are the proof. These projects are transforming ugly surface parking lots into affordable housing, which is desperately needed in order to revitalize the Tenderloin.

Through a unique integration of technology, innovative design and construction practices, as well as cutting-edge sustainability measures, the TL 361 and 145 Projects are providing high-quality housing that is accessible for the middle-income worker while being more environmentally responsible than traditional multifamily housing currently available. Combined with the operational services and systems, these projects showcase multiple important Environmental, Social, and Governance (ESG) characteristics and innovated approaches.

Forge CEO and Founder, **Richard Hannum**, says *"We have honed our urban solution for over 10 years with a focus on providing affordable workforce housing for the future consumer. We are fortunate to have partnered with the best and the brightest to ensure TL 361 and TL 145 provide comfort, technological quality and wellness not found in other multifamily developments at any price point. This combination of technology, innovative design and sustainable construction practices will be Forge's benchmark for all future projects, including an upcoming development at 601 Beech Street in San Diego."*

The TL 361 and TL 145 projects have benefited from the support of San Francisco Mayor Breed's Office through her commitment to innovation in all forms of housing in response to the City's housing crisis. Innovation built on currently applicable city policies created

the opportunity, but real time efforts from the Mayor's office helped smooth the construction process and made this sustainable, climate, and social justice responsive project a possibility.

With the recent release of the City's Climate Action Plan and the Mayor's **ClimateSF** initiative, the sustainability measures and advancements incorporated into TL 361 and TL 145 align with the City's goals for increased climate resilience and provide an application of ESG in action.

A Bridge Investment Group representative said *"We are delighted to have partnered with Forge on the TL 361 and 145 Projects. Our investment support has helped Forge and its partners create a new model that integrates environmental sustainability, social programs and key innovations with local governments and utilities that will serve as a new model for multifamily workforce housing in America."*

The projects have been innovative since ideation. Forge worked with Gensler and Olson Steel to design and construct the TL 361 and TL 145 buildings using the Pueblo Structural System. The steel used in this system is approximately 30% lighter and uses between 90-95% recycled steel, resulting in a quicker building construction and a smaller carbon footprint when compared with traditional multifamily building construction.

Lighter weight concrete used as part of the construction further reduces the building's greenhouse gas impacts while remaining earthquake resistant. The cost and time savings measures are carried over to future residents through more affordable rents and the construction of more units in a quicker timeframe.

Forge and its partners also incorporated climate and health-conscious building systems as part of its efforts to construct environmentally sustainable developments. Both buildings include solar thermal water heating systems that reduce overall water boiler gas usage by 30% when compared with traditional systems. Moreover, the buildings incorporate a state-of-the-art HVAC system that provides the highest level of air quality available in multifamily units.

*"Our HVAC system uses the most efficient MERV 13 antimicrobial filters on the market to create a pressurized hypoallergenic air supply for the building,"* stated Hannum. *"This filters out wildfire smoke and industrial pollutants, which is becoming more important due to climate change, as well as viruses including COVID-19."*

To further minimize the spread of viruses, Forge partnered with Homebase to develop Smart Apartment Homes for the TL 361 and 145 Projects, which will reduce contact with high-touch surfaces and provide a more seamless user experience. Smart Apartment Homes allows future residents to unlock their front doors, turn on lighting, adjust heating and cooling systems and more from an app on their mobile phone.

In addition, this technology will sense when residents aren't home so that adjustments can be made to temperature controls to reduce unnecessary energy consumption. The building's smart systems will also control elevator energy usage and the common areas HVAC system, while relaying building information to staff to further optimize energy consumption and cost savings. These systems will operate over a state-of-the-art Internet of Things model, which uses 5G to create a high-speed ethernet backbone for these systems and future residents internet use.

Beyond construction and technological innovations, Forge and Bridge also seek to build healthy communities through their partnership with Project Access, a 501(c)(3) nonprofit organization that is the leading provider of on-site health, education and employment services to middle and low-income residents.

Project Access will provide the TL 361 and 145 Projects with fully operational resources centers that serve as a community hub offering high-quality tailored programming and services such as cooking and fitness classes, financial management and leadership training, business networking events, social events and volunteer opportunities. Through these programs, Forge, Bridge and Project Access will give residents the tools they need to become healthier, further educated and financially successful.

Forge is also driving government innovations that are changing how we think about how multifamily developments are structured. In partnership with PG&E, Forge has obtained approvals for the first single metered multifamily property in the country in 30 years. Instead of individual meters tracking energy consumption of the units, utilizing single meter for the building achieves a minimum \$40,000 in savings per unit and frees up space in the building for additional units by removing the storage space for the individual meters.



This single meter initiative is scalable, and Forge has obtained approvals to build a 34 story, 328-unit multifamily building in San Diego that will use this system to reduce costs and provide a state-of-the-art development for future middle-income residents in San Diego's Little Italy neighborhood.

*"At the end of the day, it is not only about the steel, concrete or technology in the building," concluded Hannum. "We are forging a new path with the next generation of housing for the Essential middle-income worker, and it takes all these pieces as well as a commitment to wellness for our tenants to develop privately-financed, accessible housing that allows our workers to live in the city where they work. Can we redefine the urban lifestyle with these technologically advanced buildings? Yes, with great partners, I think we can."*

Forge's financial Partners, Bridge Investment Group and Freddie Mac, are helping make this vision for technologically advanced buildings at middle income price points a reality. Under their aegis, TL 361 and TL 145 will deliver a minimum of 51% of units to be rented to those earning a maximum of 80% of the area median income (AMI) thanks to a unique Freddie Mac Multifamily unfunded forward commitment.

This will help keep rents affordable for 240 residents in the highest-cost market in the United States. Furthermore, Forge used CrowdStreet, one of the leading Financial Tech Platforms, to raise the initial equity for the project allowing accredited investors to invest in the next generation of multifamily real estate.

A model apartment will be available on site at TL 361 development at 361 Turk Street in San Francisco in early 2022.

*Image courtesy of Forge Development Partners.*

[See Forge Development Partners website.](#)

[See Bridge Investment Group website.](#)

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#### PREVIOUS ARTICLE



STATE ALLOCATES \$3 BILLION FOR  
INFRASTRUCTURE PROJECTS THAT  
RECONNECT & REVITALIZE MINORITY  
NEIGHBORHOODS DAMAGED BY  
URBAN PLANNERS

#### NEXT ARTICLE

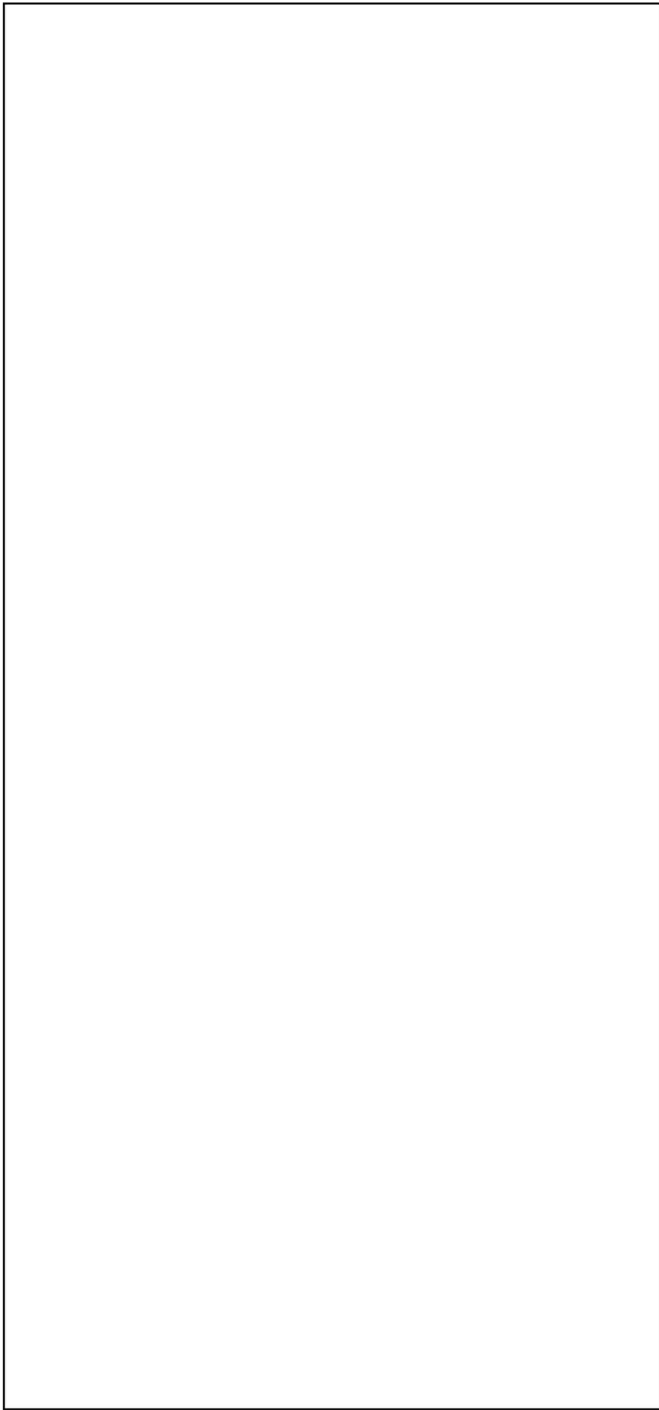


RESTORATION ECONOMY: GREEN  
RETROFITS FOR BUILDINGS IS A HUGE  
GROWTH INDUSTRY, AND A \$13  
BILLION CANADIAN FIRM JUST  
ACCELERATED IT

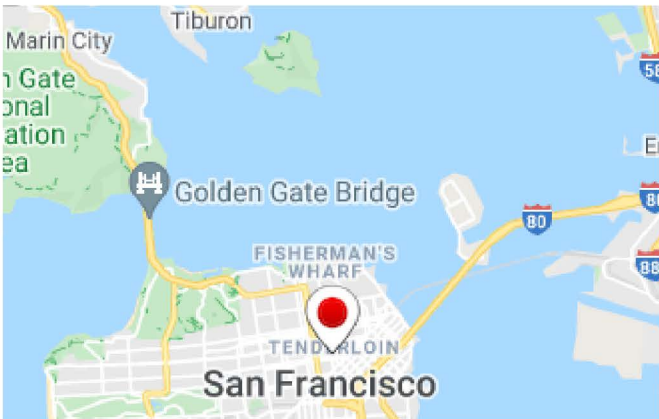
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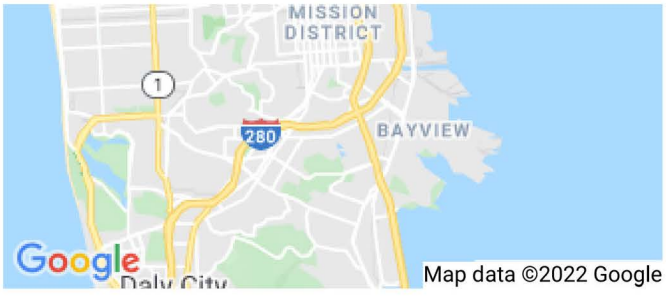
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**LOCATION:**





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February 10, 2022

President Tanner and Members of the Planning Commission

We appreciate the opportunity to again speak to the Commission in support of Group Occupancy and Workforce Housing in San Francisco.

**The current zoning, designated Group Occupancy, offers the most innovative and flexible housing solution available in the City. As seen in the attached article, it is the state of the art in Workforce housing. As a demonstration of best practices under the current code, we invite you to visit the only GO housing of its type in the City at our project called TL361, nearing completion at 361 Turk St. Please visit the project before a decision is made. See what you are being asked to vote against.**

Group Occupancy zoning, as currently written, provides a path to delivering workforce housing to small families that is privately financed and significantly more sustainable than other housing solutions available under any other zoning in SF. This is a complex typology and the modifications by Planning, none of which have been seen by the public, will eliminate this product currently being successfully delivered in the Tenderloin. The negative impact on housing delivery for the missing middle is significant but avoidable. Based on the proposed changes in policy, the housing being delivered at 361 Turk this summer could not be developed. The effect is to eliminate the product option from the City's very constrained pipeline for new housing.

**The recommendations from Planning have not been adequately made available for review and we ask for a continuance to allow further study of the impacts and offer comment and alternatives to better address the expressed concerns.**

Our team has been actively working with planning since 2013 to create new applications of the Group Occupancy code to address workforce housing in the City. Analysis undertaken by Forge in 2017, supported by Panasonic (largest builder of small space housing in the world) and IBM studied this housing typology. Through this ideation process we identified "independent living" models as the most beneficial to the largest demographic. Private spaces supporting a community focused living experience were preferred. This was counter to the assumptions of many who pressed the concept of co-living similar to the Planning recommendations. Co-living, which has become popular in SF and promoted by Starcity, Common and others, involves having a sleeping room but sharing bath and cooking facilities with between 4 and 15 others. We rejected this college suite style, opting for privacy and independence but in association with significant shared facilities. It is an "opt in" program allowing flexibility and personal choice.

**Only by being free to not join can you join freely in community.**

The solution we identified delivers true **independent living within a supportive community** with options for all, especially those in mid income ranges who do not qualify for subsidy or agency and look to Affordable by Design solutions.

A viable independent living solution called for the combination of both in unit cooking and community kitchens. The ratio we found to be most effective is lower than the legislation is proposing but the model is similar. Our study indicates that when mixed, the use will be about 1/3 what the ordinance is projecting. Group Occupancy falls under congregate housing in the CBC which carefully



defines these requirements. . We suggest a correlation with the CBC on the requirement for community kitchens. For the ordinance, we suggest not more than 1/50 units. The managing operators we work with do not project greater actual use on a scheduled basis. It is important to understand that a large percentage of residents will never use the facility, a small group will use it occasionally and a few will use it often. As in many food environments, use is reserved with management. As an example, there are several “slots” for “dinner” preparation, and these are scheduled by both the managers and users.

#### **Space allocation:**

**We agree with the space allocation proposed in the legislation.** , The project at TL 361 was guided by extensive input from Planning regarding the overall need and use of common space in support of small units. There were no guidelines but the results of responsible design show similar areas of allocation. TL361 is delivering a total of 15,000 sf of shared common area inclusive of this requirement. The total is approximately equal to the proposed 0.25 per foot of GO unit (14,400sf per this legislation). To make this more clear to Planning, it could be defined as all area and service area that is not used as mechanical or common circulation or hallways. It should be clear that this does not include outdoor area required to meet outdoor space requirements shown elsewhere in the Group Occupancy code as it stands today.

#### **Energy and Sustainability Advantages:**

California laws that govern utilities allow for a single house meter for projects that are considered to be congregate and have the opportunity for a length of stay of **under 30 days**. Per PG&E, there is only one project of this type in California today, developed by Forge and located at 361 Turk, which has been approved for this service option. The same is true for the Water service.

**TL361 is the first multifamily project post 1970 which has successfully navigated and implemented this approach and is supported by PG&E and SDG&E. The cost and operational benefits are being realized in real time at this project.**

#### **Length of Stay (LOS):**

As noted above, LOS is a key component that unlocks one of the largest opportunities to impact both cost of construction and sustainability. **By setting the time at less than 30 days**, and by designating the project as a **congregate housing** solution under CBC, TL361 successfully received approval for a single meter solution for both electrical (PG&E) and water service (PUC). This one item reduced the initial cost of construction by upwards of \$50,000 per key. It reduces the size of PG&E services to the building by 30% or more. It reduces the ongoing cost of energy and water to residents proportionally.

Current Group Occupancy zoning allows 7 days as a minimum length of stay. **There currently is no outside limit of term of stay**. Once someone is in place for more than 30 days, other housing rules apply and their occupancy becomes grandfathered. We recognize the desire for GO units to be available for longer occupancy and suggest an alternative that could address concerns and maintain the benefits. If it were possible to amend the legislation to provide that a tenant(resident) may, at their discretion, extend their agreement for a consecutive period. That extension, if our initial period is 15 days, would bring them under the current ordinances addressing the rights of residents under other San Francisco codes. **If the legislation set the LOS at 15 days, as a whereas, all of the desired benefits unlocked at TL361 would be in effect and the residents could avail themselves of the protections under the housing code.**

#### **Key elements of GO zoning make it the most viable code for WF housing**

There is a collection of overlaid codes that derive from SF Planning Code (and 2017 Housing for Families) California Building Code, PUC requirements, and Energy Codes. Together they provide a



platform that allows the delivery of privately financed workforce housing. Change any aspect of how these interact and the opportunity to build this housing is eliminated.

Group Occupancy provides:

- Length of Stay: Less than 30 days: GO provides for a 7 day minimum stay. There is no upper limit. Because this is less than 30 days, it allows interpretation of the unit as “transient” for the short period. This links to both Electrical and Plumbing Code interpretations.
- It recognizes the reality that residents will deploy appliances in their units and codifies what is allowed. The definition links to the CBC code requirements and has material favorable impact on the cost of delivery. GO allows limited cooking defined by ZA and CBC as not including a traditional “Oven”.
  - This dovetails with CBC as Congregate housing and with the PUC for energy load calculations, and provides basis for sustainable practices in water and power distribution and use. This element results in savings per unit estimated at \$50,000 per key.
  - CBC defines the number and area requirements for shared kitchen facilities. Planning expanded this interpretation in the most recent clarifications by the ZA in 2020. Although not codified, it indicates a distribution of 1/50 units.
- The size of units allowed under current ZA interpretations provides a mix of larger sizes that meet the defined needs of the 2017 Housing for Families study.

CBC provides:

- GO is defined in CBC as Congregate Housing. This sets standards for ADA, Cooking and food preparation requirements including space allocations per unit.
  - ADA: Buildings may be categorized as either 11A or 11B. This has impact on the cost and delivery of the private bathrooms in each unit.
  - Under CBC, units may have either a private bath or a kitchen but not both. The definition of Kitchen is the same as GO: no Oven allowed. CBC is more flexible on the size of the refrigerator which we think is important to amend in GO.

#### **Benefits of Group Occupancy Zoning:**

- Deeper Affordability: BMR units in GO housing are governed by the Avalos legislation which lowers rents on a per unit basis by 25%. This effectively lowers the income requirements from 55% AMI to +/- 40% AMI. This concession by GO developers increases the affordability significantly and is unique to the current zoning.
- Units are restricted in size to 250-875 sf. This is exactly in the range projected by Planning in the 2017 publication on family housing. It is also the range of housing that meets criteria for Affordable by Design.
- Single Meter Electrical and Water service: This benefit is available to GO housing exclusively. The combined impact reduces energy use by 30% and water can be reduced by up to 50%. The combined impact on the cost per unit is a reduction of initial cost of approximately \$50,000 and a reduction in on going operating costs that benefit residents directly.
- A principally permitted use that, because of ZA interpretations in 2021 is size controlled to match the recommendations in the 2017 Housing for Families.

**False Narrative:** Proponents of eliminating Group Occupancy as an effective housing solution claim the typology does not support “kids”. This is simply untrue and it is sad if the drumbeat of misinformation has been allowed to influence this policy process.

In 2021 the Zoning Administrator amended his interpretation of GO unit sizes to include apartments up to 875sf. This size falls into the exact middle range of 2 BR housing units as proposed by Planning in the 2017 Housing for Families with Children. Our proposed project at 450 O’Farrell included a mix of units that are specifically designed to meet the needs of small families as defined in the 2017 study and address the economic and social needs of the actual demographic to be served per the study. This shows that the current code, a principally permitted use, adequately addresses the defined need of the City. **The Planning recommendation is silent on this aspect of current code.**

**Planning description:**

The language provided by planning as Background is limited and does not adequately describe the history and nature of the existing product. We ask that this be further detailed for the Commission to make these decisions.

**Background:**

It is stated that the developers created a loophole in the interpretation of the GO code. As a developer **delivering** housing under this code we are not aware of any loophole. Forge worked diligently with Planning and their representatives Kate Connor and Carly Grob to craft a set of design parameters that are much aligned with the onsite requirements presented in the proposed legislation on items such as the kitchenettes, amenity and community spaces, shared kitchens and open space allocations. Based on the recent interpretations of the current code by the Zoning Administrator, there is a wide variety of unit sizes and users served. Although there is no current mix requirement, this does not preclude an approach similar to the Avalos legislation that brought GO under the Inclusionary Housing policies and applying that to a mix model. The statements made in the Background are misleading and should be revisited to reflect the actual condition. We agree that there is much to be clarified in the margins regarding GO including new rules of interpretation for BMR designations with MOH to make the application clear and more seamless. That work should be undertaken before such material change is contemplated.

This section talks about the use of the kitchenette to prepare meals by the residents. That is and has been the standard. Misrepresentations by proponents of this legislation claim that the kitchenettes are effectively non effective but in this section this is specifically how they are seen by planning policy. The ability to privately prepare meals in your space in a long term stay is an important aspect of the user experience in support of independent living and should not be abandoned. The descriptions of this existing situation appear to be conflicting within the text and confuse the issue.

**Group Housing: A Different Form of Housing.**

We feel the description inaccurately presents the difference between Group Housing and Dwelling Units. Dwelling units are described as a “complete unit” and include both a bath and full kitchen. This is consistent at the CBC level as well as all associated plumbing and electrical codes. There is no limit to the size of a DU and once they are above 1000sf, they become unaffordable to the majority of households in the City.

GO is built under the Congregate Housing per CBC. Per the current interpretations of the Zoning Administrator, they may have a limited cooking capability and a private bath and closet. They are limited in size to not exceed 875sf and, in that interpretation, were created to allow for small families consistent with the 2017 Planning study. GO is intended to be smaller, affordable by design, units. CBC sets standards for GO units to include community gathering spaces and kitchens where DU projects do not.

The ongoing assessment of the cooking capabilities of the kitchenette solution and the actual use of community kitchens is exaggerated in our experience. Proponents of the policy changes repeatedly misstate the impact and total cooking currently proposed in the only actually delivered GO projects. To require 1/15 full kitchens will create significant unused facilities that can be better tasked for other uses. The proposed increase in common area by the Department, effectively doubling that proposed in the legislation, creates a substantial burden on development. Dwelling Units have no common use area requirement. This burden of additional space per unit will undermine the feasibility of the projects. The area proposed by the legislation, as opposed to the Planning proposal, is consistent with the designs and studies done with Planning to create TL36. Note that CBC also stipulates the scale and use of common areas and shared kitchens.



**If implemented without amendment, ALL of the sustainability benefits of the current code will be lost. The alternative proposals we identify will not negatively affect the apparent goals but will maintain the significant benefits available to the City. Please allow time to better understand the myriad of impacts such a sweeping change will cause and support a continuation for this Planning response.**

**We appreciate your consideration and look forward to continuing our work with the City to deliver privately financed Workforce housing to our community.**

**Richard Hannum  
CEO  
Forge Development Partners**



**From:** Ryan Patterson <[ryan@zfplaw.com](mailto:ryan@zfplaw.com)>  
**Sent:** Monday, February 28, 2022 2:31 PM  
**To:** Board of Supervisors, (BOS) <[board.of.supervisors@sfgov.org](mailto:board.of.supervisors@sfgov.org)>  
**Subject:** FW: Agenda Item # 5 - File No. 211299 - Group Housing Definition

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good afternoon,

I am copying the Clerk's Office on my email below.

Thank you,

Ryan J. Patterson  
Zacks, Freedman & Patterson, PC  
601 Montgomery Street, Suite 400  
San Francisco, CA 94111  
Telephone: (415) 956-8100  
Facsimile: (415) 288-9755  
Email: [ryan@zfplaw.com](mailto:ryan@zfplaw.com)  
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Zacks, Freedman & Patterson proudly announces the opening of two additional offices, one in the East Bay and one in Monterey Bay. Please see our [website](#) for further details.

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**From:** Ryan Patterson  
**Sent:** Monday, February 28, 2022 1:00 PM  
**To:** [myrna.melgar@sfgov.org](mailto:myrna.melgar@sfgov.org); [erica.major@sfgov.org](mailto:erica.major@sfgov.org); [Aaron.Peskin@sfgov.org](mailto:Aaron.Peskin@sfgov.org);  
[Dean.Preston@sfgov.org](mailto:Dean.Preston@sfgov.org)  
**Cc:** Bryan Tapia <[bryan@zfplaw.com](mailto:bryan@zfplaw.com)>  
**Subject:** Agenda Item # 5 - File No. 211299 - Group Housing Definition

Honorable Supervisors:

Please find an objection letter attached for the above-captioned file.

Thank you,

Ryan J. Patterson  
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February 28, 2022

## VIA EMAIL

Land Use and Transportation Committee  
c/o Erica Major  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, CA 94102

Re: Agenda Item #5 – February 28, 2022 Hearing  
BOS File No. 211299 [Planning Code – Group Housing Definition]

Dear Chair Melgar and Honorable Members of the Land Use and Transportation Committee:

Our office represents the San Francisco SRO Hotel Coalition and numerous individual owners of SROs, as well as developers of group housing (collectively, “Owners”). The Owners object both substantively and procedurally to Board of Supervisors File No. 211299 (the “Ordinance”).

The proposed Ordinance represents a dramatic change to the City’s Hotel Conversion Ordinance, via a “back door” amendment to the Planning Code. It would prohibit weekly room rentals – which have always been lawful *and encouraged* in San Francisco. **It is unclear whether the Ordinance’s restrictions are intended to apply to existing group housing units or only to newly proposed group housing units, and we respectfully request clarification of this issue.**

To the extent the Ordinance is applied to existing group housing units, it would take away the Owners’ family businesses without compensation. Worst of all, the Ordinance would harm the City’s most vulnerable residents: group housing occupants who cannot afford to rent a group housing unit on a monthly basis.

### **1. The Ordinance does not include an amortization period.**

To the extent the proposed Ordinance applies to existing units, it would make the Owners’ longstanding weekly rental businesses illegal as of the effective date, including their existing right to expand and alter existing units, *inter alia* by adding kitchen facilities. There is no amortization period. It is well-established in California law that an amortization period is required and must be “reasonable” in light of the investment in the use, and its remaining economic life, order to pass constitutional muster. (See Tahoe Regional Planning Agency v. King (1991) 233 Cal. App. 3d 1365; United Business Com. v. City of San Diego (4th Dist. 1979) 91 Cal. App. 3d 156.)

The Ordinance would also violate the holding in San Francisco Superior Court Case No. CPF-17-515656 by eliminating Owners' lawful use without proper amortization.

## **2. The lack of notice violates Due Process rights.**

The Owners were given no notice of this proposed Amendment or notice of today's hearing, despite their property rights being particularly and significantly affected by it.

## **3. Proper CEQA review must occur.**

This Ordinance constitutes a citywide rezoning, which may have significant adverse impacts on the environment. The Amendment prohibits lawful weekly rentals, which will disrupt occupancy patterns and shift occupancy and housing construction to other parts of the City and region. (BOS File No. 211300 notes that SRO uses are presently concentrated in two neighborhoods: the Tenderloin and Chinatown.) The impacts of this disruption must be studied pursuant to the California Environmental Quality Act ("CEQA").

If a Project's economic or social effects directly or indirectly lead to adverse physical changes in the environment, CEQA requires disclosure, analysis, and mitigation of the resulting physical impacts. (*Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184; *California Clean Energy Committee v. City of Woodland* (2014) 225 Cal.App.4th 173.) Preliminarily, "an agency that proposes project changes . . . must determine whether the previous environmental document retains any relevance in light of the proposed changes and, if so, whether major revisions to the previous environmental document are nevertheless required due to the involvement of new, previously unstudied significant environmental impacts." (*Friends of the College of San Mateo Gardens v. San Mateo County Community College Dist.* ("FOCSMG") (2016) 1 Cal.5th 937, 944.)

The City has not properly studied the potentially significant physical effects of the proposed Ordinance, including, but not limited to, displacement of weekly group housing renters who would be unable to come up with security and rent deposits for the 30-day minimum (apartment-rental length) that would be compelled by the Ordinance. The unstudied, but reasonably foreseeable, potential environmental impacts resulting from displacement of hundreds and hundreds of tenants, who could end up homeless and living on the City's streets and public places, include, *inter alia*, the resultant public trash, human feces and urination, pollution of waterways, waters, and City public and private spaces, and the adverse impacts to the displaced human beings themselves from lack of water and livable accommodations, exposure, cold, suffering and disease. Such reasonably foreseeable potential adverse environmental impacts of potential tenant displacement resulting from the enactment of the proposed Ordinance requires CEQA review. See, e.g., Pub. Resources Code, § 21065, CEQA Guidelines, § 15378 [defining "project" as any activity that may cause direct or reasonably foreseeable indirect change in the environment]; *Muzzy Ranch v. Solano County Airport Land Use Commission* (2007) 41 Cal.4th 372 [holding development displaced by density limits is not too speculative of an impact to require CEQA analysis].

Because the monthly rental value of the group housing units that would be effectively converted to apartments by the proposed Ordinance will in most cases be beyond the means of the very low income, disabled, elderly and “transient” users the law is purportedly intended to benefit, units remaining vacant under the Ordinance will also foreseeably lead to significant reductions in the housing stock and increases in physical blight and crime – impacts that have not been properly analyzed.

Proper environmental review clearly has not been completed. If the Ordinance is enacted without further review in accordance with law, CEQA will be violated.

#### **4. The Ordinance violates SB 330.**

The Ordinance is prohibited by SB 330, the Housing Crisis Act of 2019, because it lessens the intensity of residential use. Under the Ordinance, group housing units can no longer contain their own cooking facilities, and fewer units can be built on a lot because much more space must be dedicated to shared amenities.

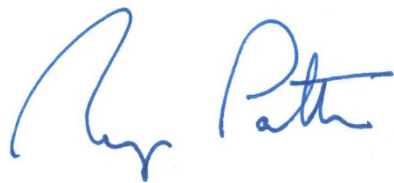
#### **Conclusion**

OWNERS HAVE PREVIOUSLY SUBMITTED FOR THE BOARD’S RECORD EVIDENCE AND ARGUMENTS, INCLUDING THE EXTENSIVE BRIEFING FROM THE TRIAL AND APPELLATE COURTS IN OPPOSITION TO THE PRIOR SRO AMENDMENTS (BOS FILE NOS. 161291, 190049, 190946, AND 191258; SUPERIOR COURT CASE NO. CPF-17-515656). WE REINCORPORATE THOSE MATERIALS AND ARGUMENTS HERE BY REFERENCE AND OFFER TO LODGE HARD COPIES UPON REQUEST.

The Ordinance is unlawful for a host of reasons, and it will cause serious harm to those who are most in need of our City’s protection. We urge you to oppose this misconceived proposal.

Very truly yours,

ZACKS, FREEDMAN & PATTERSON, PC



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Ryan J. Patterson

**From:** [Yonathan](#)  
**To:** [Flores, Veronica \(CPC\)](#)  
**Subject:** Group Housing questions  
**Date:** Tuesday, February 1, 2022 4:45:36 PM

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This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hi Veronica Flores.

Regarding Ordinance Case 2021-011415PCA-02, [Board File 211299](#), scheduled for Planning Commission [2/10/2022](#), I am curious about how this interacts with Efficiency Dwelling Units which were added as [Planning Code §318](#) in 2013 ([Ord. 242-12](#), [Board File 120996](#)) along with Building Code changes ([Ord. 235-12](#), [Board File 120996](#)).

Questions:

- Are there a lot of “Efficiency Dwelling Unit” applications? I understand that the Planning Department opposed adding a definition of Efficiency Dwelling Unit because they said as far as the Planning Code is concerned, it’s just a unit, so perhaps you don’t track them.
- Are there a lot of “Efficiency Dwelling Units with reduced square footage” applications, subject to or not subject to the 375-unit citywide limit (for non-group-housing, non-affordable units)?
- Are Efficiency Dwelling Units allowed in every use district that a regular unit is?
- Why don’t the market-rate Group Housing proposals just make Efficiency Dwelling Units? (I have a feeling I know the answer: [Planning Code §207](#) lower dwelling density limit which is less than the [§208](#) group housing limit, and [Planning Code §135](#) open space for group housing which is 1/3 the requirement for units)

Thanks.  
Yonathan Randolph

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

December 23, 2021

Planning Commission  
Attn: Jonas Ionin  
49 South Van Ness Avenue, Suite 1400  
San Francisco, CA 94103

Dear Commissioners:

On December 14, 2021, Supervisor Peskin submitted the following legislation:

**File No. 211299**

**Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

The proposed ordinance is being transmitted for review. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

c: Rich Hillis, Director  
Scott Sanchez, Deputy Zoning Administrator  
Corey Teague, Zoning Administrator  
Lisa Gibson, Environmental Review Officer  
Devyani Jain, Deputy Environmental Review Officer  
AnMarie Rodgers, Legislative Affairs  
Dan Sider, Director of Executive Programs  
Aaron Starr, Manager of Legislative Affairs  
Joy Navarrete, Environmental Planning

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December 17, 2021

**File No. 211299**

Lisa Gibson  
Environmental Review Officer  
Planning Department  
49 South Van Ness Avenue, Suite 1400  
San Francisco, CA 94103

Dear Ms. Gibson:

On December 14, 2021, Supervisor Peskin submitted the following legislation:

**File No. 211299**

**Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning  
Don Lewis, Environmental Planning



# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor  inquiries"
- 5. City Attorney Request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Aaron Peskin

Subject:

Planning Code - Group Housing Definition

The text is listed:

Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Signature of Sponsoring Supervisor: /a/