

File No. 160252

Committee Item No. 8

Board Item No. 01

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date July 11, 2016

Board of Supervisors Meeting

Date July 19, 2016

Cmte Board

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| <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 checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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Completed by: Alisa Somera Date July 8, 2016

Completed by: 3757 Date _____

AMENDED IN COMMITTEE

07/11/16

FILE NO. 160252

ORDINANCE NO

[Planning, Administrative Codes - Construction of Accessory Dwelling Units]

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of "rental unit" as it applies to ADUs; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

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

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

Section 1. General and Environmental Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 160252 and is incorporated herein by reference. The Board affirms this determination.

1 (b) On June 16, 2016, the Planning Commission, in Resolution No. 19663, adopted
2 findings that the actions contemplated in this ordinance are consistent, on balance, with the
3 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
4 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
5 Board of Supervisors in File No. 160252, and is incorporated herein by reference.

6 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that
7 these Planning Code amendments will serve the public necessity, convenience, and welfare
8 for the reasons set forth in Planning Commission Resolution No. 19663.

9
10 Section 2. Legislative Findings.

11 1) San Francisco's total land area is approximately 49 square miles, and much of
12 this land is not open to development because of prohibitive topography or public ownership.

13 2) According to the 2010 United States Census Report, San Francisco is the most
14 densely populated city in California. The San Francisco Bay Area is the second most densely
15 populated metropolitan area in the United States, following only New York City.

16 3) Housing costs in San Francisco are beyond the reach of the vast majority of low-
17 and middle-income households. Approximately 90% of individuals earning less than \$35,000
18 and over 50% of individuals making from \$35,000 to \$75,000 are spending more than 30% of
19 their income on rent.

20 4) San Francisco has a shortage of affordable housing units, exacerbated not only
21 by a shortage of new affordable housing units, but also by the continuing loss of affordable
22 housing units across the City. While approximately 6,300 new affordable housing units were
23 built in the period from 2005 to 2015, over 4,500 rent controlled and otherwise protected
24 affordable units were withdrawn from the housing market.

1 5) Policy 1.5 of the City's 2014 Housing Element, which is a required element of
2 the City's General Plan, states that adding new units in existing residential buildings
3 represents a simple and cost-effective method of expanding the City's housing supply. These
4 units could be developed to meet the needs of seniors, people with disabilities and others
5 who, because of modest incomes or lifestyles, prefer or need small units at relatively low
6 rents, while simultaneously enhancing their overall safety and habitability.

7 6) Section 65852.2 of the California Government Code provides that any local
8 agency may, by ordinance, provide for the creation of Accessory Dwelling Units (also known
9 as "second" or "in-law" units) in zones that allow for residential use. The State Legislature
10 finds and declares that these units are a valuable form of housing in California.

11 7) Expanding the construction of Accessory Dwelling Units to all lots in San
12 Francisco that allow for residential use will provide additional housing that may be subject to
13 rent control and other rent stabilization protections, without substantially changing their built
14 character and allowing more residents to live within walking distance of transit, shopping, and
15 services.

16 8) Allowing Accessory Dwelling Units within existing residential buildings, subject to
17 restrictions that incentivize their use as additional affordable rental housing, is a pragmatic
18 infill strategy to create more housing for San Francisco residents. This strategy is crucial for
19 San Francisco's housing market in multiple respects.

20 9) This infill strategy would create more apartments in the areas of the city that are
21 already built-out without changing the neighborhood character, increasing building heights or
22 altering the built form. Such small-scale residential infill could create additional homes for
23 existing and future San Franciscans spread throughout the city.

1 10) A need exists in San Francisco for additional affordable housing. By allowing
2 Accessory Dwelling Units citywide, San Francisco will continue to be a major provider of
3 affordable housing opportunities in the region.
4

5 Section 3. The Planning Code is hereby amended by revising Sections 102, 207 and
6 307, and deleting Section 207.2, to read as follows:

7 **SEC. 102. DEFINITIONS.**

8 * * * *

9 **Dwelling Unit, Accessory.** Also known as a Secondary Unit or In-Law Unit, is a Dwelling Unit
10 ~~added to an existing residential property and~~ added to an existing residential property and
11 constructed entirely within the existing built envelope of an existing building in areas that allow
12 residential use or within the envelope of an existing and authorized auxiliary structure on the same lot
13 ~~and constructed with a complete or partial waiver from the Zoning Administrator of the density~~
14 ~~limits and/or the parking, rear yard, exposure, or open space standards of this Code pursuant~~
15 ~~to the provisions of Sections 207(c)(4) and 307(l)(i).~~

16 * * * *

17 **SEC. 207. DWELLING UNIT DENSITY LIMITS.**

18 * * * *

19 (c) **Exceptions to Dwelling Unit Density Limits.** An exception to the calculations
20 under this Section shall be made in the following circumstances:

21 * * * *

22 (4) **Accessory Dwelling Units.**

23 (A) **Definition.** An "Accessory Dwelling Unit" (ADU) is defined in
24 Section 102.
25

1 (B) **Applicability.** The exceptions permitted by this Subsection
2 207(c)(4) shall apply ~~only~~ to all lots located within the City and County of San Francisco in areas
3 that allow residential use; provided, however, that the Department shall not approve an application for
4 construction of an Accessory Dwelling Unit in any building where a tenant has been evicted pursuant
5 to Administrative Code Section 37.9(a)(9) through 37.9(a)(14) under a notice of eviction served within
6 10 years prior to filing the application for a building permit to construct the ADU or where a tenant
7 has been evicted pursuant to Administrative Code Section 37.9(a)(8) under a notice of eviction served
8 within five years prior to filing the application for a building permit to construct the ADU.

9 (i) ~~lots within the boundaries of Board of Supervisors District 8~~
10 ~~extant on July 1, 2015;~~

11 (ii) ~~lots within the boundaries of Board of Supervisors District 3~~
12 ~~extant on July 1, 2015; and~~

13 (iii) ~~lots with a building undergoing mandatory seismic retrofitting in~~
14 ~~compliance with Section 34B of the Building Code or voluntary seismic retrofitting in compliance with~~
15 ~~the San Francisco Department of Building Inspection's Administrative Bulletin 094.~~

16 (C) **Controls on Construction.** An Accessory Dwelling Unit is permitted
17 to be constructed under the following conditions:

18 (i) ~~For existing buildings that have four no more than 10 existing~~
19 ~~Dwelling Units or fewer, one ADU is permitted; for existing buildings that have more than four 10~~
20 ~~existing Dwelling Units, there is no limit on the number of two ADUs are permitted.~~

21 (ii) An Accessory Dwelling Unit shall be constructed entirely within
22 the built envelope of an existing building or within the built envelope of an existing and authorized
23 auxiliary structure on the same lot, as the built envelop existed three years prior to the time the
24 application was filed for a building permit to construct the ADU. For purposes of this provision, the
25 "built envelope" shall include space under open railings, parapets, and catwalks; the open

1 area under a cantilevered room or room built on columns; decks, except for decks that
2 encroach into the required rear yard, or decks that are supported by columns or walls other
3 than the building wall to which it is attached and are multi-level or more than 10 feet above
4 grade; and lightwell infills provided that the infill will be against a blank neighboring wall at the
5 property line and not visible from any off-site location.

6 In the event any construction takes place in space under open railings, parapets, and
7 catwalks, the open area under a cantilevered room or room built on columns, decks, except
8 for decks that encroach into the required rear yard, or decks that are supported by columns or
9 walls other than the building wall to which it is attached and are multi-level or more than 10
10 feet above grade, such construction shall require notice pursuant to Planning Code Section
11 311 or 312.

12 (i) (iii) An Accessory Dwelling Unit shall not be constructed using
13 space from an existing Dwelling Unit.

14 (iv) A building undergoing seismic retrofitting may be eligible for a
15 height increase pursuant to Subsection (c)(4)(F) below.

16 (v) Notwithstanding any other provision of this Code, an Accessory
17 Dwelling Unit authorized under this Section 207(c)(4) may not be merged with an original unit(s).

18 (vi) An Accessory Dwelling Unit shall not be permitted in any
19 building in a Neighborhood Commercial District or in the Chinatown Community Business or Visitor
20 Retail Districts if it would eliminate or reduce a ground-story retail or commercial space.

21 (vii) Accessory Dwelling Units shall have a minimum unit size of
22 350 square feet for studio units and 550 square feet for one-bedroom units.

23 (ii) ~~The Accessory Dwelling Unit is subject to the provisions of the~~
24 ~~San Francisco Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code) if~~
25

1 ~~the existing building or any existing Dwelling Unit within the building is subject to the Rent~~
2 ~~Stabilization and Arbitration Ordinance.~~

3 ~~(iii) (D) Prohibition of Short-Term Rentals. The Department shall require the~~
4 ~~applicant to disclose on any application for construction of an Accessory Dwelling Unit whether the~~
5 ~~applicant intends to use, or authorize the use of, the An Accessory Dwelling Unit shall not be used for~~
6 ~~Short-Term Residential Rentals under Chapter 41A of the Administrative Code, which restriction~~
7 ~~shall be recorded as a Notice of Special Restriction on the subject lot. The Department shall not~~
8 ~~approve an application for construction of an Accessory Dwelling Unit unless the applicant has~~
9 ~~provided the information required by this subsection.~~

10 ~~(E) Restrictions on Subdivision. Notwithstanding the provisions of Article 9 of the~~
11 ~~Subdivision Code, a lot with an Accessory Dwelling Unit authorized under this Section 207(c)(4) shall~~
12 ~~not be subdivided in a manner that would allow for the ADU to be sold or separately financed pursuant~~
13 ~~to any condominium plan, housing cooperative, or similar form of separate ownership; provided,~~
14 ~~however, that this prohibition on separate sale or finance of the ADU shall not apply to a~~
15 ~~building that (i) within three years prior to July 11, 2016 was an existing condominium with no~~
16 ~~Rental Unit as defined in Section 37.2(r) of the Administrative Code, and (ii) has had no~~
17 ~~evictions pursuant to Sections 37.9(a)(8) through 37.9(a)(14) of the Administrative Code~~
18 ~~within 10 years prior to July 11, 2016, and provided further that any such ADU may only be~~
19 ~~sold to a household whose total household income does not exceed 120% of Area Median~~
20 ~~Income. Such requirement for any sale shall be recorded as a Notice of Special Restrictions~~
21 ~~on the property records or may be included as part of the Regulatory Agreement.~~

22 ~~(iv) Board of Supervisors District 8. For Accessory Dwelling Units~~
23 ~~on lots covered by Subsection 207(c)(4)(B)(i):~~

24 ~~a. An Accessory Dwelling Unit shall not be permitted in any~~
25 ~~RH-1(D) zoning district.~~

1 b. ~~An Accessory Dwelling Unit shall be constructed entirely~~
2 ~~within the existing building envelope or auxiliary structure, as it existed three (3) years prior to the~~
3 ~~time of the application for a building permit.~~

4 e. ~~For buildings that have no more than 10 existing Dwelling~~
5 ~~Units, one Accessory Dwelling Unit is permitted; for buildings that have more than 10 existing~~
6 ~~Dwelling Units, two Accessory Dwelling Units are permitted.~~

7 (v) ~~Board of Supervisors District 3. For Accessory Dwelling Units~~
8 ~~on lots covered by Subsection 207(e)(4)(B)(ii):~~

9 a. ~~An Accessory Dwelling Unit shall not be permitted in any~~
10 ~~RH 1(D) zoning district.~~

11 b. ~~An Accessory Dwelling Unit shall be constructed entirely~~
12 ~~within the existing building envelope or auxiliary structure, as it existed three (3) years prior to the~~
13 ~~time of the application for a building permit.~~

14 e. ~~For buildings that have four existing Dwelling Units or~~
15 ~~fewer, one Accessory Dwelling Unit is permitted; for buildings that have more than four existing~~
16 ~~Dwelling Units, there is no limit on the number of Accessory Dwelling Units permitted by this Section~~
17 ~~207(e)(4).~~

18 (F) (vi) **Buildings Undergoing Seismic Retrofitting.** For Accessory
19 Dwelling Units on lots covered by Subsection 207(e)(4)(B)(iii): with a building undergoing
20 mandatory seismic retrofitting in compliance with Section 34B of the Building Code or voluntary
21 seismic retrofitting in compliance with the Department of Building Inspection's Administrative
22 Bulletin 094, the following additional provision applies:

23 a. ~~An Accessory Dwelling Unit shall not be permitted in any~~
24 ~~RH 1 or RH 1(D) zoning district.~~

25

1 *b. — An Accessory Dwelling Unit shall be constructed entirely*
2 *within the existing building envelope or auxiliary structure, as it existed three (3) years prior to the*
3 *time of the application for a building permit.*

4 *e. If permitted allowed by the Building Code, a building in*
5 *which an Accessory Dwelling Unit is constructed may be raised up to three feet to create*
6 *ground floor ceiling heights suitable for residential use ~~on lower floors~~. Such a raise in height*
7 *shall be:*

8 *1) — exempt from the notification requirements of*
9 *Sections 311 and 312 of this Code; and*

10 *2) permitted to may expand a noncomplying*
11 *structure, as defined in Section 180(a)(2) of this Code and further regulated in Sections 172,*
12 *180 and 188, without obtaining a variance for increasing the discrepancy between existing*
13 *conditions on the lot and the required standards of this Code.*

14 *(G) (vii) Waiver of Code Requirements; Applicability of Rent Ordinance.*

15 Pursuant to the provisions of Section 307(l) of this Code, the Zoning Administrator may grant
16 an Accessory Dwelling Unit a complete or partial waiver of the density limits and parking, rear
17 yard, exposure, or open space standards of this Code. *However, If the Zoning Administrator*
18 *grants a complete or partial waiver of the requirements of this Code and the subject lot contains any*
19 *Rental Units at the time an application for a building permit is filed for construction of the Accessory*
20 *Dwelling Unit(s), the property owner(s) shall enter into a Regulatory Agreement with the City under*
21 *Subsection (c)(4)(H) subjecting the ADU(s) to the San Francisco Residential Rent Stabilization and*
22 *Arbitration Ordinance (Chapter 37 of the Administrative Code) as a condition of approval of the*
23 *ADU(s). For purposes of this requirement, Rental Units shall be as defined in Section 37.2(r) of the*
24 *Administrative Code.* ~~existing building or any existing Dwelling Unit within the building is subject to~~
25

1 ~~the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Chapter~~
2 ~~37 of the Administrative Code), the property owner shall submit the following to the Department:~~

3 (H) Regulatory Agreements. A Regulatory Agreement required by Subsection
4 (c)(4)(G) as a condition of approval of an Accessory Dwelling Unit shall contain the following:

5 ~~a.~~ (i) ~~a proposed agreement demonstrating statement~~ that the Accessory Dwelling
6 Unit(s) ADU(s) are not subject to the Costa Hawkins Rental Housing Act (California Civil Code
7 Section 1954.50) because, under Section 1954.52(b k), the owner has entered into this
8 agreement with the City in consideration for a complete or partial waiver of the density limits,
9 and/or parking, rear yard, exposure or open space standards of this Code or other direct financial
10 contribution or ~~any~~ other form of assistance specified in California Government Code Sections
11 65915 et seq. ("Agreement"); and

12 (ii) ~~b.~~ ~~if the Planning Director determines necessary, an Affidavit~~
13 ~~containing information about the~~ a description of the complete or partial waiver of Code requirements
14 granted by the Zoning Administrator or other direct financial contribution or ~~other~~ form of
15 assistance provided to the property owner; ~~and.~~

16 (iii) a description of the remedies for breach of the Agreement and other
17 provisions to ensure implementation and compliance with the Agreement.

18 (iv) The property owner and the Planning Director (or his designee), on behalf of the
19 City, will execute the Agreement, which shall be reviewed and approved by the City Attorney's
20 Office. The Agreement shall be ~~approved~~ executed prior to the City's issuance of the First
21 Construction Document for the project, as defined in Section 107A.13.1 of the San Francisco
22 Building Code. ~~(v)~~ Following execution of the Regulatory Agreement by all parties and approval by
23 the City Attorney, the Regulatory Agreement or a memorandum thereof shall be recorded against the
24 property and shall be binding on all future owners and successors in interest.

1 Any Regulatory Agreement entered into under this Section 207(c) shall not preclude a
2 landlord from establishing the initial rental rate pursuant to Section 1954.53 of the Costa
3 Hawkins Rental Housing Act.

4 ~~(D)~~ (I) Monitoring Program.

5 (i) **Monitoring and Enforcement of Unit Affordability.** The
6 Department shall establish a system to monitor the affordability of the Accessory Dwelling
7 Units authorized to be constructed by this Subsection 207(c)(4) and shall use such data to
8 enforce the requirements of the Regulatory Agreements entered into pursuant to Subsection (c)(4)(H).
9 Property owners shall provide the Department with rent information as requested by the
10 Department. The Board of Supervisors recognizes that property owners and tenants generally
11 consider rental information sensitive and do not want it publicly disclosed. The intent of the
12 Board is for the Department to obtain the information for purposes of monitoring and enforcement
13 so but that its public disclosure is not it can be used by the Department in aggregate form, not in a
14 manner that would be linked to specific individuals or units. The Department shall only request
15 rental information from property owners if the notice includes the statement that the Department is
16 acquiring it in confidence and will publicly disclose it only in aggregate form. The Department shall
17 not ask property owners to provide rental information if it determines, after consulting with the City
18 Attorney's Office, with respect to the legal requirements to determine how best to achieve the intent of
19 the Board that the information would be publicly disclosable under federal, state, or local law in
20 nonaggregated form.

21 (ii) **Monitoring and Enforcement of Prohibition on Use as Short**
22 **Term Rentals.** The Department shall collect data on the use of Accessory Dwelling Units
23 authorized to be constructed by this Subsection (c)(4) as Short-Term Residential Rentals, as
24 that term is defined in Administrative Code Section 41A.4, and shall use such data to evaluate
25

1 and enforce Notices of Special Restriction pursuant to Subsection 207(c)(4)(D) and the
2 requirements of Administrative Code Chapter 41A.

3 (iii) **Department Report.** The Department shall publish a report
4 annually until ~~by~~ April 1, ~~2019~~ 2016, that describes and evaluates the types of units being
5 developed and their affordability rates as well as their use as Short-Term Residential Rentals.
6 The report shall contain such additional information as the Director or the Board of Supervisors
7 determines would inform decision makers and the public on the effectiveness and
8 implementation of this Subsection (c)(4) and make include recommendations for any
9 amendments to the requirements of this Section 207(c)(4) or expansion of areas where Accessory
10 Dwelling Units should be constructed. The Department shall transmit this report to the Board of
11 Supervisors for its review and public input. In subsequent years, this information on Accessory
12 Dwelling Units shall be included reported annually in the Housing Inventory.

13 **~~SEC. 207.2 SECOND UNITS.~~**

14 (a) ~~Second units, as defined and referred to in Government Code Section 65852.2, are~~
15 ~~precluded in RH-1(D) and RH-1 zoned areas, except for units designed for and occupied by senior~~
16 ~~citizens ("Senior Housing" as defined by Section 102) and except as may hereafter be permitted by later~~
17 ~~amendments to this Code governing second units.~~

18 (b) ~~Government Code Section 65852.2 requires a City to adopt either an ordinance~~
19 ~~permitting or precluding second units within single-family and multifamily zoned areas or, in the~~
20 ~~alternative, to be subject to certain restrictions set forth in Government Code Section 65852.2(b). The~~
21 ~~provisions of this ordinance, in light of other provisions of the Planning Code governing second units,~~
22 ~~do not result in the total preclusion of second units within single-family and multifamily zoned areas~~
23 ~~and therefore San Francisco has a legislative scheme which complies with Government Code Section~~
24 ~~65852.2(a). In the event that it is determined, however, that San Francisco's legislative scheme does not~~

1 *comply with Government Code Section 65852.2(a), the following findings are made with the intent of*
2 *complying with Government Code Section 65852.2(e).*

3 (1) *— San Francisco's total land area is approximately 49 square miles and much of*
4 *this land is not open to development because of topography or public ownership. San Francisco does*
5 *not have the option open to many other cities of annexing undeveloped land currently outside its*
6 *borders.*

7 (2) *— San Francisco already has higher density development than other cities in*
8 *California, both in terms of units per square feet of lot area and in terms of units per linear feet of*
9 *street frontage. The density for housing development in San Francisco ranges from 4,000 square feet of*
10 *lot area per unit in RH 1(D) (House, One Family Detached Dwellings) Districts to 200 square feet per*
11 *unit in RM 4 (Mixed Residential, High Density) Districts. Except for districts which require a lot width*
12 *of 33 feet and an area of 4,000 square feet, the minimum lot size for housing development is 2,500*
13 *square feet in area, following the standard lot size in San Francisco (25 X 100 square feet), or 1,750*
14 *square feet for lots within 125 feet of a corner. This density and lot size requirement allows greater*
15 *density than other jurisdictions in California where the typical density and lot size is about 5,000*
16 *square feet per unit for single family dwellings and 1,500 square feet per unit for multifamily*
17 *development.*

18 (3) *— San Francisco is the most densely populated city in California. It is the fourth*
19 *most densely populated city in the nation following only New York City and two cities in New Jersey*
20 *(Jersey City and Patterson).*

21 (4) *— The limited land area and the limited developable land area of San Francisco*
22 *make it difficult to provide sites to replace single family houses lost through conversion to a higher*
23 *density. Once single family homes are converted into multiple dwelling structures by the addition of a*
24 *second unit, single family housing stock is eliminated from the existing supply of single family homes.*

1 ~~The irrevocable loss of the limited supply of single-family housing stock throughout the City will~~
2 ~~adversely affect the health, safety and welfare of San Francisco residents.~~

3 (5) — ~~Single-family residences have in recent years been demolished at a faster rate~~
4 ~~than any other residential structures in the City primarily because new multiple-unit residential~~
5 ~~development in the City often occurs as the result of the demolition of single-family homes in multiple-~~
6 ~~unit districts. Single-family homes were 37 percent of the residential units demolished in 1984, and 61~~
7 ~~percent of the residential units demolished in 1983. Single-family homes represented an even larger~~
8 ~~percentage of the residential structures demolished. Single-family homes were 86 percent of the~~
9 ~~residential structures demolished in 1984, and 74.4 percent of the residential structures demolished in~~
10 ~~1983.~~

11 (6) — ~~Single-family structures represent only 1/3 of all residential structures in San~~
12 ~~Francisco compared to 60 percent of the residential structures in the State of California. Single-family~~
13 ~~homes accounted for 18 percent of the new housing units in San Francisco in 1984, and 7 percent of~~
14 ~~the new units in 1983. Other jurisdictions in California had single-family structures representing~~
15 ~~approximately 50 percent of their new residential building permits for the same period.~~

16 (7) — ~~The number of families in San Francisco declined in the years from 1970 to~~
17 ~~1980, as evidenced by the school enrollment for the population group under 15 years old. The decline~~
18 ~~in enrollment was from 106,900 to 83,790. The zoning policy of the City and County of San Francisco~~
19 ~~should encourage families to live in the City rather than encouraging them to leave the City. A further~~
20 ~~decline in the number of families living in the City is detrimental to the public health, safety and~~
21 ~~welfare.~~

22 (8) — ~~The addition of second units to single-family dwellings usually results in an~~
23 ~~increase in the cost of those dwellings, and, in addition, to the cost of the remaining smaller supply of~~
24 ~~single-family homes without second units. An increase in the cost of these types of dwellings will~~
25

1 *discourage families from living in the City because the cost of dwellings most suitable for families will*
2 *be beyond the means of many who would otherwise live in the City.*

3 *(9) — San Francisco will probably face a need for more large units in the future than it*
4 *did in the past, as the population ages and the new baby boom continues. Many women born between*
5 *1945 and 1952 who delayed child-bearing during the 1970's are now having babies at the same rate as*
6 *women born after 1952.*

7 *(10) — The addition of second units in single-family houses throughout the City will*
8 *irrevocably deplete its limited supply of single-family homes and discourage families from living in the*
9 *City by removing the type and size of dwelling units most suitable for families. Many of the residential*
10 *parcels in the City are less than 2,500 square feet in size or 1,750 square feet for corner lots and do not*
11 *meet minimum lot size standards. Many of these parcels were developed without required garages or*
12 *with minimal garage space, and do not comply with existing off-street parking requirements. The*
13 *addition of second residential units in these areas could only worsen existing congestion.*

14 *(11) — Parking problems are severe in a number of areas of the City because of its*
15 *dense population. The addition of second units in such areas will exacerbate the parking problem.*
16 *Imposing off-street parking requirements on secondary units would only partially alleviate that*
17 *problem in that additional units cause increased traffic other than that engaged in by the occupants of*
18 *the units (such as persons visiting the occupants for social or business purposes) as well as by the*
19 *occupants of the units.*

20 *(12) — Increased parking problems in areas of the City already burdened with traffic*
21 *congestion adversely affects the health, safety and welfare of the residents of such areas by interfering*
22 *with access to off-street parking spaces, requiring additional police services to control traffic problems*
23 *and unlawful parking, requiring occupants and visitors to park further from their homes (thereby also*
24 *exposing themselves to greater inconvenience and, in some instances, threat to safety), and interfering*
25 *with access by emergency vehicles during an emergency (a problem which is further complicated in*

1 ~~areas with narrow streets, winding roads, and other topographical features which make access by~~
2 ~~vehicles difficult).~~

3 ~~(13) — A need exists in San Francisco for additional affordable housing. Allowing~~
4 ~~second units in RH 1(D) and RH 1 Districts is one means of providing such housing. However, to allow~~
5 ~~second units without restriction in all areas currently zoned RH 1(D) and RH 1 would adversely affect~~
6 ~~the health, safety and welfare of the public by permitting the conversion of an undue number of single-~~
7 ~~family houses to multi-family units; by eliminating low-density residential areas in the City and thereby~~
8 ~~depriving those who desire to live in the City without the stress of living in higher-density areas of their~~
9 ~~opportunity to do so; and by permitting second units to be added in areas where undue traffic~~
10 ~~congestion and the attendant difficulties described above, will occur.~~

11 ~~(14) — A further period of time is needed in order to determine those areas of the City~~
12 ~~where the traffic congestion problems described above would be least likely to occur and where second~~
13 ~~units may therefore be permitted without adverse impact to the public.~~

14 ~~(15) — There are no large districts suitable for the provision of second units, but instead~~
15 ~~there are small subareas which must be reviewed on a case-by-case basis with community participation~~
16 ~~in the review process. A case-by-case review is needed in order to determine those areas of the City~~
17 ~~where the traffic congestion problems described above would be least likely to occur and where second~~
18 ~~units may therefore be permitted without adverse impact to the public. Furthermore:~~

19 ~~(A) — The Planning Code presently permits a secondary unit in all single-~~
20 ~~family homes in RH 1(S) (House, One Family with Minor Second Unit), RH 2 (House, Two Family)~~
21 ~~and RH 3 (House, Three Family) Districts no matter what the lot size. Second units in single family~~
22 ~~homes are permitted in all other multifamily residential districts (all RM and RC Districts), depending~~
23 ~~on the size of the lot.~~

24 ~~(B) — The Planning Code permits the mapping of the RH 1(S) (House, One-~~
25 ~~Family with Minor Second Unit) District. These RH 1(S) Zoning Districts provide for a two-family~~

1 ~~dwelling with the second dwelling limited to 600 square feet of net floor area. The second unit remains~~
2 ~~subordinate to the owner's unit and the structures retain the appearance of single family dwellings. The~~
3 ~~RH 1(S) Zoning District has been mapped in four areas of the City. Additional mapping of the RH 1(S)~~
4 ~~Zoning District may be used to legalize existing secondary units in single family homes and to increase~~
5 ~~the number of secondary units.~~

6 ~~(C) — Dwellings specifically designed for and occupied by senior citizens~~
7 ~~("Senior Housing") are presently permitted at a density ratio or number of Dwelling Units not~~
8 ~~exceeding twice the number of Dwelling Units otherwise permitted as a principal use in the district by~~
9 ~~the Planning Code.~~

10 ~~(16) — Restricting second units in single family homes in San Francisco's RH 1(D) and~~
11 ~~RH 1 Zoning Districts may limit the housing opportunities of the region. However, over time,~~
12 ~~applications for RH 1(S) zoning designation may be reviewed on a case by case basis by the Planning~~
13 ~~Commission and its staff, the Board of Supervisors and the Mayor and where second units would be~~
14 ~~appropriate and would not adversely affect the public health, safety and welfare of residents of the City~~
15 ~~and County of San Francisco, such rezoning applications would be approved. Neither the provisions of~~
16 ~~this Section nor those of Government Code Section 65852.2 preclude the City from hereafter amending~~
17 ~~this Code in order to permit second units in additional situations designed to address specific housing~~
18 ~~needs and circumstances unique to San Francisco.~~

19 ~~(17) — San Francisco has been and will continue to be a major provider of affordable~~
20 ~~housing opportunities in the region.~~

21 ~~(A) — Currently (1986) San Francisco administers 6,766 units of public~~
22 ~~housing and 2,574 Section 8 certificates.~~

23 ~~(B) — Article 34, Section 1 of the California Constitution requires the approval~~
24 ~~of the electorate as a condition to the development or acquisition of a low rent housing project by the~~
25 ~~local jurisdiction. San Francisco has met the requirement with the City's voters approving the~~

1 development of a maximum of 3,000 low income housing units by a vote on Proposition Q on
2 November 2, 1976. Together with the units previously approved, approximately 4,000 low income
3 housing units may be developed, constructed or acquired.

4 (C) — Between 1981 and 1985, San Francisco's housing production efforts
5 included, but were not limited to the following:

6 1. — San Francisco undertook a major rezoning of underutilized land
7 which will allow the development of 14,000 housing units. Another 1,700 units are underway on vacant
8 publicly owned sites in the City.

9 2. — San Francisco set aside \$10,000,000 in general fund monies for
10 an Affordable Housing Fund. \$6,100,000 of this amount is committed to create 443 housing units
11 including the renovation of 82 vacant public housing units into privately managed two and three
12 bedroom apartments.

13 3. — San Francisco combined \$1,000,000 in federal Community
14 Development Funds with the proceeds of an \$8,000,000 bond issue to finance home improvement loans
15 for low and moderate income homeowners.

16 4. — The Office Housing Production Program (OHPP), under which
17 high rise office developers are required to build or contribute to housing on a formula based on the
18 size of their projects was instituted in 1981. The program has resulted in \$25,000,000 and over 3,700
19 housing units to date.

20 5. — The City of San Francisco has sold \$84,000,000 in two bond
21 issues since 1982 to provide 30 year, 10 $\frac{1}{4}$ percent mortgages to some 900 low to middle income first
22 time homebuyers. In addition a \$42,000,000 bond issue was sold to finance up to 400 homes with 9.8
23 percent mortgages. In June, 1985 the City sold \$44,000,000 in mortgage revenue bonds to finance the
24 construction of 563 units of rental housing on five sites.

1 (D) ~~Between 1980 and mid 1985 community-based nonprofit organizations~~
2 ~~which receive Community Development Block Grant funding built 1,166 new housing units for low and~~
3 ~~moderate income households. At the time of the 1985 report on their activities they had 200 units under~~
4 ~~construction, and 426 units planned. During this same time the organizations rehabilitated 1,780 units~~
5 ~~for lower income households, had 426 units undergoing rehabilitation, and had plans to rehabilitate~~
6 ~~1,285 units.~~

7 **SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.**

8 In addition to those specified in Sections 302 through 306, and Sections 316 through
9 316.6 of this Code, the Zoning Administrator shall have the following powers and duties in
10 administration and enforcement of this Code. ~~The duties described in this Section shall be~~
11 ~~performed under the general supervision of the Director of Planning, who shall be kept informed of the~~
12 ~~actions of the Zoning Administrator.~~

13 * * * *

14 (I) **Exceptions from Certain Specific Code Standards Through**
15 **Administrative Review for Accessory Dwelling Units Constructed Pursuant to Section**
16 **207(c)(4) 207.4(e) of this Code.** The Zoning Administrator may allow complete or partial relief
17 from the density limits and from the parking, rear yard, exposure, and/or open space
18 requirements of this Code when modification of the requirement would facilitate the
19 construction of an Accessory Dwelling Unit, as defined in Section 102 and meeting the
20 requirements of Section 207(c)(4) of this Code. The exposure requirements of Section 140
21 apply, except that subsection (a)(2) may be satisfied through windows facing an open area
22 that is at least 15 feet in every horizontal direction that is not required to expand on
23 subsequent floors. In considering any request for complete or partial relief from these Code
24 requirements, the Zoning Administrator shall facilitate the construction of such Accessory
25

Dwelling Units to the extent feasible and shall consider any criteria elsewhere in this Section 307 that he or she determines to be applicable.

* * * *

Section 4. The Planning Code is hereby amended by revising Sections 210.4, 710 through 747, and 810 through 818, 827, 828, 829, and 840 through 847, to read as follows:

SEC. 210.4. M DISTRICTS: INDUSTRIAL

* * * *

**Table 210.4
ZONING CONTROL TABLE FOR M DISTRICTS**

<i>Zoning Category</i>	<i>§ References</i>	<i>M-1</i>	<i>M-2</i>
<i>***</i>			
RESIDENTIAL STANDARDS AND USES			
<i>Development Standards</i>			
<i>****</i>			
Residential Uses			
Residential Density, Dwelling Units <u>(3)</u>	§ 207	C at a density ratio not exceeding the number of dwelling units permitted in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one unit for each 800 feet of lot area. Any remaining fraction of one-half or more of the minimum amount of lot area per dwelling unit shall be adjusted upward to the next higher whole number of dwelling units. NP above.	
<i>****</i>			

(3) Construction of Accessory Dwelling Units may be permitted pursuant to Section 207(c)(4).

1 **SEC. 710. NC-1 – NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT.**

2 NC-1 Districts are intended to serve as local neighborhood shopping districts, providing
3 convenience retail goods and services for the immediately surrounding neighborhoods
4 primarily during daytime hours.

5 These NC-1 Districts are characterized by their location in residential neighborhoods,
6 often in outlying areas of the City. The commercial intensity of these districts varies. Many of
7 these districts have the lowest intensity of commercial development in the City, generally
8 consisting of small clusters with three or more commercial establishments, commonly grouped
9 around a corner; and in some cases short linear commercial strips with low-scale,
10 interspersed mixed-use (residential-commercial) development.

11 Building controls for the NC-1 District promote low-intensity development which is
12 compatible with the existing scale and character of these neighborhood areas. Commercial
13 development is limited to one story. Rear yard requirements at all levels preserve existing
14 backyard space.

15 NC-1 commercial use provisions encourage the full range of neighborhood-serving
16 convenience retail sales and services at the first story provided that the use size generally is
17 limited to 3,000 square feet. However, commercial uses and features which could impact
18 residential livability are prohibited, such as auto uses, financial services, general advertising
19 signs, drive-up facilities, hotels, and late-night activity; eating and drinking establishments are
20 restricted, depending upon the intensity of such uses in nearby commercial districts.

21 Housing development in new buildings is encouraged above the ground story in most
22 districts. Existing residential units are protected by prohibitions of conversions above the
23 ground story and limitations on demolitions. Accessory Dwelling Units are permitted within the
24 district on lots within the boundaries of Board of Supervisors District 8 pursuant to Subsection
25 207(c)(4) of this Code.

1 **Table 710. NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT NC-1**
 2 **ZONING CONTROL TABLE**

3 ****.

4 **SPECIFIC PROVISIONS FOR NC-1 DISTRICTS**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§ 710.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS Boundaries: <i>Within the boundaries of the NC-1 Districts Board of Supervisors District 8 extant on July 1, 2015.</i> Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for</i> residential use or within an existing and authorized auxiliary structure on the same lot, <i>provided that it does not eliminate or reduce a ground story retail or commercial space.</i></p>

12
13 **SEC. 711. NC-2 – SMALL-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT.**

14 The NC-2 District is intended to serve as the City's Small-Scale Neighborhood
 15 Commercial District. These districts are linear shopping streets which provide convenience
 16 goods and services to the surrounding neighborhoods as well as limited comparison shopping
 17 goods for a wider market. The range of comparison goods and services offered is varied and
 18 often includes specialty retail stores, restaurants, and neighborhood-serving offices. NC-2
 19 Districts are commonly located along both collector and arterial streets which have transit
 20 routes.

21 These districts range in size from two or three blocks to many blocks, although the
 22 commercial development in longer districts may be interspersed with housing or other land
 23 uses. Buildings typically range in height from two to four stories with occasional one-story
 24 commercial buildings.

1 The small-scale district controls provide for mixed-use buildings which approximate or
 2 slightly exceed the standard development pattern. Rear yard requirements above the ground
 3 story and at residential levels preserve open space corridors of interior blocks.

4 Most new commercial development is permitted at the ground and second stories.
 5 Neighborhood-serving businesses are strongly encouraged. Eating and drinking and
 6 entertainment uses, however, are confined to the ground story. The second story may be
 7 used by some retail stores, personal services, and medical, business and professional offices.
 8 Parking and hotels are monitored at all stories. Limits on late-night activity, drive-up facilities,
 9 and other automobile uses protect the livability within and around the district, and promote
 10 continuous retail frontage.

11 Housing development in new buildings is encouraged above the ground story. Existing
 12 residential units are protected by limitations on demolition and upper-story conversions.

13 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this
 14 Code.

15 **Table 711. SMALL-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-2**
 16 **ZONING CONTROL TABLE**

17 ****

No.	Zoning Category	§ References	NC-2 Controls by Story		
		§ 790.118	1st	2nd	3rd+

19 **RESIDENTIAL STANDARDS AND USES**

****	****	****	****	****	****
711.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
****	****	****	****		

SPECIFIC PROVISIONS FOR NC-2 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§ 711.91	§ 207(c)(4)	<p><i><u>ACCESSORY DWELLING UNITS</u></i></p> <p><i><u>Boundaries: Within the boundaries of the NC-2 Districts.</u></i></p> <p><i><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></i></p>

SEC. 712. NC-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT.

NC-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods.

NC-3 Districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes.

NC-3 Districts include some of the longest linear commercial streets in the City, some of which have continuous retail development for many blocks. Large-scale lots and buildings and wide streets distinguish the districts from smaller-scaled commercial streets, although the districts may include small as well as moderately scaled lots. Buildings typically range in height from two to four stories with occasional taller structures.

NC-3 building standards permit moderately large commercial uses and buildings. Rear yards are protected at residential levels.

1 A diversified commercial environment is encouraged for the NC-3 District, and a wide
 2 variety of uses are permitted with special emphasis on neighborhood-serving businesses.
 3 Eating and drinking, entertainment, financial service and certain auto uses generally are
 4 permitted with certain limitations at the first and second stories. Other retail businesses,
 5 personal services and offices are permitted at all stories of new buildings. Limited storage and
 6 administrative service activities are permitted with some restrictions.

7 Housing development in new buildings is encouraged above the second story. Existing
 8 residential units are protected by limitations on demolitions and upper-story conversions.
 9 Accessory Dwelling Units are permitted within the district on lots within the boundaries of Board of
 10 Supervisors District 8 pursuant to Subsection 207(c)(4) of this Code.

11 **Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3**
 12 **ZONING CONTROL TABLE**

13 * * * *

14 **SPECIFIC PROVISIONS FOR NC-3 DISTRICTS**

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
§ 712.91	§ 207(c)(4)	<p>17 ACCESSORY DWELLING UNITS</p> <p>18 Boundaries: <u>Within the boundaries of the NC-3 Districts</u> <u>Board of Supervisors District 8 extant on July 1, 2015.</u></p> <p>19 Controls: An "Accessory Dwelling Unit," as defined in 20 Section 102 and meeting the requirements of Section 21 207(c)(4), is permitted to be constructed within an existing 22 building <u>in areas that allow zoned for</u> residential use or 23 within an existing and authorized auxiliary structure on the 24</p>

1 same lot provided that it does not eliminate or reduce a
2 ground story retail or commercial space.

3 **SEC. 713. NC-S – NEIGHBORHOOD COMMERCIAL SHOPPING CENTER DISTRICT.**

4 NC-S Districts are intended to serve as small shopping centers or supermarket sites
5 which provide retail goods and services for primarily car-oriented shoppers. They commonly
6 contain at least one anchor store or supermarket, and some districts also have small medical
7 office buildings. The range of services offered at their retail outlets usually is intended to serve
8 the immediate and nearby neighborhoods. These districts encompass some of the most
9 recent (post-1945) retail development in San Francisco's neighborhoods and serve as an
10 alternative to the linear shopping street.

11 Shopping centers and supermarket sites contain mostly one-story buildings which are
12 removed from the street edge and set in a parking lot. Outdoor pedestrian activity consists
13 primarily of trips between the parking lot and the stores on-site. Ground and second stories
14 are devoted to retail sales and some personal services and offices.

15 The NC-S standards and use provisions allow for medium-size commercial uses in low-
16 scale buildings. Rear yards are not required for new development. Most neighborhood-serving
17 retail businesses are permitted at the first and second stories, but limitations apply to fast-food
18 restaurants and take-out food uses. Some auto uses are permitted at the first story. Limited
19 storage and administrative service activities are permitted with some restrictions.

20 Housing development in new buildings is permitted. Existing residential units are
21 protected by limitations on demolitions and prohibitions of upper-story conversions. Accessory
22 Dwelling Units are permitted within the district on lots within the boundaries of Board of Supervisors
23 District 8 pursuant to Subsection 207(c)(4) of this Code.

1 **Table 713. NEIGHBORHOOD COMMERCIAL SHOPPING CENTER DISTRICT NC-S**
 2 **ZONING CONTROL TABLE**

3 *****

4 **SPECIFIC PROVISIONS FOR NC-S DISTRICTS**

Article 7 Code Section	Other Code Section	Zoning Controls
*****	*****	*****
§ 713.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS Boundaries: <i>Within the boundaries of the NC-S Districts Board of Supervisors District 8 extant on July 1, 2015.</i> Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for</i> residential use or within an existing and authorized auxiliary structure on the same lot, <i>provided that it does not eliminate or reduce a ground story retail or commercial space.</i></p>

13 **SEC. 714. BROADWAY NEIGHBORHOOD COMMERCIAL DISTRICT.**

14 *****

15 **SPECIFIC PROVISIONS FOR THE BROADWAY**
 16 **NEIGHBORHOOD COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
*****	*****	*****
§§ 714, 714.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS Boundaries: Within the boundaries of the Broadway NCD. Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for</i> residential use or within an existing and authorized auxiliary structure</p>

		on the same lot, <u>provided that it does not eliminate or reduce a ground-story retail or commercial space.</u>
****	****	****

SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

SPECIFIC PROVISIONS FOR THE CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
§§ 715, 715.12 715.91 715.93	§ 207(c)(4)	ACCESSORY DWELLING UNITS Boundaries: <i>Board of Supervisors District 8 extant on July 1, 2015.</i> Within the boundaries of the Castro Street NCD. Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for residential use</i> or within an existing and authorized auxiliary structure on the same lot, <u>provided that it does not eliminate or reduce a ground-story retail or commercial space.</u>
****	****	****

SEC. 716. INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Inner Clement Street Commercial District is located on Clement Street between Arguello Boulevard and Funston Avenue in the eastern portion of the Richmond District of northwest San Francisco. The district provides a wide selection of convenience goods and services for the residents of the Inner Richmond neighborhood. Inner Clement Street has one of the greatest concentrations of restaurants of any commercial street in San Francisco,

1 drawing customers from throughout the City and region. There are also a significant number
 2 of professional, realty, and business offices as well as financial institutions. The pleasant
 3 pedestrian character of the district is derived directly from the intensely active retail frontage
 4 on Clement Street.

5 The Inner Clement Street District controls are designed to promote development that is
 6 consistent with its existing land use patterns and to maintain a harmony of uses that supports
 7 the district's vitality. The building standards allow small-scale buildings and uses, protecting
 8 rear yards above the ground story and at residential levels. In new development, most
 9 commercial uses are permitted at the first two stories, although certain limitations apply to
 10 uses at the second story. Special controls are necessary to preserve the equilibrium of
 11 neighborhood-serving convenience and comparison shopping businesses and protect
 12 adjacent residential livability. These controls prohibit additional financial service and limit
 13 additional eating and drinking establishments, late-night commercial uses and ground-story
 14 entertainment uses. In order to maintain the street's active retail frontage, controls also
 15 prohibit most new automobile and drive-up uses.

16 Housing development is encouraged in new buildings above the ground story. Existing
 17 residential units are protected by prohibitions on upper-story conversions and limitations on
 18 demolitions. Accessory Dwelling Units are permitted within the district pursuant to Subsection
 19 207(c)(4) of this Code.

20 **Table 716. INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 21 **ZONING CONTROL TABLE**

22 * * * *

No.	Zoning Category	§ References	Inner Clement Street Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

25 * * * *

RESIDENTIAL STANDARDS AND USES

****	****	****	****	****	****
716.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 600 sq. ft. lot area # § 207(c)		
****	****	****	****	****	****

SPECIFIC PROVISIONS FOR THE INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 716, 716.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><i>Boundaries: Within the boundaries of the Inner Clement Street NCD.</i></p> <p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>

SEC. 717. OUTER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Outer Clement Street Neighborhood Commercial District is located on Clement Street between 19th Avenue and 27th Avenue in the western portion of the Richmond District. The shopping area contains small-scale convenience businesses, as well as many restaurants and a movie theater. The district's restaurants serve a neighborhood and Citywide clientele during the evening hours, while convenience shopping uses cater for the most part to

1 daytime neighborhood shoppers. Outer Clement Street contains many mixed-use buildings
 2 with some fully commercial and fully residential buildings interspersed between them.

3 The Outer Clement Street District controls are designed to promote development that is
 4 in keeping with the district's existing small-scale, mixed-use character. The building standards
 5 monitor large-scale development and protect rear yards at all levels. Future commercial
 6 growth is directed to the ground story in order to promote more continuous and active retail
 7 frontage. Additional eating and drinking establishments are regulated to prevent over-
 8 concentration, while ground-story entertainment and financial service uses are monitored in
 9 order to limit the problems of traffic, congestion, noise and late-night activity associated with
 10 such uses and to protect existing neighborhood-serving businesses. Other controls restricting
 11 late-night activity, hotels, automobile uses, and drive-up facilities are designed to preserve the
 12 low-intensity character of the district.

13 Housing development in new buildings is encouraged above the ground story. Existing
 14 residential units are protected by prohibitions of upper-story conversions and limitations on
 15 demolitions. Accessory Dwelling Units are permitted within the district pursuant to Subsection
 16 207(c)(4) of this Code.

17 **Table 717. OUTER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 18 **ZONING CONTROL TABLE**

19 ****

No.	Zoning Category	§ References	Outer Clement Street Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

22 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
717.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 600 sq. ft. lot area # § 207(c)		

****	****	****	****
------	------	------	------

SPECIFIC PROVISIONS FOR THE OUTER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 717, 717.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Outer Clement Street NCD.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

SEC. 718. UPPER FILLMORE STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Upper Fillmore Street Neighborhood Commercial District is situated in the south-central portion of Pacific Heights. It runs north-south along Fillmore Street from Jackson to Bush and extends west one block along California and Pine Streets. This medium-scaled, multi-purpose commercial district provides convenience goods to its immediate neighborhood as well as comparison shopping goods and services on a specialized basis to a wider trade area. Commercial businesses are active during both day and evening and include a number of bars, restaurants, specialty groceries, and specialty clothing stores.

1 The Upper Fillmore District controls are designed to protect the existing building scale
 2 and promote new mixed-use development which is in character with adjacent buildings.
 3 Building standards regulate large lot and use development and protect rear yards above the
 4 ground story and at residential levels. Most commercial uses are permitted at the first two
 5 stories of new buildings. Special controls are designed to preserve the existing equilibrium of
 6 neighborhood-serving convenience and specialty commercial uses. In order to maintain
 7 convenience stores and protect adjacent livability, additional bars (unless part of a full-service
 8 restaurant) and formula retail establishments are prohibited, other eating and drinking
 9 establishments and self-service specialty foods require conditional use authorization and
 10 ground-story entertainment and financial service uses are limited. In order to promote
 11 continuous retail frontage, drive-up and most automobile uses are prohibited.

12 Housing development in new buildings is encouraged above the second story. Existing
 13 residential units are protected by limitations on demolitions and upper-story conversions.

14 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this
 15 Code.

16 **Table 718. UPPER FILLMORE STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 17 **ZONING CONTROL TABLE**

18 ****

No.	Zoning Category	§ References	Upper Fillmore Street Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

19 ****

RESIDENTIAL STANDARDS AND USES					
****	Residential Use	****	****	****	****
718.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 600 sq. ft. lot area # § 207(c)		
****	****	****	****	****	****

**SPECIFIC PROVISIONS FOR THE UPPER FILLMORE STREET NEIGHBORHOOD
COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
<u>§§ 718, 718.91</u>	<u>§ 207(c)(4)</u>	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Upper Fillmore Street NCD.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

SEC. 719. HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

Northwest of the City's geographical center, the Haight Street Neighborhood Commercial District is located in the Haight-Ashbury neighborhood, extending along Haight Street between Stryan and Central Avenue, including a portion of Stryan Street between Haight and Beulah. The shopping area provides convenience goods and services to local Haight-Ashbury residents, as well as comparison shopping goods and services to a larger market area. The commercial district is also frequented by users of Golden Gate Park on weekends and by City residents for its eating, drinking, and entertainment places. Numerous housing units establish the district's mixed residential-commercial character.

The Haight Street District controls are designed to protect the existing building scale and promote new mixed-use development which is in character with adjacent buildings. The

1 building standards regulate large-lot and use development and protect rear yards above the
 2 ground story and at residential levels. To promote the prevailing mixed-use character, most
 3 commercial uses are directed primarily to the ground story with some upper-story restrictions
 4 in new buildings. In order to maintain the balanced mix and variety of neighborhood-serving
 5 commercial uses and regulate the more intensive commercial uses which can generate
 6 congestion and nuisance problems, special controls prohibit additional drinking uses, limit
 7 additional eating establishments, restrict expansion and intensification of existing eating and
 8 drinking establishments, and limit entertainment and tourist hotels. Prohibitions of most
 9 automobile and drive-up uses protect the district's continuous retail frontage.

10 Housing development in new buildings is encouraged above the ground story. Existing
 11 residential units are protected by prohibition of upper-story conversions and limitations on
 12 demolitions. Accessory Dwelling Units are permitted within the district pursuant to Subsection
 13 207(c)(4) of this Code.

14 **Table 719. HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 15 **ZONING CONTROL TABLE**

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No.	Zoning Category	§ References	Haight Street Controls by Story		
		§ 790.118	1st	2nd	3rd+

18 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
719.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 600 sq. ft. lot area § 207(c). #		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
<u>§§ 719, 719.91</u>	<u>§ 207(c)(4)</u>	<p><i><u>ACCESSORY DWELLING UNITS</u></i></p> <p><i><u>Boundaries: Within the boundaries of the Haight Street NCD.</u></i></p> <p><i><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></i></p>

SEC. 720. HAYES-GOUGH NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Hayes-Gough Neighborhood Commercial Transit District is located within walking distance of the Civic Center, lying west of Franklin Street and east of Laguna Street, with its southern edge generally at Lily Street, with an extension south along both sides of Octavia Boulevard to Market Street. This mixed-use commercial district contains a limited range of retail commercial activity, which primarily caters to the immediate need of the neighborhood. The few comparison goods that it does provide attract clientele from a wider area outside its neighborhood, mostly the Performing Arts and Civic Center workers and visitors. There are a number of restaurants and art galleries, but other types of retail activity are limited.

The Hayes-Gough District controls are designed to allow for growth and expansion that is compatible with the existing building and use scales. Building standards protect the moderate building and use size and require rear yards at residential levels. To maintain the

1 mixed-use character of the district, most commercial uses are permitted at the first and
 2 second stories and housing is strongly encouraged at the third story and above. In order to
 3 encourage lively pedestrian-oriented commercial activity, but restrict certain sensitive and
 4 problematic uses, eating and drinking, and entertainment uses are directed to the ground
 5 story. Retail sales activity, especially neighborhood-serving businesses, is further promoted
 6 by restricting new ground-story medical, business and professional offices. To protect
 7 continuous frontage, drive-up and most automobile uses are prohibited, above-ground parking
 8 is required to be setback or below ground, and active, pedestrian-oriented ground floor uses
 9 are required on Hayes Street and portions of Octavia Boulevard.

10 Housing development in new buildings is encouraged above the second story, and is
 11 controlled not by lot area but by physical envelope controls. Existing residential units are
 12 protected by limitations on demolitions, mergers, subdivisions, and upper-story conversions.
 13 Given the area's central location and accessibility to the downtown and to the City's transit
 14 network, accessory parking for residential uses is not required. The code controls for this
 15 district are supported and augmented by design guidelines and policies in the Market and
 16 Octavia Area Plan of the General Plan. Accessory Dwelling Units are permitted within the district
 17 pursuant to Subsection 207(c)(4) of this Code.

18 **Table 720. HAYES-GOUGH NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**
 19 **ZONING CONTROL TABLE**

20 * * * *

No.	Zoning Category	§ References	Hayes-Gough Transit Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

21 * * * *

RESIDENTIAL STANDARDS AND USES					
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *

1			No residential density limit by lot area.
2			Density restricted by physical envelope
3			controls of height, bulk, setbacks, open
4	720.91 Dwelling Unit Density	§ 207	space, exposure and other applicable
5			controls of this and other Codes, as well
6			as by applicable design guidelines,
7			applicable elements and area plans of
8			the General Plan, and design review by
9			the Planning Department.
10			§§ 207(c)#, 207.6
11	*****	*****	*****

SPECIFIC PROVISIONS FOR THE HAYES-GOUGH NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

12	Article 7 Code Section	Other Code Section	Zoning Controls
13	*****	*****	*****
14	§§ 720, 720.91	§ 207(c)(4)	<u>ACCESSORY DWELLING UNITS</u>
15			<u>Boundaries: Within the boundaries of the Hayes-Gough NCT.</u>
16			<u>Controls: An "Accessory Dwelling Unit," as defined in Section 102</u>
17			<u>and meeting the requirements of Section 207(c)(4), is permitted to</u>
18			<u>be constructed within an existing building in areas that allow</u>
19			<u>residential use or within an existing and authorized auxiliary</u>
20			<u>structure on the same lot, provided that it does not eliminate or</u>
21			<u>reduce a ground-story retail or commercial space.</u>

SEC. 721. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Upper Market Street Neighborhood Commercial District, on Market Street at Castro, is situated at the border of the Eureka Valley, Buena Vista, and Duboce Triangle neighborhoods. Upper Market Street is a multi-purpose commercial district that provides

1 limited convenience goods to adjacent neighborhoods, but also serves as a shopping street
2 for a broader trade area. A large number of offices are located on Market Street within easy
3 transit access to downtown. The width of Market Street and its use as a major arterial diminish
4 the perception of the Upper Market Street District as a single commercial district. The street
5 appears as a collection of dispersed centers of commercial activity, concentrated at the
6 intersections of Market Street with secondary streets.

7 This district is well served by transit and is anchored by the Castro Street Station of the
8 Market Street subway and the F-Market historic streetcar line. The F, K, L, and M streetcar
9 lines traverse the district, and the Castro Station serves as a transfer point between light rail
10 and crosstown and neighborhood bus lines. Additionally, Market Street is a primary bicycle
11 corridor. Residential parking is not required and generally limited. Commercial establishments
12 are discouraged or prohibited from building accessory off-street parking in order to preserve
13 the pedestrian-oriented character of the district and prevent attracting auto traffic. There are
14 prohibitions on access (i.e. driveways, garage entries) to off-street parking and loading on
15 Market Street to preserve and enhance the pedestrian-oriented character and transit function.

16 The Upper Market Street district controls are designed to promote moderate-scale
17 development which contributes to the definition of Market Street's design and character. They
18 are also intended to preserve the existing mix of commercial uses and maintain the livability of
19 the district and its surrounding residential areas. Large-lot and use development is reviewed
20 for consistency with existing development patterns. Rear yards are protected at residential
21 levels. To promote mixed-use buildings, most commercial uses are permitted with some
22 limitations above the second story. In order to maintain continuous retail frontage and
23 preserve a balanced mix of commercial uses, ground-story neighborhood-serving uses are
24 encouraged, and eating and drinking, entertainment, and financial service uses are limited.
25 Continuous frontage is promoted by prohibitions of most automobile and drive-up uses.

Housing development in new buildings is encouraged above the second story. Existing upper-story residential units are protected by limitations on demolitions and upper-story conversions. Accessory Dwelling Units are permitted within the district ~~on lots within the boundaries of Board of Supervisors District 8~~ pursuant to Subsection 207(c)(4) of this Code.

Table 721. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

SPECIFIC PROVISIONS FOR THE UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 721, 721.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: Within the boundaries of the Upper Market Street NCD.</p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <u>in areas that allow zoned for residential use</u> or within an existing and authorized auxiliary structure on the same lot, <u>provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

SEC. 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT.

SPECIFIC PROVISIONS FOR THE NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls

1	****	****	****
2			ACCESSORY DWELLING UNITS
3			Boundaries: Within the boundaries of the North Beach NCD.
4			Controls: An "Accessory Dwelling Unit," as defined in Section 102
5	§§ 722,	§	and meeting the requirements of Section 207(c)(4), is permitted to be
6	722.91	207(c)(4)	constructed within an existing building <i>in areas that allow zoned for</i>
7			residential use or within an existing and authorized auxiliary structure
8			on the same lot, <i>provided that it does not eliminate or reduce a ground-</i>
9			<i>story retail or commercial space.</i>
10	****	****	****

11 **SEC. 723. POLK STREET NEIGHBORHOOD COMMERCIAL .**

12 ****

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14 **SPECIFIC PROVISIONS FOR THE POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT**

15 Article 7	16 Other	17 Zoning Controls
Code Section	Code Section	
18		ACCESSORY DWELLING UNITS
19		Boundaries: Within the boundaries of the Polk Street NCD.
20		Controls: An "Accessory Dwelling Unit," as defined in Section 102
21	§§ 723,	and meeting the requirements of Section 207(c)(4), is permitted to be
22	723.91	constructed within an existing building <i>in areas that allow zoned for</i>
23		residential use or within an existing and authorized auxiliary structure
24		on the same lot, <i>provided that it does not eliminate or reduce a ground-</i>
25		<i>story retail or commercial space.</i>

1 **SEC. 724. SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

2 Located in the Presidio Heights neighborhood in north-central San Francisco, the
3 Sacramento Street Neighborhood Commercial District functions as a small-scale linear
4 shopping area. It extends along Sacramento Street between Lyon and Spruce. Interspersed
5 among residential buildings and garages, the district's daytime-oriented retail stores provide a
6 limited array of convenience goods to the immediate neighborhood. Sacramento Street also
7 has many elegant clothing, accessory, and antique stores and services, such as hair salons,
8 which attract customers from a wider trade area. Its numerous medical and business offices
9 draw clients from throughout the City. Evening activity in the district is limited to one movie
10 theater, a few restaurants, and some stores near Presidio Avenue.

11 The Sacramento Street District controls are designed to promote adequate growth
12 opportunities for development that is compatible with the surrounding low-density residential
13 neighborhood. The building standards monitor large-scale development and protect rear yards
14 at the grade level and above. Most new commercial development is permitted at the first
15 story; general retail uses are permitted at the second story only if such use would not involve
16 conversion of any existing housing units. Special controls are designed to protect existing
17 neighborhood-serving ground-story retail uses. New medical service uses are prohibited at all
18 stories except a change of use is permitted on the first story or below from a business or
19 professional service use to medical service use under certain circumstances. Personal and
20 business services are restricted at the ground story and prohibited on upper stories. Limits on
21 new ground-story eating and drinking uses, as well as new entertainment and financial service
22 uses, are intended to minimize the environmental impacts generated by the growth of such
23 uses. The daytime orientation of the district is encouraged by prohibiting bars and restricting
4 late-night commercial activity. New hotels and parking facilities are limited in scale and
25

operation to minimize disruption to the neighborhood. Most new automobile and drive-up uses are prohibited to promote continuous retail frontage.

Housing development in new buildings is encouraged above the second story. Existing residential units are protected by limitations on demolitions and prohibitions of upper-story conversions. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 724. SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	Sacramento Street Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
724.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area § 207(c)#		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 724, 724.91	§ 207(c)(4)	<u>ACCESSORY DWELLING UNITS</u> <u>Boundaries: Within the boundaries of the Sacramento Street NCD.</u> <u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to</u>

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		<i>be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i>
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SEC. 725. UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Union Street Commercial District is located in northern San Francisco between the Marina and Pacific Heights neighborhoods. The district lies along Union Street between Van Ness Avenue and Steiner, including an arm extending north on Fillmore Street to Lombard. The shopping area provides limited convenience goods for the residents of sections of the Cow Hollow, Golden Gate Valley, and Pacific Heights neighborhoods immediately surrounding the street. Important aspects of Union Street's business activity are eating and drinking establishments and specialty shops whose clientele comes from a wide trade area. There are also a significant number of professional, realty, and business offices. Many restaurants and bars as well as the district's two movie theaters are open into the evening hours, and on weekends the street's clothing, antique stores and galleries do a vigorous business.

The Union Street District controls are designed to provide sufficient growth opportunities for commercial development that is in keeping with the existing scale and character, promote continuous retail frontage, and protect adjacent residential livability. Small-scale buildings and neighborhood-serving uses are promoted, and rear yards above the ground story and at all residential levels are protected. Most commercial development is permitted at the first two stories of new buildings, while retail service uses are monitored at the third story and above. Controls are necessary to preserve the remaining convenience businesses and to reduce the cumulative impacts which the growth of certain uses have on neighborhood residents. Such controls prohibit additional drinking establishments and limit additional eating establishments,

entertainment, and financial service uses. Most automobile and drive-up uses are prohibited in order to maintain continuous retail frontage and minimize further traffic congestion.

Housing development in new buildings is encouraged above the second story. Existing residential units are protected by limitations on demolitions and upper-story conversions.

Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 725. UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	Union Street Controls by Story		
		§ 790.118	1st	2nd	3rd+

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
725.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 600 sq. ft. lot area § 207(c)#		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 725, 725.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Union Street NCD.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow</u></p>

		<i>residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i>
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SEC. 726. VALENCIA STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

SPECIFIC PROVISIONS FOR THE VALENCIA STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 726, 726.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: <i>Within the boundaries of the Valencia Street NCT Board of Supervisors District 8 extant on July 1, 2015.</i></p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space..</i></p>

SEC. 727. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The 24th Street – Mission Neighborhood Commercial Transit District is situated in the Inner Mission District on 24th Street between Bartlett Street and San Bruno Avenue. This mixed-use district provides convenience goods to its immediate neighborhood as well as comparison shopping goods and services to a wider trade area. The street has a great

1 number of Latin American restaurants, grocery stores, and bakeries as well as other gift and
2 secondhand stores. Most commercial businesses are open during the day while the district's
3 bars and restaurants are also active in the evening. Dwelling units are frequently located
4 above the ground-story commercial uses.

5 The 24th Street – Mission Neighborhood Commercial Transit District controls are designed to
6 provide potential for new development consistent with the existing scale and character. Small-
7 scale buildings and neighborhood-serving uses are encouraged, and rear yard corridors
8 above the ground story and at residential levels are protected. Most commercial uses are
9 encouraged at the ground story, while service uses are permitted with some limitations at the
10 second story. Special controls are necessary to preserve the unique mix of convenience and
11 specialty commercial uses. In order to maintain convenience stores and protect adjacent
12 livability, new bars and fast-food restaurants are prohibited, and limitations apply to the
13 development and operation of ground-story full-service restaurants, take-out food and
14 entertainment uses. Continuous retail frontage is maintained and encouraged by prohibiting
15 most automobile and drive-up uses, banning curb cuts, and requiring active, pedestrian-
16 oriented ground floor uses. Parking is not required, and any new parking required to be set
17 back or below ground.

18 Housing development in new buildings is encouraged above the ground story. Housing
19 density is not controlled by the size of the lot but by requirements to supply a high percentage
20 of larger units and by physical envelope controls. Existing housing units are protected by
21 prohibitions on upper-story conversions and limitations on demolitions, mergers, and
22 subdivisions. Given the area's central location and accessibility to the City's transit network,
23 accessory parking for residential uses is not required. Accessory Dwelling Units are permitted on
24 within the district pursuant to Subsection 207(c)(4) of this Code.

Table 727. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	24th Street – Mission Transit Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
727.91	Dwelling Unit Density	§ 207	No density limit # § 207(c)		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§727, 727.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><i>Boundaries: Within the boundaries of the 24th Street Mission NCT.</i></p> <p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>

1 **SEC. 728. 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT.**

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3 **SPECIFIC PROVISIONS FOR THE 24TH STREET – NOE VALLEY**
 4 **NEIGHBORHOOD COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 728, 728.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: Within the boundaries of the 24th Street – Noe Valley NCD <i>Board of Supervisors District 8 extant on July 1, 2015.</i></p> <p>Controls: An “Accessory Dwelling Unit,” as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building zoned for residential use or within an existing and authorized auxiliary structure on the same lot, <u>provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

17 **SEC. 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.**

18 Located in the southwestern part of the City, the West Portal Avenue Neighborhood
 19 Commercial District stretches for three long blocks along West Portal Avenue from Ulloa
 20 Street to 15th Avenue and extends one block east along Ulloa Street from the Twin Peaks
 21 Tunnel entrance to Claremont Boulevard. West Portal Avenue provides a selection of goods
 22 and services for customers coming mainly from the surrounding west of Twin Peaks and
 23 Sunset single-family residential neighborhoods. The lively, small-scale retail frontage is
 24 interrupted at several locations by large-scale financial institutions which take up a large
 25 amount of commercial ground-story frontage. More than half of the number of medical,

1 professional and business offices are located at the ground level. Except for one three-movie
2 theater complex, West Portal offers no entertainment uses and its restaurants are mainly
3 family-oriented.

4 The West Portal Avenue District controls are designed to preserve the existing family-
5 oriented, village character of West Portal Avenue. The building standards limit building heights
6 to 26 feet and two stories and maintain the existing pattern of rear yards at the ground level
7 and above. The height, bulk and design of new development, especially on large lots, should
8 respect the small-scale character of the district and its surrounding residential neighborhoods.
9 Lot mergers creating large lots are discouraged. Individual nonresidential uses require
10 conditional use permits above 2,500 square feet and are restricted to 4,000 square feet as an
11 absolute limit to conform with the existing small use sizes in the district.

12 Special controls on commercial uses are designed to protect the existing mix of
13 ground-story retail uses and prevent further intensification and congestion in the district. No
14 new financial services are permitted. Because the district and surrounding neighborhoods are
15 well served by the existing number of eating and drinking establishments, new bars,
16 restaurants and take-out food generally are discouraged: any proposed new establishment
17 should be carefully reviewed to ensure that it is neighborhood-serving and family-oriented,
18 and will not involve high-volume take-out food or generate traffic, parking, or litter problems.
19 Medical, business or professional services are permitted at the first two stories, but additional
20 ground-story locations are to be closely monitored to ensure that the current balance between
21 retail and office uses is maintained. Existing service stations are encouraged to continue
22 operating, but changes in their size, operation, or location are subject to review. Other
23 automotive uses are prohibited. The neighborhood-oriented, retail character of the district is
24 further protected by prohibiting hotels and nonretail uses. The daytime orientation of the

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1 district is maintained by prohibitions of entertainment uses and late-night commercial
 2 operating hours.

3 Housing development is limited. Existing residential units are protected by
 4 limitations on demolition and prohibition of upper-story conversions; new construction is to be
 5 carefully reviewed to ensure appropriate scale, design and compatibility with adjacent
 6 development. Accessory Dwelling Units are permitted within the district pursuant to Subsection
 7 207(c)(4) of this Code.

8 **Table 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT**
 9 **ZONING CONTROL TABLE**

10 * * * *

No.	Zoning Category	§ References	West Portal Avenue Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

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RESIDENTIAL STANDARDS AND USES					
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
729.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *

19 **SPECIFIC PROVISIONS FOR THE WEST PORTAL AVENUE NEIGHBORHOOD**
 20 **COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
<u>§§ 729, 729.91</u>	<u>§ 207(c)(4)</u>	<u>ACCESSORY DWELLING UNITS</u>

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	<p><i><u>Boundaries: Within the boundaries of the West Portal Avenue NCD.</u></i></p> <p><i><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></i></p>
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SEC. 730. INNER SUNSET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Inner Sunset Neighborhood Commercial District is located in the Inner Sunset neighborhood, consisting of the NC-2 district bounded by Lincoln Way on the north, Fifth Avenue on the east, Kirkham Street on the south, and Nineteenth Avenue on the west. The shopping area provides convenience goods and services to local Inner Sunset residents, as well as comparison shopping goods and services to a larger market area. The commercial district is also frequented by users of Golden Gate Park on weekends and by City residents for its eating, drinking, and entertainment places. Numerous housing units establish the district's mixed residential-commercial character.

The Inner Sunset District controls are designed to protect the existing building scale and promote new mixed-use development which is in character with adjacent buildings. The building standards regulate large-lot and use development and protect rear yards above the ground story and at residential levels. To promote the prevailing mixed use character, most commercial uses are directed primarily to the ground story with some upper-story restrictions in new buildings. In order to maintain the balanced mix and variety of neighborhood-serving commercial uses and regulate the more intensive commercial uses which can generate congestion and nuisance problems, special controls prohibit additional eating and drinking

1 uses, restrict expansion and intensification of existing eating and drinking establishments, and
 2 limit entertainment and tourist hotels. Prohibitions of most automobile and drive-up uses protect
 3 the district's continuous retail frontage.

4 Housing development in new buildings is encouraged above the ground story. Existing
 5 residential units are protected by prohibition of upper-story conversions and limitations on
 6 demolitions. Accessory Dwelling Units are permitted within the district pursuant to Subsection
 7 207(c)(4) of this Code.

8 **Table 730. INNER SUNSET NEIGHBORHOOD COMMERCIAL DISTRICT**
 9 **ZONING CONTROL TABLE**

10 *****

No.	Zoning Category	§ References	Inner Sunset Controls by Story		
		§ 790.118	1st	2nd	3rd+

11 *****

RESIDENTIAL STANDARDS AND USES					
*****	*****	*****	*****	*****	*****
730.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
*****	*****	*****	*****		

18 **SPECIFIC PROVISIONS FOR THE INNER SUNSET NEIGHBORHOOD COMMERCIAL**
 19 **DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
*****	*****	*****
§§ 730, 730.91	§ 207(c)(4)	<u>ACCESSORY DWELLING UNITS</u> <u>Boundaries: Within the boundaries of the Inner Sunset NCD.</u>

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		<p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>
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SEC. 731. NCT-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

SPECIFIC PROVISIONS FOR THE NCT-3 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
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§§ 731.731.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: <i>Within the boundaries of the NCT-3 Districts Board of Supervisors District 8 extant on July 1, 2015.</i></p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>

1 **SEC. 732. PACIFIC AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.**

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3 **SPECIFIC PROVISIONS FOR THE PACIFIC AVENUE**
 4 **NEIGHBORHOOD COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
*****	*****	*****
§§ 732, 732.91	§ 207(c)(4)	ACCESSORY DWELLING UNITS Boundaries: Within the boundaries of the Pacific Avenue NCD. Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for</i> residential use or within an existing and authorized auxiliary structure on the same lot, <i>provided that it does not eliminate or reduce a ground-story retail or commercial space.</i>

16 **SEC. 733. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT**
 17 **DISTRICT.**

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19 **SPECIFIC PROVISIONS FOR THE UPPER MARKET STREET**
 20 **NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
*****	*****	*****
§§ 733, 733.91	§ 207(c)(4)	ACCESSORY DWELLING UNITS

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		<p>Boundaries: <i>Board of Supervisors District 8 extant on July 1, 2015</i> Within <i>the boundaries of the Upper Market Street NCT.</i></p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building <i>in areas that allow zoned for residential use</i> or within an existing and authorized auxiliary structure on the same lot <i>provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>
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SEC. 733A. NCT-1 – NEIGHBORHOOD COMMERCIAL TRANSIT CLUSTER DISTRICT.

NC-1 Districts are intended to serve as local neighborhood shopping districts, providing convenience retail goods and services for the immediately surrounding neighborhoods primarily during daytime hours. NCT-1 Districts are located near major transit services. They are small mixed-use clusters, generally surrounded by residential districts, with small-scale neighborhood-serving commercial uses on lower floors and housing above. Housing density is limited not by lot area, but by the regulations on the built envelope of buildings, including height, bulk, setbacks, and lot coverage, and standards for residential uses, including open space and exposure, and urban design guidelines. There are prohibitions on access (i.e. driveways, garage entries) to off-street parking and loading on critical stretches of commercial and transit street frontages to preserve and enhance the pedestrian-oriented character and transit function. Residential parking is not required and generally limited. Commercial establishments are discouraged from building excessive accessory off-street parking in order to preserve the pedestrian-oriented character of the district and prevent attracting auto traffic.

NCT-1 Districts are generally characterized by their location in residential neighborhoods. The commercial intensity of these districts varies. Many of these districts have the lowest intensity of commercial development in the City, generally consisting of small

1 clusters with three or more commercial establishments, commonly grouped around a corner;
 2 and in some cases short linear commercial strips with low-scale, interspersed mixed-use
 3 (residential-commercial) development. Building controls for the NCT-1 District promote low-
 4 intensity development which is compatible with the existing scale and character of these
 5 neighborhood areas. Commercial development is limited to one story. Rear yard requirements
 6 at all levels preserve existing backyard space.

7 NCT-1 commercial use provisions encourage the full range of neighborhood-serving
 8 convenience retail sales and services at the first story provided that the use size generally is
 9 limited to 3,000 square feet. However, commercial uses and features which could impact
 10 residential livability are prohibited, such as auto uses, financial services, general advertising
 11 signs, drive-up facilities, hotels, and late-night activity; eating and drinking establishments are
 12 restricted, depending upon the intensity of such uses in nearby commercial districts.

13 Existing residential units are protected by prohibitions of conversions above the
 14 ground story and limitations on demolitions. *Accessory Dwelling Units are permitted within the*
 15 *district pursuant to Subsection 207(c)(4) of this Code.*

16 **Table 733A. NEIGHBORHOOD COMMERCIAL TRANSIT CLUSTER DISTRICT NCT-1**
 17 **NEIGHBORHOOD COMMERCIAL DISTRICT**
 18 **ZONING CONTROL TABLE**

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No.	Zoning Category	§ References	NCT-1 Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

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RESIDENTIAL STANDARDS AND USES					
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
733A.91	Dwelling Unit Density	§ 207	No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and		

			other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department. §§ 207(c)#, 207.6
****	****	****	****

SPECIFIC PROVISIONS FOR THE NCT-1 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 733A, 733A.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the NCT-1 Districts.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

SEC. 734. NCT-2 – SMALL-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

NCT-2 Districts are transit-oriented mixed-use neighborhoods with small scale commercial uses near transit services. The NCT-2 Districts are mixed use districts that support neighborhood-serving commercial uses on lower floors and housing above. These Districts are well-served by public transit and aim to maximize residential and commercial opportunities on or near major transit services. The District's form is generally linear along

1 transit-priority corridors, though may be concentric around transit stations or in broader areas
2 where multiple transit services criss-cross the neighborhood. Housing density is limited not by
3 lot area, but by the regulations on the built envelope of buildings, including height, bulk,
4 setbacks, and lot coverage, and standards for residential uses, including open space and
5 exposure, and urban design guidelines. There are prohibitions on access (e.g., driveways,
6 garage entries) to off-street parking and loading on critical stretches of commercial and transit
7 street frontages to preserve and enhance the pedestrian-oriented character and transit
8 function. Residential parking is not required and generally limited. Commercial establishments
9 are discouraged from building excessive accessory off-street parking in order to preserve the
10 pedestrian-oriented character of the district and prevent attracting auto traffic.

11 NCT-2 Districts are intended to provide convenience goods and services to the
12 surrounding neighborhoods as well as limited comparison shopping goods for a wider market.
13 The range of comparison goods and services offered is varied and often includes specialty
14 retail stores, restaurants, and neighborhood-serving offices. The small-scale district controls
15 provide for mixed-use buildings, which approximate or slightly exceed the standard
16 development pattern. Rear yard requirements above the ground story and at residential levels
17 preserve open space corridors of interior blocks.

18 Most new commercial development is permitted at the ground and second stories.
19 Neighborhood-serving businesses are strongly encouraged. Eating and drinking and
20 entertainment uses, however, are confined to the ground story. The second story may be
21 used by some retail stores, personal services, and medical, business and professional offices.
22 Parking and hotels are monitored at all stories. Limits on late-night activity, drive-up facilities,
23 and other automobile uses protect the livability within and around the district, and promote
24 continuous retail frontage.

Housing development in new buildings is encouraged above the ground story. Existing residential units are protected by limitations on demolition and upper-story conversions.

Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 734. SMALL-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT NCT-2 ZONING CONTROL TABLE

No.	Zoning Category	§ References	NCT-2 Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

RESIDENTIAL STANDARDS AND USES

****	****	****	****	****	****
734.91	Dwelling Unit Density	§ 207	No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department. §§ 207(c)#, 207.6		
****	****	****	****	****	****

SPECIFIC PROVISIONS FOR THE NCT-2 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 734, 734.91	§ 207(c)(4)	<u>ACCESSORY DWELLING UNITS</u> <i>Boundaries: Within the boundaries of the NCT-2 Districts.</i>

		<p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>
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SEC. 735. SOMA NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The SoMa Neighborhood Commercial Transit District (SoMa NCT) is located along the 6th Street and Folsom Street corridors in the South of Market. The commercial area provides a limited selection of convenience goods for the residents of the South of Market. Eating and drinking establishments contribute to the street's mixed-use character and activity in the evening hours. A number of upper-story professional and business offices are located in the district, some in converted residential units.

The SoMa NCT has a pattern of ground floor commercial and upper story residential units. Controls are designed to permit moderate-scale buildings and uses, protecting rear yards above the ground story and at residential levels. Active, neighborhood-serving commercial development is required at the ground story, curb cuts are prohibited and ground floor transparency and fenestration adds to the activation of the ground story. While offices and general retail sales uses may locate on the second story or above of new buildings, most commercial uses are prohibited above the second story. In order to protect the balance and variety of retail use, bars and liquor stores are allowed with a conditional use. Continuous retail frontage is promoted by prohibiting drive-up facilities, some automobile uses, and new non-retail commercial uses. Above-ground parking is required to be setback or below ground. Active, pedestrian-oriented ground floor uses are required.

Housing development in new buildings is encouraged above the ground story. Housing density is not controlled by the size of the lot or by density controls, but by bedroom counts. Given the area's central location and accessibility to the City's transit network, parking for residential and commercial uses is not required. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 735. SOMA NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	SoMa Transit Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

RESIDENTIAL STANDARDS AND USES					
No.	Zoning Category	§ References	1st	2nd	3rd+
735.91	Dwelling Unit Density	§ 207	No density limit by §§ 207(c)#.		

SPECIFIC PROVISIONS FOR THE SOMA NCT DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 735, 735.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the SoMa NCT District.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary</u></p>

*structure on the same lot, provided that it does not eliminate or
reduce a ground-story retail or commercial space.*

SEC. 736. MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Mission Street Commercial Transit District is located near the center of San Francisco in the Mission District. It lies along Mission Street between 15th and Cesar Chavez (Army) Street, and includes adjacent portions of 17th Street, 21st Street, 22nd Street, and Cesar Chavez Street. The commercial area of this District provides a selection of goods serving the day-to-day needs of the residents of the Mission District. Additionally, this District serves a wider trade area with its specialized retail outlets. Eating and drinking establishments contribute to the street's mixed-use character and activity in the evening hours.

The District is extremely well-served by transit, including regional-serving BART stations at 16th Street and 24th Street, major buses running along Mission Street, and both cross-town and local-serving buses intersecting Mission along the length of this district. Given the area's central location and accessibility to the City's transit network, accessory parking for residential uses is not required. Any new parking is required to be set back or be below ground.

This District has a mixed pattern of larger and smaller lots and businesses, as well as a sizable number of upper-story residential units. Controls are designed to permit moderate-scale buildings and uses, protecting rear yards above the ground story and at residential levels. New neighborhood-serving commercial development is encouraged mainly at the ground story. While offices and general retail sales uses may locate at the second story of new buildings under certain circumstances, most commercial uses are prohibited above the second story. Continuous retail frontage is promoted by requiring ground floor commercial uses in new developments and prohibiting curb cuts. Housing development in new buildings is encouraged above the ground story. Housing density is not controlled by the size of the lot but

1 by requirements to supply a high percentage of larger units and by physical envelope controls.
 2 Existing residential units are protected by prohibitions on upper-story conversions and
 3 limitations on demolitions, mergers, and subdivisions. Accessory Dwelling Units are permitted
 4 within the district pursuant to Subsection 207(c)(4) of this Code.

5 **Table 736. MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT**
 6 **DISTRICT ZONING CONTROL TABLE**

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No.	Zoning Category	§ References	Mission Street Transit Controls by Story		
		§ 790.118	1st	2nd	3rd+

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9 **RESIDENTIAL STANDARDS AND USES**

****	****	****	****	****	****
736.91	Dwelling Unit Density	§ 207	No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department. §§ 207(c)#, 207.6		
****	****	****	****		

10 **SPECIFIC PROVISIONS FOR THE MISSION NCT DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 736, 736.91	§ 207(c)(4)	<u>ACCESSORY DWELLING UNITS</u> <i>Boundaries: Within the boundaries of the Mission NCT District.</i>

		<p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>
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SEC. 737. OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Ocean Avenue Neighborhood Commercial Transit District is located on Ocean Avenue from Howth Street to Manor Drive. Ocean Avenue is a multi-purpose transit-oriented small-scale commercial district that is modeled on the NCT-2 District. Ocean Avenue was developed as a streetcar-oriented commercial district in the 1920s and continues to serve this function, with the K-line streetcar on Ocean Avenue. Numerous other bus lines serve the area, especially the eastern end, where the Phelan Loop serves as a major bus terminus. The eastern end of the district is anchored by the main City College campus and direct linkages to the Balboa Park BART/MUNI rail station a couple blocks to the east, which serves as the southernmost San Francisco station for BART and the terminus of the J, K, and M streetcar lines. Because of the immediate proximity of the BART/MUNI station the district has quick and easy transit access to downtown.

The Ocean Avenue NCT District is mixed use, transitioning from a predominantly one- and two-story retail district to include neighborhood-serving commercial uses on lower floors and housing above. Housing density is limited not by lot area, but by the regulations on the built envelope of buildings, including height, bulk, setbacks, and lot coverage, and standards for residential uses, including open space and exposure, and urban design guidelines. Access (i.e. driveways, garage entries) to off-street parking and loading is generally prohibited on

1 Ocean Avenue to preserve and enhance the pedestrian-oriented character and transit
 2 function of the street. Residential and commercial parking are not required.

3 The Ocean Avenue NCT District is intended to provide convenience goods and
 4 services to the surrounding neighborhoods as well as limited comparison shopping goods for
 5 a wider market. The range of comparison goods and services offered is varied and often
 6 includes specialty retail stores, restaurants, and neighborhood-serving offices. Buildings may
 7 range in height, with height limits generally allowing up to four or five stories. Lots are
 8 generally small to medium in size and lot consolidation is prohibited to preserve the fine grain
 9 character of the district, unless the consolidation creates a corner parcel that enables off-
 10 street parking to be accessed from a side street.

11 Rear yard requirements above the ground story and at residential levels preserve open
 12 space corridors of interior blocks.

13 Commercial uses are required at the ground level and permitted at the second story.

14 Housing development in new buildings is encouraged above the ground story. Existing
 15 residential units are protected by limitations on demolition and upper-story conversions.

16 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this
 17 Code.

18 **Table 737. OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**
 19 **ZONING CONTROL TABLE**

20 ****

No.	Zoning Category	§ References	Ocean Avenue Transit Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

21 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
737.91	Dwelling Unit Density	§ 207	No residential density limit by lot area. Density restricted by physical envelope		

			controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department. §§ 207(c)#, 207.6
****	****	****	****

SPECIFIC PROVISIONS FOR THE OCEAN AVENUE NCT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 737, 737.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Ocean Avenue NCT District.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

SEC. 738. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

SPECIFIC PROVISIONS FOR GLEN PARK NCT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****

<p>1</p> <p>2</p> <p>3 §§ 738.</p> <p>4 738.91</p>	<p>5 §</p> <p>6 207(c)(4)</p>	<p>7 ACCESSORY DWELLING UNITS</p> <p>8 Boundaries: <i>Within the boundaries of the Glen Park NCT Board of Supervisors</i></p> <p>9 <i>District 8 extant on July 1, 2015.</i></p> <p>10 Controls: An "Accessory Dwelling Unit," as defined in Section 102 and</p> <p>11 meeting the requirements of Section 207(c)(4), is permitted to be</p> <p>12 constructed within an existing building <i>in areas that allow zoned for</i></p> <p>13 residential use or within an existing and authorized auxiliary structure on</p> <p>14 the same lot, <i>provided that it does not eliminate or reduce a ground-story retail</i></p> <p>15 <i>or commercial space.</i></p>
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16 **SEC. 739. NORIEGA STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

17 The Noriega Street Neighborhood Commercial District is located in the Outer Sunset

18 neighborhood and includes the non-residential currently-zoned NC-2 properties fronting both

19 sides of Noriega Street between 19th and 27th and 30th through 33rd Avenues.

20 The District provides a selection of convenience goods and services for the residents of

21 the Outer Sunset District. There are a high concentration of restaurants, drawing customers

22 from throughout the City and the region. There are also a significant number of professional,

23 realty, and business offices as well as financial institutions.

24 The Noriega Street Neighborhood Commercial District controls are designed to

25 promote development that is consistent with its existing land use patterns and to maintain a

harmony of uses that support the District's vitality. The building standards allow small-scale

buildings and uses, protecting rear yards above the ground story and at residential levels. In

new development, most commercial uses are permitted at the first two stories, although

certain limitations apply to uses at the second story. Special controls are necessary to

preserve the equilibrium of neighborhood-serving convenience and comparison shopping

businesses and to protect adjacent residential livability. To protect continuous frontage, drive-

up uses are prohibited and active, pedestrian-oriented ground floor uses generally must be

provided, unless such uses are authorized by Conditional Use. These controls are designed

to encourage the street's active retail frontage, and local fabrication and production of goods.

1 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of
 2 this Code.

3 **Table 739. NORIEGA STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 4 **ZONING CONTROL TABLE**

5 ****

No.	Zoning Category	§ References	Noriega Street Controls by Story		
		§ 790.118	1st	2nd	3rd+

7 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
739.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
****	****	****	****		

12 **SPECIFIC PROVISIONS FOR THE NORIEGA STREET NEIGHBORHOOD COMMERCIAL**
 13 **DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 739, 739.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Noriega Street NCD.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

1 **SEC. 740. IRVING STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

2 The Irving Street Neighborhood Commercial District is located in the Outer Sunset
 3 neighborhood and includes the non-residential currently-zoned NC-2 properties fronting both
 4 sides of Irving Street between 19th and 27th Avenues. The District provides a selection of
 5 convenience goods and services for the residents of the Outer Sunset District. There are a
 6 high concentration of restaurants, drawing customers from throughout the City and the region.
 7 There are also a significant number of professional, realty, and business offices as well as
 8 financial institutions.

9 The Irving Street Neighborhood Commercial District controls are designed to promote
 10 development that is consistent with its existing land use patterns and to maintain a harmony of
 11 uses that support the District's vitality. The building standards allow small-scale buildings and
 2 uses, protecting rear yards above the ground story and at residential levels. In new
 13 development, most commercial uses are permitted at the first two stories, although certain
 14 limitations apply to uses at the second story. Special controls are necessary to preserve the
 15 equilibrium of neighborhood-serving convenience and comparison shopping businesses and
 16 to protect adjacent residential livability. These controls are designed to encourage the street's
 17 active retail frontage, and local fabrication and production of goods.

18 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of
 19 this Code.

20 **Table 740. IRVING STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 21 **ZONING CONTROL TABLE**

22 * * * *

No.	Zoning Category	§ References	Irving Street Controls by Story		
		§ 790.118	1st	2nd	3rd+

24 * * * *

25 **RESIDENTIAL STANDARDS AND USES**

****	****	****	****	****	****
740.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE IRVING STREET NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 740, 740.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><i>Boundaries: Within the boundaries of the Irving Street NCD.</i></p> <p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>

SEC. 741. TARAVAL STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Taraval Street Neighborhood Commercial District is located in the Outer Sunset neighborhood and includes the non-residential currently-zoned NC-2 properties fronting both sides of Taraval Street from 19th through 36th Avenues. The District provides a selection of convenience goods and services for the residents of the Outer Sunset District. There are a high concentration of restaurants, drawing customers from throughout the City and the region. There are also a significant number of professional, realty, and business offices as well as financial institutions.

1 The Taraval Street Neighborhood Commercial District controls are designed to
 2 promote development that is consistent with its existing land use patterns and to maintain a
 3 harmony of uses that support the District's vitality. The building standards allow small-scale
 4 buildings and uses, protecting rear yards above the ground story and at residential levels. In
 5 new development, most commercial uses are permitted at the first two stories, although
 6 certain limitations apply to uses at the second story. Special controls are necessary to
 7 preserve the equilibrium of neighborhood-serving convenience and comparison shopping
 8 businesses and to protect adjacent residential livability. These controls are designed to
 9 encourage the street's active retail frontage, and local fabrication and production of goods.

10 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of
 11 this Code.

12 **Table 741. TARAVAL STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 13 **ZONING CONTROL TABLE**

14 ****

No.	Zoning Category	§ References	Taraval Street Controls by Story		
		§ 790.118	1st	2nd	3rd+

16 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
741.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
****	****	****	****		

21 **SPECIFIC PROVISIONS FOR THE TARAVAL STREET NEIGHBORHOOD COMMERCIAL**
 22 **DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****

<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p>	<p>§§ 741, 741.91</p> <p>§ 207(c)(4)</p>	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Taraval Street NCD.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102</u></p> <p><u>and meeting the requirements of Section 207(c)(4), is permitted to</u></p> <p><u>be constructed within an existing building in areas that allow</u></p> <p><u>residential use or within an existing and authorized auxiliary</u></p> <p><u>structure on the same lot, provided that it does not eliminate or</u></p> <p><u>reduce a ground-story retail or commercial space.</u></p>
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9 **SEC. 742. JUDAH STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

10 The Judah Street Neighborhood Commercial District is located in the Outer Sunset
 11 neighborhood and includes the non-residential currently-zoned NC-2 properties fronting both
 12 sides of Judah Street from 29th through 33rd Avenues. The District provides a selection of
 13 convenience goods and services for the residents of the Outer Sunset District. There are a
 14 high concentration of restaurants, drawing customers from throughout the City and the region.
 15 There are also a significant number of professional, realty, and business offices as well as
 16 financial institutions.

17 The Judah Street Neighborhood Commercial District controls are designed to promote
 18 development that is consistent with its existing land use patterns and to maintain a harmony of
 19 uses that support the District's vitality. The building standards allow small-scale buildings and
 20 uses, protecting rear yards above the ground story and at residential levels. In new
 21 development, most commercial uses are permitted at the first two stories, although certain
 22 limitations apply to uses at the second story. Special controls are necessary to preserve the
 23 equilibrium of neighborhood-serving convenience and comparison shopping businesses and
 24 to protect adjacent residential livability. These controls are designed to encourage the street's
 25 active retail frontage, and local fabrication and production of goods.

1 Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of
 2 this Code.

3 **Table 742. JUDAH STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 4 **ZONING CONTROL TABLE**

5 *****

No.	Zoning Category	§ References	Judah Street Controls by Story		
		§ 790.118	1st	2nd	3rd+

6 *****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
742.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq. ft. lot area # § 207(c)		
****	****	****	****		

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 12 **SPECIFIC PROVISIONS FOR THE JUDAH STREET NEIGHBORHOOD COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 742, 742.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Judah Street NCD.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

1 **SEC. 743. FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

2 The Folsom Street Neighborhood Commercial Transit District (Folsom Street NCT) is
3 located along Folsom Street in the Western SoMa area, generally between 7th Street and
4 10th Streets.

5 The Folsom Street NCT has a pattern of ground floor commercial and upper story
6 residential units. Controls are designed to permit moderate-scale buildings and uses,
7 protecting rear yards above the ground story and at residential levels. Active, neighborhood-
8 serving commercial development is required at the ground story where transparency and
9 fenestration requirements add to the activation at the street level. While offices and general
10 retail sales uses may locate on the second story, most commercial uses are prohibited above
11 the second story. In order to protect the balance and variety of retail use, bars and restaurants
12 are permitted on the ground floor, and liquor stores are allowed with a conditional use.
13 Continuous non-residential frontage is promoted by prohibiting drive-up facilities, some
14 automobile uses, and permitting a mix of commercial and production, distribution, and repair
15 uses. Parking is required to be setback if above grade or locate below ground. Active,
16 pedestrian-oriented ground floor uses are required.

17 Housing development in new buildings is encouraged above the ground story, and
18 student housing is only permitted in newly constructed buildings. Housing density is not
19 controlled by the size of the lot or by density controls, but by bedroom counts. Given the
20 area's central location and accessibility to the City's transit network, parking for residential and
21 commercial uses is not required. Accessory Dwelling Units are permitted within the district
22 pursuant to Subsection 207(c)(4) of this Code.

Table 743. FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	Folsom Street Transit Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
743.91	Dwelling Unit Density	§ 207	No density limit.# § 207(c)		
****	****	****	****	****	****

SPECIFIC PROVISIONS FOR THE FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 743, 743.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Folsom Street NCT.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</u></p>

SEC. 744. REGIONAL COMMERCIAL DISTRICT.

The Regional Commercial District (RCD) is located along the 9th Street and 10th Street corridors, generally running from Mission Street to Harrison Street, and provides for a wide variety of commercial uses and services to a population greater than the immediate

1 neighborhood. While providing convenience goods and services to the surrounding
 2 neighborhood, the RCD corridors are also heavily trafficked thoroughfares into and out of the
 3 City that serve shoppers from other neighborhoods and cities.

4 Large-scale lots and buildings and wide streets distinguish the RCD from smaller-
 5 scaled neighborhood commercial streets, although the district also includes small as well as
 6 moderately scaled lots. Buildings typically range in height from two to four stories with
 7 occasional taller structures.

8 A diverse commercial environment is encouraged for the RCD. Eating and drinking
 9 establishments, general retail, office, certain auto uses, and production, distribution, and
 10 repair uses generally are permitted with certain limitations at the first and second stories. Arts
 11 activities are encouraged on all floors, but nighttime entertainment uses are prohibited.

12 Housing development is encouraged at the second story and above, and permitted on
 13 the ground floor on smaller lots. Student housing is not permitted, and existing residential
 14 units are protected by limitations on demolitions and conversions. *Accessory Dwelling Units are*
 15 *permitted within the district pursuant to Subsection 207(c)(4) of this Code.*

16 **Table 744. REGIONAL COMMERCIAL DISTRICT ZONING CONTROL TABLE**

17 ****

No.	Zoning Category	§ References	Regional Commercial Controls by Story		
			1st	2nd	3rd+
		§ 790.118			

18 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
744.91	Dwelling Unit Density	§ 207	No density limit.# § 207(c)		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE REGIONAL COMMERCIAL DISTRICT

<u>Article 7 Code Section</u>	<u>Other Code Section</u>	<u>Zoning Controls</u>
§§ 744, 744.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries:</u> <i>Within the boundaries of the Regional Commercial District.</i></p> <p><u>Controls:</u> <i>An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>

SEC. 745. EXCELSIOR OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Excelsior Outer Mission Street Neighborhood Commercial District is located along Mission Street between Alemany Boulevard and the San Francisco-San Mateo county line. Outer Mission Street is mixed use, combining street-fronting retail businesses on the ground floor and housing on upper floors. The range of comparison goods and services offered is varied and often includes specialty retail stores, restaurants, and neighborhood-serving offices. The area is transit-oriented and the commercial uses serve residents of the area as well as residents and visitors from adjacent and other neighborhoods.

The Excelsior Outer Mission Street Neighborhood Commercial District is intended to provide convenience goods and services to the surrounding neighborhoods as well as limited comparison shopping goods for a wider market. Housing development in new buildings is encouraged above the second story. Existing residential units are protected by limitations on

1 demolitions and upper-story conversions. Parking for residential and commercial uses is not
 2 required. Buildings range in height, with height limits generally allowing up to four stories. Lots
 3 vary in size, generally small- or medium-sized with some very large parcels. *Accessory*
 4 *Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.*

5 **Table 745. EXCELSIOR OUTER MISSION STREET**
 6 **NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE**

6 ****

No.	Zoning Category	§ References	Excelsior Outer Mission Controls by Story		
		§ 790.118	1st	2nd	3rd+

9 ****

RESIDENTIAL STANDARDS AND USES					
****	****	****	****	****	****
745.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 600 sq. ft. lot area # § 207(c)		
****	****	****	****		

14 **SPECIFIC PROVISIONS FOR THE EXCELSIOR OUTER MISSION STREET**
 15 **NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 745, 745.91	§ 207(c)(4)	<p data-bbox="639 1486 1057 1518"><u>ACCESSORY DWELLING UNITS</u></p> <p data-bbox="639 1549 1461 1644"><u>Boundaries: Within the boundaries of the Excelsior Outer Mission Street NCD.</u></p> <p data-bbox="639 1675 1469 1906"><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary</u></p>

1 structure on the same lot, provided that it does not eliminate or
2 reduce a ground-story retail or commercial space.

3 **SEC. 746. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

4 The Divisadero Street Neighborhood Commercial Transit District ("Divisadero Street
5 NCT") extends along Divisadero Street between Haight and O'Farrell Streets. Divisadero
6 Street's dense mixed-use character consists of buildings with residential units above ground-
7 story commercial use. Buildings typically range in height from two to four stories with
8 occasional one-story commercial buildings. The district has an active and continuous
9 commercial frontage along Divisadero Street for most of its length. Divisadero Street is an
10 important public transit corridor and throughway street. The commercial district provides
11 convenience goods and services to the surrounding neighborhoods as well as limited
12 comparison shopping goods for a wider market.

13 The Divisadero Street NCT controls are designed to encourage and promote
14 development that enhances the walkable, mixed-use character of the corridor and
15 surrounding neighborhoods. Rear yard requirements above the ground story and at residential
16 levels preserve open space corridors of interior blocks. Housing development in new buildings
17 is encouraged above the ground story. Existing residential units are protected by limitations
18 on demolition and upper-story conversions. Accessory Dwelling Units are permitted within the
19 district pursuant to Subsection 207(c)(4) of this Code.

20 Consistent with Divisadero Street's existing mixed-use character, new commercial
21 development is permitted at the ground and second stories. Most neighborhood-serving
22 businesses are strongly encouraged. Controls on new Formula Retail uses are consistent with
23 Citywide policy for Neighborhood Commercial Districts; Eating and Drinking and
24 Entertainment uses are confined to the ground story. The second story may be used by some
25 retail stores, personal services, and medical, business and professional offices. Additional

flexibility is offered for second-floor Eating and Drinking, Entertainment, and Trade Shop uses in existing non-residential buildings to encourage the preservation and reuse of such buildings. Hotels are monitored at all stories. Limits on late-night activity, drive-up facilities, and other automobile uses protect the livability within and around the district, and promote continuous retail frontage.

Table 746. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	Divisadero Street <i>Transit</i> Controls by Story		
		§ 790.118	1st	2nd	3rd+

RESIDENTIAL STANDARDS AND USES

****	****	****	****	****	****
746.91	<i>Residential Density, Dwelling Units Density</i>	§§ 207, 207.1, 207.4, 790.88(a)	No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure, required dwelling unit mix, and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department. §§ 207(c)#, 207.4, 207.6		
****	****	****	****		

SPECIFIC PROVISIONS FOR THE DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 746, 746.91	§ 207(c)(4)	<i>ACCESSORY DWELLING UNITS</i>

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		<p><u><i>Boundaries: Within the boundaries of the Divisadero Street NCT.</i></u></p> <p><u><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></u></p>
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SEC. 747. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Fillmore Street Neighborhood Commercial Transit District ("Fillmore Street NCT") extends along Fillmore Street between Bush and McAllister Streets. Fillmore Street's dense mixed-use character consists of buildings with residential units above ground-story commercial use. Buildings range in height from one-story commercial buildings to high-rise towers. Fillmore Street and Geary Boulevard are important public transit corridors. The commercial district provides convenience goods and services to the surrounding neighborhoods as well as shopping, cultural, and entertainment uses that attract visitors from near and far.

The Fillmore Street NCT controls are designed to encourage and promote development that enhances the walkable, mixed-use character of the corridor and surrounding neighborhoods. Rear yard requirements at residential levels preserve open space corridors of interior blocks. Housing development in new buildings is encouraged above the ground story. Existing residential units are protected by limitations on demolition and upper-story conversions. *Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.*

Consistent with Fillmore Street's existing mixed-use character, new commercial development is permitted at the ground and second stories. Most neighborhood- and visitor-

1 serving businesses are strongly encouraged. Controls on new Formula Retail uses are
 2 consistent with Citywide policy for Neighborhood Commercial Districts; Eating and Drinking
 3 and entertainment uses are confined to the ground story. The second story may be used by
 4 some retail stores, personal services, and medical, business, and professional offices.
 5 Parking and hotels are monitored at all stories. Limits on drive-up facilities and other
 6 automobile uses protect the livability within and around the district and promote continuous
 7 retail frontage.

8 **Table 747. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT**
 9 **DISTRICT ZONING CONTROL TABLE**

10 ****

No.	Zoning Category	§ References	Fillmore Street Transit Controls by Story		
		§ 790.118	1st	2nd	3rd+

11 ****

12 **RESIDENTIAL STANDARDS AND USES**

****	****	****	****	****	****
747.91	<i>Residential Density,</i> <i>Dwelling <u>Units Density</u></i>	§§ 207, 207.1, 207.4, 790.88(a)	No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure, required dwelling unit mix, and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department. §§ 207(c)#, 207.4, 207.6		
****	****	****	****	****	****

13 **SPECIFIC PROVISIONS FOR THE FILLMORE STREET NEIGHBORHOOD COMMERCIAL**
 14 **TRANSIT DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls

1	****	****	****
2			<u>ACCESSORY DWELLING UNITS</u>
3			<u>Boundaries: Within the boundaries of the Fillmore Street NCT.</u>
4			<u>Controls: An "Accessory Dwelling Unit," as defined in Section 102</u>
5	<u>§§ 747, 747.91</u>		<u>and meeting the requirements of Section 207(c)(4), is permitted to</u>
6		<u>§ 207(c)(4)</u>	<u>be constructed within an existing building in areas that allow</u>
7			<u>residential use or within an existing and authorized auxiliary</u>
8			<u>structure on the same lot, provided that it does not eliminate or</u>
9			<u>reduce a ground-story retail or commercial space.</u>

10 **SEC. 748. JAPANTOWN NEIGHBORHOOD COMMERCIAL DISTRICT.**

11 The Japantown Neighborhood Commercial District extends between Geary Boulevard
12 and Post Street from Fillmore Street to Laguna Street, the north side of Post Street from
13 Webster Street to Laguna Street, and Buchanan Street from Post Street to midway between
14 Sutter Street and Bush Street. The character of these streets is largely commercial, including
15 large malls, although there are some residential units above the ground story. Buildings are
16 typically two- to four-stories, although there are two taller hotels. Geary Boulevard, Fillmore
17 Street, and Sutter Street are important public transit corridors. The commercial district
18 provides convenience goods and services to the surrounding neighborhoods as well as
19 shopping, cultural, and entertainment uses that attract visitors from near and far.

20 The Japantown Neighborhood Commercial District controls are designed to
21 encourage and promote development that enhances the walkable, commercial character of
22 this area and to support its local and regional role. New commercial development is required
23 on the ground floor and permitted above. Most neighborhood- and visitor-serving businesses
24 are strongly encouraged, including eating, drinking, and retail uses, as long as they do not
25 create a nuisance. Less active commercial uses are encouraged above the ground floor,

1 along with housing and institutional uses. *Accessory Dwelling Units are permitted within the*
 2 *district pursuant to Subsection 207(c)(4) of this Code.*

3
 4 **Table 748. JAPANTOWN NEIGHBORHOOD COMMERCIAL DISTRICT
 ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Japantown Controls by Story		
		§ 790.118	1st	2nd	3rd+

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9 **RESIDENTIAL STANDARDS AND USES**

*****	*****	*****	*****	*****	*****
748.91	<i>Residential Density, Dwelling <u>Units Density</u></i>	§§ 207, 207.1, 207.4, 790.88(a)	Generally, 1 unit per 400 sq. ft. lot area §§ 207(c)#, 207.4, 207.6		
*****	*****	*****	*****		

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 13 **SPECIFIC PROVISIONS FOR THE JAPANTOWN
 NEIGHBORHOOD COMMERCIAL DISTRICT**

Article 7 Code Section	Other Code Section	Zoning Controls
*****	*****	*****
§§ 748, 748.91	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries:</u> <i>Within the boundaries of the Japantown NCT.</i></p> <p><u>Controls:</u> <i>An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot, provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>

1 **SEC. 810. CHINATOWN COMMUNITY BUSINESS DISTRICT.**

2 ****

3 **SPECIFIC PROVISIONS FOR CHINATOWN COMMUNITY BUSINESS DISTRICT**

Section	Zoning Controls	
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<p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>§§ 810, § 810.91 207(c)(4)</p>		<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: Within the boundaries of the Chinatown Community Business District.</p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building zoned for residential use or within an existing and authorized auxiliary structure on the same lot, <i>provided that it does not eliminate or reduce a ground-story retail or commercial space.</i> -</p>
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16 **SEC. 811. CHINATOWN VISITOR RETAIL DISTRICT.**

17 ****

18 **SPECIFIC PROVISIONS FOR CHINATOWN VISITOR RETAIL DISTRICT**

Section	Zoning Controls	
****	****	****
<p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>§§ 811, § 811.91 207(c)(4)</p>		<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: Within the boundaries of the Chinatown Visitor Retail District.</p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be</p>

		constructed within an existing building <i>in areas that allow zoned for</i> residential use or within an existing and authorized auxiliary structure on the same lot, <i>provided that it does not eliminate or reduce a ground-story retail or commercial space.</i>
****	****	****

SEC. 812. CHINATOWN RESIDENTIAL NEIGHBORHOOD COMMERCIAL DISTRICT.

SPECIFIC PROVISIONS FOR CHINATOWN RESIDENTIAL NEIGHBORHOOD DISTRICT

Section		Zoning Controls
****	****	****
§§ 812. 812.91	§ 207(c)(4)	<p>ACCESSORY DWELLING UNITS</p> <p>Boundaries: Within the boundaries of the Chinatown Residential Neighborhood District.</p> <p>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building <i>in areas that allow zoned for</i> residential use or within an existing and authorized auxiliary structure on the same lot, <i>provided that it does not eliminate or reduce a ground-story retail or commercial space.</i></p>
****	****	****

SEC. 813. RED – RESIDENTIAL ENCLAVE DISTRICT.

Residential Enclave Districts (RED) encompass many of the clusters of low-scale, medium density, predominantly residential neighborhoods located along the narrow side

1 streets of the South of Market area. Within these predominantly residential enclaves lie a
 2 number of vacant parcels, parking lots and other properties in open storage use. These
 3 properties are undeveloped or underdeveloped and are viewed as opportunity sites for new,
 4 moderate-income, in-fill housing.

5 The zoning controls for this district are tailored to the design needs and neighborhood
 6 characteristics of these enclaves and are intended to encourage and facilitate the
 7 development of attractive, compatible and economically feasible in-fill housing while providing
 8 adequate residential amenities to the site and neighborhood.

9 Dwelling units are permitted as a principal use. Nonresidential uses, except art related
 10 activities, are not permitted, except for certain uses in historic buildings. Existing commercial
 11 activities in nonresidential structures may continue as nonconforming uses subject to the
 12 termination requirements of Sections 185 and 186. *Accessory Dwelling Units are permitted within
 13 the district pursuant to Subsection 207(c)(4) of this Code.*

Table 813			
RED – RESIDENTIAL ENCLAVE DISTRICT ZONING CONTROL TABLE			
No.	Zoning Category	§ References	Residential Enclave Controls

14 *****

USE STANDARDS			
813.03	Residential Density	§§ 124(b), 208	No density limit #
****	****	§§ 102.9, 123, 124, 127	Generally, 1.0 to 1 floor area ratio

17 *****

<u>SPECIFIC PROVISIONS FOR THE RESIDENTIAL ENCLAVE DISTRICT</u>			
<u>Section</u>		<u>Zoning Controls</u>	
§§ 813, 813.03	§ 207(c)(4)	<u>ACCESSORY DWELLING UNITS</u>	
		<i>Boundaries: Within the boundaries of the Residential Enclave District.</i>	

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		<p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot. .</i></p>
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SEC. 814. SPD – SOUTH PARK DISTRICT.

South Park is an attractive affordable mixed-use neighborhood. The South Park District (SPD) is intended to preserve the scale, density and mix of commercial and residential activities within this unique neighborhood. The district is characterized by small-scale, continuous-frontage warehouse, retail and residential structures built in a ring around an oval-shaped, grassy park. Retention of the existing structures is encouraged, as is a continued mix of uses, family-sized housing units, and in-fill development which contributes positively to the neighborhood scale and use mix. *Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.*

Most retail, general commercial, office, service/light industrial, arts, live/work and residential activities are permitted. Group housing, social services, and other institutional uses are conditional uses. Hotels, motels, movie theaters, adult entertainment and nighttime entertainment are not permitted.

SPECIFIC PROVISIONS FOR SPD DISTRICTS		
Article Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 814, 814.03	§ 207(c)(4)	<p><i>ACCESSORY DWELLING UNITS</i></p> <p><i>Boundaries: Within the boundaries of the SPD Districts.</i></p>

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		<i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot. .</i>
****	****	****

SEC. 815. RSD – RESIDENTIAL/SERVICE MIXED USE DISTRICT.

The Residential/Service Mixed Use District (RSD) runs along Harrison St. between 4th St. and 5th St. The RSD serves as a housing opportunity area within the South of Market Mixed Use Districts. The district controls are intended to facilitate the development of high-density, mid-rise housing, including residential hotels and live/work units, while also encouraging the expansion of retail, business service and commercial and cultural arts activities. Accessory Dwelling Units are permitted are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Residential hotels are subject to flexible standards for parking, rear yard/open space and density. Continuous ground floor commercial frontage with pedestrian-oriented retail activities along major thoroughfares is encouraged.

General office, hotels, nighttime entertainment, adult entertainment, massage establishment, movie theaters and heavy industrial uses are not permitted, except that massages services are authorized as a conditional use in the Residential/Service Mixed Use District when provided in conjunction with full-service spa services.

Table 815			
RSD – RESIDENTIAL/SERVICE MIXED USE DISTRICT ZONING CONTROL TABLE			
No.	Zoning Category	§ References	Residential/Service Mixed Use District Controls
****	****	****	****
			<u>ACCESSORY DWELLING UNITS</u>
			<u>Boundaries: Within the boundaries of the Residential/Service Mixed Use District.</u>
§§ 815.	<u>Residential</u>	§ 207(c)(4)	<u>Controls: An "Accessory Dwelling Unit," as defined in Section 102</u>
815.03	<u>Density Limit</u>		<u>and meeting the requirements of Section 207(c)(4) is permitted to</u>
			<u>be constructed within an existing building in areas that allow</u>
			<u>residential use or within an existing and authorized auxiliary</u>
			<u>structure on the same lot.</u>

SEC. 816. SLR – SERVICE/LIGHT INDUSTRIAL/RESIDENTIAL MIXED USE DISTRICT.

The Service/Light Industrial/Residential (SLR) Mixed Use District is designed to maintain and facilitate the growth and expansion of small-scale light industrial, home and business service, wholesale distribution, arts production and performance/exhibition activities, live/work use, general commercial and neighborhood-serving retail and personal service activities while protecting existing housing and encouraging the development of housing and live/work space at a scale and density compatible with the existing neighborhood.

Housing and live/work units are encouraged over ground floor commercial/service/light industrial activity. New residential or mixed use developments are encouraged to provide as much mixed-income rental housing as possible. Existing group housing and dwelling units would be protected from demolition or conversion to nonresidential use by requiring conditional use review. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

1 General office, hotels, nighttime entertainment, movie theaters, adult entertainment and
 2 heavy industrial uses are not permitted.

3
 4 **Table 816**
 5 **SLR – SERVICE/LIGHT INDUSTRIAL/RESIDENTIAL MIXED USED DISTRICT**
 6 **ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Service/Light Industrial/ Residential Mixed Use District Controls
****	****	****	****
816.03	Residential Density Limit	§§ 124, 207.5, 208	1:200 for dwelling units # ₁ 1 bedroom for each 70 sq. ft. of lot area for group housing
****	****	****	****

13
 14 **SPECIFIC PROVISIONS FOR SLR DISTRICTS**

Article Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 816, 816.03	§ 207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the SLR Mixed Use District.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u></p>

1 **SEC. 817. SLI – SERVICE/LIGHT INDUSTRIAL DISTRICT.**

2 The Service/Light Industrial (SLI) District is designed to protect and facilitate the
 3 expansion of existing general commercial, manufacturing, home and business service,
 4 live/work use, arts uses, light industrial activities and small design professional office firms.
 5 Existing group housing and dwelling units are protected from demolition or conversion to
 6 nonresidential use and development of group housing and low-income affordable dwelling
 7 units are permitted as a conditional use. General office, hotels, movie theaters, nighttime
 8 entertainment and adult entertainment uses are not permitted. *Accessory Dwelling Units are*
 9 *permitted within the district pursuant to Subsection 207(c)(4) of this Code.*

10 **Table 817**
 11 **SLI – SERVICE/LIGHT INDUSTRIAL DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Service/Light Industrial District Controls
****	****	****	****
817.03	Residential Density Limit	§ 208	1:200 for dwelling units #; 1 bedroom for each 70 sq. ft. of lot area for group housing
****	****	****	****

19 **SPECIFIC PROVISIONS FOR SLI DISTRICTS**

Article Code Section	Other Code Section	Zoning Controls
****	****	****
§§ 817, 817.03	§207(c)(4)	<i>ACCESSORY DWELLING UNITS</i> <i>Boundaries: Within the boundaries of the SLI Mixed Use District.</i> <i>Controls: An "Accessory Dwelling Unit," as defined in Section 102</i>

		<i>and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</i>
****	****	****

SEC. 818. SSO – SERVICE/SECONDARY OFFICE DISTRICT.

The Service/Secondary Office District (SSO) is designed to accommodate small-scale light industrial, home and business services, arts activities, live/work units, and small-scale, professional office space and large-floor-plate "back office" space for sales and clerical work forces. Nighttime entertainment is permitted as a conditional use. Dwelling units and group housing are permitted as conditional uses. Demolition or conversion of existing group housing or dwelling units requires conditional use authorization. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Office, general commercial, most retail, service and light industrial uses are principal permitted uses. Large hotel, movie theater, adult entertainment and heavy industrial uses are not permitted.

Small hotels of 75 rooms or less are permitted in this District only as a conditional use. Any such conditional use authorization requires a conditional use finding that disallows project proposals that displace existing Production, Distribution and Repair (PDR) uses.

Table 818			
SSO – SERVICE/SECONDARY OFFICE DISTRICT ZONING CONTROL TABLE			
No.	Zoning Category	§ References	Service/Secondary Office District Controls
****	****	****	****

1			1:200 for dwellings #;
2	818.03	Residential Density §§ 124(b), 207.5, 208	1 bedroom for each 70 sq. ft. of lot area for
3			group housing
4	****	****	****

SPECIFIC PROVISIONS FOR SSO DISTRICTS

7	Article Code Section	Other Code Section	Zoning Controls
8	****	****	****
9			<i>ACCESSORY DWELLING UNITS</i>
10			<i>Boundaries: Within the boundaries of the SLI Mixed Use District.</i>
11			<i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and</i>
12	§§ 818, 818.03	§207(c)(4)	<i>meeting the requirements of Section 207(c)(4) is permitted to be</i>
13			<i>constructed within an existing building in areas that allow residential</i>
14			<i>use or within an existing and authorized auxiliary structure on the same</i>
15			<i>lot.</i>
16	****	****	****

SEC. 827. RINCON HILL DOWNTOWN RESIDENTIAL MIXED USE DISTRICT (RH-DTR).

The Rincon Hill Downtown Residential Mixed Use District (RH-DTR), the boundaries of which are shown in Section Map No. 1 of the Zoning Map, is established for the purposes set forth below.

The RH-DTR District is adjacent to the southern edge of the downtown, generally bounded by Folsom Street, the Bay Bridge, the Embarcadero, and Essex Street. High-density residential uses and supporting commercial and institutional uses are allowed and encouraged within the limits set by height, bulk, and tower spacing controls. Folsom Street is

1 intended to develop as the neighborhood commercial heart of the Rincon Hill and Transbay
2 neighborhoods, and pedestrian-oriented uses are required on the ground floor. Individual
3 townhouse dwelling units with ground floor entries directly to the street are required on streets
4 that will become primarily residential, including First, Fremont, Beale, Main, and Spear
5 Streets.

6 While lot coverage is limited for all levels with residential uses that do not face onto
7 streets or alleys, traditional rear yard open spaces are not required except in the limited
8 instances where there is an existing pattern of them, such as smaller lots on the Guy Place
9 block. Specific height, bulk, and setback controls establish appropriate heights for both towers
10 and mid-rise podium development and ensure adequate spacing between towers in order to
11 establish a neighborhood scale and ensure light and air to streets and open spaces. Setbacks
12 are required where necessary to provide transition space for ground floor residential uses and
13 to ensure sunlight access to streets and open spaces. Off-street parking must be located
14 below grade.

15 Given the need for services and open space resulting from new development, projects
16 will provide or contribute funding for the creation of public open space and community facilities
17 as described in the Rincon Hill Area Plan of the General Plan. The Rincon Hill Streetscape
18 Plan, part of the Area Plan, proposes to enhance and redesign most streets in the district to
19 create substantial new open space amenities, improve pedestrian conditions, and improve the
20 flow of local traffic and transit. Detailed standards for the provision of open spaces, mid-block
21 pathways, and residential entries are provided to ensure that new buildings contribute to
22 creating a public realm of the highest quality in Rincon Hill. Accessory Dwelling Units are
23 permitted within the district pursuant to Subsection 207(c)(4) of this Code.

**Table 827
RINCON HILL DOWNTOWN RESIDENTIAL MIXED USE DISTRICT
ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Rincon Hill Downtown Residential Mixed Use District Zoning Controls

Residential Standards and Uses			

.47	Residential Density, Dwelling Units	§ 890.88(a)	No Limit. § 207.5(d) # Unit Mix Required § 207.6

**SPECIFIC PROVISIONS FOR
RINCON HILL DOWNTOWN RESIDENTIAL MIXED USE**

Section	Zoning Controls	
****	****	****
<u>§ 827.47</u>	<u>§207(c)(4)</u>	<p style="text-align: center;"><u>ACCESSORY DWELLING UNITS</u></p> <p style="text-align: center;"><u>Boundaries: Within the boundaries of the Rincon Hill Downtown Residential Mixed Use District.</u></p> <p style="text-align: center;"><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u></p>

SEC. 828. TRANSBAY DOWNTOWN RESIDENTIAL DISTRICT (TB-DTR).

The Transbay Downtown Residential District, which is wholly within the Transbay Redevelopment Project Area, comprises mostly publicly owned parcels containing

1 infrastructure or underutilized land related to the Transbay Terminal and former Embarcadero
2 Freeway. This district generally extends along the north side of Folsom Street from Spear to
3 Essex Streets, and between Main and Beale Streets to the north side of Howard Street. Laid
4 out in the Transbay Redevelopment Plan and its companion documents, including the Design
5 for the Development and the Development Controls and Design Guidelines for the Transbay
6 Redevelopment Project, is the comprehensive vision for this underutilized area as a high-
7 density, predominantly residential, district within walking distance of the downtown core,
8 transit facilities, and the waterfront. The plan for the district includes: a mix of widely-spaced
9 high-rises, mixed with a street-defining base of low- and mid-rise buildings with ground floor
10 townhouses; a public open space on part of the block bounded by Folsom, Beale, Howard,
11 and Main Streets; ground-floor retail along Folsom Street; and several new alleyways to break
12 up the size of the blocks.

13 (a) **Basic Controls.** Development controls for this district are established in the
14 Transbay Redevelopment Plan as approved by the Planning Commission on December 9,
15 2004, and January 13, 2005, specifically the Development Controls and Design Guidelines for
16 the Transbay Redevelopment Project. On matters to which these Redevelopment documents
17 are silent, controls in this Code pertaining to the C-3-O District shall apply. The C-3-O District
18 permits construction of Accessory Dwelling Units pursuant to Section 207(c)(4) of this Code.

19 **SEC. 829. SOUTH BEACH DOWNTOWN RESIDENTIAL MIXED USE DISTRICT (SB-DTR).**

20 The South Beach Downtown Residential Mixed Use District (SB-DTR), the boundaries
21 of which are shown in Section Map No. 1 of the Zoning Map, is established for the purposes
22 set forth below.

23 The SB-DTR District is adjacent to the southern edge of the downtown, generally
24 bounded by the Bay Bridge, Bryant Street, the Embarcadero, and 2nd Street, and is primarily
25 comprised of the former South Beach Redevelopment Area. High-density residential uses and

1 supporting commercial and institutional uses are allowed and encouraged within the limits set
 2 by height, bulk, and tower spacing controls. Individual townhouse dwelling units with ground
 3 floor entries directly to the street are generally required on streets.

4 While lot coverage is limited for all levels with residential uses that do not face onto
 5 streets or alleys, traditional rear yard open spaces are not required. Specific height, bulk, and
 6 setback controls establish appropriate heights for both towers and mid-rise podium
 7 development and ensure adequate spacing between towers in order to establish a
 8 neighborhood scale and ensure light and air to streets and open spaces. Setbacks are
 9 required where necessary to provide transition space for ground floor residential uses and to
 10 ensure sunlight access to streets and open spaces. Off-street parking must be located below
 11 grade. *Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of*
 12 *this Code.*

13 **Table 829**
SOUTH BEACH DOWNTOWN RESIDENTIAL DISTRICT
ZONING CONTROL TABLE

No.	Zoning Category	§ References	South Beach Downtown Residential District Zoning Controls
**** Residential Standards and Uses			

47	Residential Density, Dwelling Units	§ 890.88(a)	No Limit. § 207.5(d) # Unit Mix Required § 207.6

23 **SPECIFIC PROVISIONS FOR**
 24 **SOUTH BEACH DOWNTOWN RESIDENTIAL DISTRICT**

Section	Zoning Controls
---------	-----------------

****	****	****
		<u>ACCESSORY DWELLING UNITS</u>
		<u>Boundaries: Within the boundaries of the South Beach Downtown Residential District.</u>
<u>§ 829.47</u>	<u>§207(c)(4)</u>	<u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u>

SEC. 840. MUG – MIXED USE-GENERAL DISTRICT.

The Mixed Use-General (MUG) District is largely comprised of the low-scale, production, distribution, and repair uses mixed with housing and small-scale retail. The MUG is designed to maintain and facilitate the growth and expansion of small-scale light industrial, wholesale distribution, arts production and performance/exhibition activities, general commercial and neighborhood-serving retail and personal service activities while protecting existing housing and encouraging the development of housing at a scale and density compatible with the existing neighborhood.

Housing is encouraged over ground floor commercial and production, distribution, and repair uses. New residential or mixed use developments are encouraged to provide as much mixed-income family housing as possible. Existing group housing and dwelling units would be protected from demolition or conversion to nonresidential use by requiring conditional use review. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Hotels, nighttime entertainment, movie theaters, adult entertainment and heavy industrial uses are not permitted. Office is restricted to the upper floors of multiple story buildings.

**Table 840
MUG – MIXED USE-GENERAL DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Mixed Use-General District Controls

Residential Uses			
****	****	****	****
840.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #
****	****	****	****

**SPECIFIC PROVISIONS FOR
MUG – MIXED USE-GENERAL DISTRICT**

<u>Section</u>	<u>Zoning Controls</u>	
§ 840.24	§207(c)(4)	<p align="center"><u>ACCESSORY DWELLING UNITS</u></p> <p><i>Boundaries: Within the boundaries of the MUG – Mixed Use-General District.</i></p> <p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</i></p>

SEC. 841. MUR – MIXED USE-RESIDENTIAL DISTRICT.

The Mixed Use-Residential District (MUR) serves as a buffer between the higher-density, predominantly commercial area of Yerba Buena Center to the east and the lower-scale, mixed use service/industrial and housing area west of Sixth Street.

The MUR serves as a major housing opportunity area within the eastern portion of the South of Market. The district controls are intended to facilitate the development of high-density, mid-rise housing, including family-sized housing and residential hotels. The district is

1 also designed to encourage the expansion of retail, business service and commercial and
 2 cultural arts activities. Accessory Dwelling Units are permitted within the district pursuant to
 3 Subsection 207(c)(4) of this Code.

4 Continuous ground floor commercial frontage with pedestrian-oriented retail activities
 5 along major thoroughfares is encouraged. Hotels, nighttime entertainment, adult
 6 entertainment and heavy industrial uses are not permitted. Office is limited by residential-to-
 7 non residential ratio in new construction.

8 **Table 841**
 9 **MUR – MIXED USE-RESIDENTIAL DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Mixed Use-Residential District Controls

Residential Uses			
****	****	****	****
841.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit within #
****	****	****	****

17 **SPECIFIC PROVISIONS FOR**
 18 **MUR – RESIDENTIAL DISTRICT**

<u>Section</u>	<u>Zoning Controls</u>	
§ 841.24	§207(c)(4)	<u>ACCESSORY DWELLING UNITS</u> <u>Boundaries: Within the boundaries of the MUR – Mixed Use-Residential District.</u> <u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed</u>

within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.

SEC. 842. MUO – MIXED USE-OFFICE DISTRICT.

The Mixed Use-Office (MUO) runs predominantly along the 2nd Street corridor in the South of Market area. The MUO is designed to encourage office uses and housing, as well as small-scale light industrial and arts activities. Nighttime entertainment and small tourist hotels are permitted as a conditional use. Large tourist hotels are permitted as a conditional use in certain height districts. Dwelling units and group housing are permitted, while demolition or conversion of existing dwelling units or group housing requires conditional use authorization. Family-sized housing is encouraged. *Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.*

Office, general commercial, most retail, production, distribution, and repair uses are also principal permitted uses. Adult entertainment and heavy industrial uses are not permitted.

**Table 842
MUO – MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Mixed Use-Office District Controls

Residential Uses			
****	****	****	****
842.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #
****	****	****	****

**SPECIFIC PROVISIONS FOR
MUO – MIXED USE OFFICE DISTRICT**

<u>Section</u>	<u>Zoning Controls</u>	
§ 842.24	§207(c)(4)	<p style="text-align: center;"><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the MUO – Mixed Use-Office District.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u></p>

SEC. 843. UMU – URBAN MIXED USE DISTRICT.

The Urban Mixed Use (UMU) District is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. Within the UMU, allowed uses include production, distribution, and repair uses such as light manufacturing, home and business services, arts activities, warehouse, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. Housing is also permitted, but is subject to higher affordability requirements. Family-sized dwelling units are encouraged. Within the UMU, office uses are restricted to the upper floors of multiple story buildings. In considering any new land use not contemplated in this District, the Zoning Administrator shall take into account the intent of this District as expressed in this Section and in the General Plan. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 843
UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	Urban Mixed Use District Controls

Residential Uses			

843.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #

SPECIFIC PROVISIONS FOR
UMU – URBAN MIXED USE DISTRICT

<u>Section</u>		<u>Zoning Controls</u>
<u>§ 843.24</u>	<u>§207(c)(4)</u>	<p style="text-align: center;"><u>ACCESSORY DWELLING UNITS</u></p> <p><i>Boundaries: Within the boundaries of the UMU – Mixed Use District.</i></p> <p><i>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</i></p>

SEC. 844. WMUG – WSOMA MIXED USE-GENERAL DISTRICT.

The WSoMa Mixed Use-General (WMUG) District is largely comprised of the low-scale, production, distribution, and repair uses mixed with housing and small-scale retail. The WMUG is designed to maintain and facilitate the growth and expansion of small-scale light industrial, wholesale distribution, arts production and performance/exhibition activities, general commercial and neighborhood-serving retail and personal service activities while protecting

1 existing housing and encouraging the development of housing at a scale and density
 2 compatible with the existing neighborhood.

3 Housing is encouraged over ground floor commercial and production, distribution, and
 4 repair uses. New residential or mixed use developments are encouraged to provide as much
 5 mixed-income family housing as possible. Existing group housing and dwelling units will be
 6 protected from demolition or conversion to nonresidential use by requiring conditional use
 7 review. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of
 8 this Code.

9 Hotels, nighttime entertainment, movie theaters, adult entertainment and heavy
 10 industrial uses are not permitted. Office use is restricted to customer-based services on the
 11 ground floor.

Table 844
WMUG – WSOMA MIXED USE-GENERAL DISTRICT ZONING CONTROL TABLE

No.	Zoning Category	§ References	WSoMa Mixed Use-General District Controls

Residential Uses			
****	****	****	****
844.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #
****	****	****	****

SPECIFIC PROVISIONS FOR WMUG DISTRICTS

Section	Zoning Controls	
****	****	****
<u>§ 844.24</u>	<u>§207(c)(4)</u>	<u>ACCESSORY DWELLING UNITS</u> <u>Boundaries: Within the boundaries of the WSoMa-Mixed Use General</u>

		<p><u>District.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u></p>
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SEC. 845. WMUO – WSOMA MIXED USE-OFFICE DISTRICT.

The WSoMa Mixed Use-Office (WMUO) runs predominantly along the Townsend Street corridor between 4th Street and 7th Street and on 11th Street, from Harrison Street to the north side of Folsom Street. The WMUO is designed to encourage office uses along with small-scale light industrial and arts activities. Nighttime entertainment is permitted, although limited by buffers around RED and RED-MX districts.

Office, general commercial, most retail, production, distribution, and repair uses are also principal permitted uses. Residential uses, large hotels, adult entertainment and heavy industrial uses are not permitted.

Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 845 WMUO – WSOMA MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE			
No.	Zoning Category	§ References	<u>WSoMa</u> Mixed Use-Office District Controls
* * * *			
Residential Uses			
* * * *	* * * *	* * * *	* * * *
845.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #

****	****	****	****
------	------	------	------

SPECIFIC PROVISIONS FOR WMUO DISTRICTS

<u>Section</u>	<u>Zoning Controls</u>		
		<u>ACCESSORY DWELLING UNITS</u>	
		<u>Boundaries: Within the boundaries of the WSoMa Mixed Use-Office District.</u>	
<u>§ 845.24</u>	<u>§207(c)(4)</u>	<u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u>	

SEC. 846. SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT.

The Service/Arts/Light Industrial (SALI) District is largely comprised of low-scale buildings with production, distribution, and repair uses. The district is designed to protect and facilitate the expansion of existing general commercial, manufacturing, home and business service, and light industrial activities, with an emphasis on preserving and expanding arts activities. Nighttime Entertainment is permitted although limited by buffers around RED and RED-MX districts. Residential Uses, Offices, Hotels, and Adult Entertainment uses are not permitted. Accessory Dwelling Units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

Table 846			
SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT ZONING CONTROL TABLE			
No.	Zoning Category	§ References	SALI District Controls

Residential Uses			
****	****	****	****

1	846.24	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #
2	****	****	****	****

SPECIFIC PROVISIONS FOR SALI DISTRICTS

Section	Zoning Controls	
****	****	****
§ 846.24	§207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the SALI Districts.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u></p>

SEC. 847. RED-MX – RESIDENTIAL ENCLAVE-MIXED DISTRICT.

Residential Enclave-Mixed Districts (RED-MX) encompass some of the clusters of low-scale, medium density, predominantly residential neighborhoods located along the narrow side streets of the Western SoMa area. Many parcels in these residential enclaves are underdeveloped and represent opportunities for new residential and low-intensity commercial uses.

While residential uses are encouraged throughout these districts, group housing is limited, and student housing and single-room-occupancy units are prohibited. Small-scale retail, restaurants, arts activities, and other commercial uses are principally permitted to create the potential for more active, mixed use alleys. Some automobile-related and production, distribution, and repair uses are also permitted with limitations. Existing commercial activities in nonresidential structures may continue as nonconforming uses

1 subject to the termination requirements of Article 1.7. Accessory Dwelling Units are permitted
 2 within the district pursuant to Subsection 207(c)(4) of this Code.

3 **Table 847**
 4 **RED-MX – RESIDENTIAL ENCLAVE-MIXED DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Residential Enclave-Mixed <u>District</u> Controls
***** USE STANDARDS			
847.03	Residential Density	§§ 124, 207.5, 208	No density limit #
*****	*****	*****	*****

10 **SPECIFIC PROVISIONS FOR RESIDENTIAL ENCLAVE-MIXED DISTRICTS**

<u>Section</u>	<u>Zoning Controls</u>	
§ 847.24	§207(c)(4)	<p><u>ACCESSORY DWELLING UNITS</u></p> <p><u>Boundaries: Within the boundaries of the Residential Enclave-Mixed Districts.</u></p> <p><u>Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</u></p>

20 Section 5. The Administrative Code is hereby amended by revising Section 37.2, to
 21 read as follows:

22 **SEC. 37.2. DEFINITIONS.**

23 (r) **Rental Units.** All residential dwelling units in the City and County of San
 24 Francisco together with the land and appurtenant buildings thereto, and all housing services,
 25

1 privileges, furnishings and facilities supplied in connection with the use or occupancy thereof,
2 including garage and parking facilities.

3 * * * *

4 The term "rental units" shall not include:

5 * * * *

6 (4) Except as provided in Subsections (A), (B) and (C), dwelling units whose
7 rents are controlled or regulated by any government unit, agency or authority, excepting those
8 unsubsidized and/or unassisted units which are insured by the United States Department of
9 Housing and Urban Development; provided, however, that units in unreinforced masonry
10 buildings which have undergone seismic strengthening in accordance with Building Code
11 Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the
12 ordinance is not in conflict with the seismic strengthening bond program or with the program's
13 loan agreements or with any regulations promulgated thereunder.

14 * * * *

15 (D) The term "rental units" shall include Accessory Dwelling Units
16 constructed pursuant to Section 207(c)(4) of the Planning Code and that have received a
17 complete or partial waiver of the density limits and the parking, rear yard, exposure, or open
18 space standards from the Zoning Administrator pursuant to Planning Code Section 307(l);
19 *provided that the building containing the Accessory Dwelling Unit(s) or any unit within the building is*
20 *already subject to this Chapter.*

21 * * * *

22
23 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

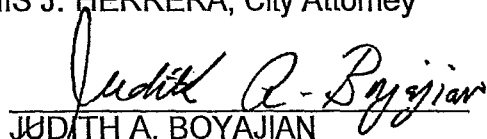
1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
2 additions, and Board amendment deletions in accordance with the "Note" that appears under
3 the official title of the ordinance.

4
5 Section 7. Severability. If any section, subsection, sentence, clause, phrase, or word
6 of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any
7 court of competent jurisdiction, such decision shall not affect the validity of the remaining
8 portions of the ordinance. The Board of Supervisors hereby declares that it would have
9 passed this ordinance and each and every section, subsection, sentence, clause, phrase, and
10 word not declared invalid or unconstitutional without regard to whether any other portion of
11 this ordinance would subsequently be declared invalid or unconstitutional.

12
13 Section 8. Directions to Clerk. The Clerk of the Board of Supervisors is hereby directed
14 to submit a copy of this ordinance to the California Department of Housing and Community
15 Development within 60 days following adoption pursuant to Section 65852.2(h) of the
16 California Government Code.

17
18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA, City Attorney

20 By:


21 JUDITH A. BOYAJIAN
22 Deputy City Attorney

23 n:\egana\as2016\1600458\01120351.docx

REVISED LEGISLATIVE DIGEST

(Revised July 11, 2016)

[Planning, Administrative Code - Construction of Accessory Dwelling Units]

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of “rental unit” as it applies to ADUs; affirming the Planning Department’s determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1 and adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

Existing Law

Planning Code Section 207(c)(4) authorizes Accessory Dwelling Units to be constructed within the boundaries of Board of Supervisors Districts 3 and 8 and in buildings undergoing seismic retrofitting. Section 207.2 was enacted in 1984 in response to the State’s Second Unit Law (Government Code Section 65852.2); it regulates second units in areas of San Francisco that are not covered by Section 207(c)(4). Administrative Code Section 37.2 defines “rental units” as including Accessory Dwelling Units constructed pursuant to Planning Code Section 207(c)(4), provided that the building containing the ADU(s) or any unit within the building is already subject to the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37.)

Amendments to Current Law

The proposed legislation would allow Accessory Dwelling Units to be constructed on any lot in San Francisco that is zoned for residential use under the conditions currently specified under Planning Code Section 207(c)(4). As required by current law, a property owner who receives from the City waivers of certain Planning Code requirements in order to construct the ADU(s) must execute an agreement to subject them to the San Francisco Residential Rent Stabilization and Arbitration Ordinance.

New provisions have been added that (1) prohibit the Planning Department from approving an application to construct an ADU in any building where a tenant has been served a notice of eviction either five years or 10 years prior to the filing of the application, depending on the cause of the eviction, (2) prohibit use of the ADU for short-term rental, (3) prohibit an ADU in a Neighborhood Commercial District or in the Chinatown Community Business or Visitor Retail Districts if it would eliminate or reduce a ground story retail or commercial space, (4) define the “built envelope” of an existing building for purposes of determining what open spaces may be incorporated into an ADU and require Section 311 or 312 notice for specified spaces, (5)

FILE NO. 160252

mandate a minimum unit size for ADUs, and (6) allow a separate sale or finance of an ADU under specified conditions, which includes requiring the ADU to be sold as a below-market-rate unit.

The ordinance also deletes the existing Section 311 and 312 notice exemption for buildings undergoing seismic retrofitting, and clarifies that entering into a Regulatory Agreement with the City to subject the ADU to the Rent Ordinance does not preclude a landlord from setting the initial rental rate upon vacancy. The Zoning Control Tables in Articles 7 and 8 and corresponding text have been amended to authorize the construction of ADUs. Section 207.2, which is outdated and no longer applicable, is deleted. The San Francisco Residential Rent Stabilization and Arbitration Ordinance has been amended to delete from the definition of "rental unit" the building in which the ADU(s) is constructed or any unit within the building must already have been subject to the Rent Ordinance.

Background Information

San Francisco has long had a housing shortage. The housing market continues to be tight and housing costs are beyond the reach of many households. The City's Housing Element states that adding new units in existing residential buildings represents a simple and cost-effective method of expanding the City's housing supply.

In Section 65852.2 of the California Government Code, the State Legislature finds and declares that second units are a valuable form of housing in California. Expanding the construction of Accessory Dwelling Units to all lots in San Francisco that are zoned for residential use will provide additional housing. Allowing them in all Neighborhood Commercial Districts will allow more housing in already dense and transit-rich neighborhoods without substantially changing their built character and allow more residents to live within walking distance of transit, shopping, and services.

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SAN FRANCISCO PLANNING DEPARTMENT

June 23, 2016

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

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
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Fax:
415.558.6409

Planning
Information:
415.558.6377

Re: Transmittal of Planning Department Case Number 2016.004042PCA:
Allowing Accessory Dwelling Units Citywide
Board File Nos. 160252 and 160657
Planning Commission Recommendation: Approval with Modifications

Dear Ms. Calvillo and Supervisor Peskin,

On June 16, the San Francisco Planning Commission (hereinafter: Commission) conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed amendments introduced in two separate Ordinances, first by Supervisor Aaron Peskin, and second by Supervisors Farrell and Wiener to allow Accessory Dwelling Units citywide. At the hearing, the Planning Commission recommended approval with modifications for both Ordinances.

Both proposed Ordinance are covered under an Addendum to the 2204 and 2009 Housing Element Final Environmental Impact Report (Case No. 2016-004042ENV), pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164.

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

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,

A handwritten signature in black ink, appearing to read "Aaron Starr", written over a circular stamp or seal.

Aaron Starr
Manager of Legislative Affairs

Transmittal Materials

**CASE NO. 2016.004042PCA
Allowing Accessory Dwelling Units Citywide**

cc:

Lee Hepner, Supervisor Aaron Peskin's Legislative Aide
Ann Fryman, Supervisor Scott Wiener's Legislative Aide
Kanishka Karunaratne Supervisor Mark Farrell's Legislative Aide
Jon Givner, City Attorney
Judy Boyajian, City Attorney.

Attachments (two hard copies of the following):

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19663 Planning & Administrative Code Text Change

HEARING DATE: JUNE 16, 2016
90 DAY DEADLINE: JUNE 23, 2016

Project Name: Allowing New Accessory Dwelling Units Citywide
Case Number: 2016-004042PCA, [Board File No. 160252]
Initiated by: Supervisor Peskin / Introduced March 15, 2016
Staff Contact: Kimia Haddadan, Legislative Affairs
Kimia.haddadan@sfgov.org, 415-575-9068
Reviewed by: AnMarie Rodgers, Senior Policy Advisor
anmarie.rodgers@sfgov.org, 415-558-6395

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO ALLOW THE CONSTRUCTION OF ACCESSORY DWELLING UNITS (ADUS, ALSO KNOWN AS SECONDARY OR IN-LAW UNITS) ON ALL LOTS IN THE CITY IN AREAS THAT ALLOW RESIDENTIAL USE; AMENDING THE ADMINISTRATIVE CODE TO REVISE THE DEFINITION OF "RENTAL UNIT" AS IT APPLIES TO ADUS; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; ADOPTING FINDINGS UNDER PLANNING CODE, SECTION 302; AND DIRECTING THE CLERK TO SEND A COPY OF THIS ORDINANCE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AFTER ADOPTION.

WHEREAS, on March 15, 2016, Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 160252, which would amend the Planning Code to allow accessory dwelling units citywide; and,

WHEREAS, on May 31, 2016, Supervisors Farrell and Wiener introduced another Ordinance under Board File Number 160657, which would also amend the Planning Code to allow accessory dwelling units citywide; and

WHEREAS, on May 31, 2016, Supervisors Farrell and Wiener sent a letter to the Planning Department (hereinafter "Department") requesting that their Ordinance be heard on the same date as Supervisor Peskin's Ordinance at the Planning Commission (hereinafter "Commission"); and

WHEREAS, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinances on June 16, 2016; and,

WHEREAS, the proposed ordinance is covered under an Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report (Case No. 2016-004042ENV), pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164; 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 1650 Mission Street, Suite 400, San Francisco; and

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

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors approve with modifications the proposed ordinance.

The following are the Commission's recommended modifications:

1. **Remove the cap on number of ADUs allowed per lot in mid to large sized buildings (5 or more units) and maintain a one ADU per lot cap for smaller buildings (less than 5 units). Establish a minimum unit size.** Among the ADU programs currently available in San Francisco, ADUs in buildings undergoing seismic retrofitting have been the most common type of ADU permits the Department has received. Buildings eligible for the mandatory seismic retrofitting are suitable candidates for new ADUs: the property owner already has to undertake construction, and new units would help offset the costs. Under this program, there is no limit on how many ADUs can be added on a lot so long as other physical controls are met and applicable Planning Code requirements. While the applications for ADUs under the soft story seismic program include on average less than two-units per building, some buildings propose up to 5 ADUs per lot. Currently, there are 68 ADUs under review in projects that proposed either more than two ADUs or propose two ADUs in buildings of 5-10 units. These 68 ADUs would not be lawful per the controls in the proposed Ordinance. Imposing a cap of two ADUs per building would not allow efficient use of available space in buildings. The proposed recommendation would maintain a cap of one ADU in smaller buildings (4 or less units) to preserve the smaller scale character of the building. For large buildings (5 or more units), the number of ADUs would remain limited by the available space on the ground floor, as well as the Building and Planning Code requirements (means of egress, exposure, bike parking, etc.).
2. **Clarify that "existing built envelope" includes spaces that can be filled in without notification as listed in the Zoning Administrator Bulletin No.4 that are exempt from the notification requirements of the Planning Code.** If ADUs are limited to the existing built envelope, staff proposes this recommendation. Currently space under the bay windows, cantilevered room, etc. can be filled in without notification per the Zoning Administrator Bulletin Number 4. The recommendation would allow ADUs to be expanded into these spaces, which would help make ADUs possible that are otherwise infeasible due to exposure or other code requirements.
3. **Further study to allow or prohibit ADUs to be subdivided and sold separately, especially in condominium buildings.**

4. **Modify the provision in Section 207(c)(4)(vi)(c), allowing a building to be raised 3 feet, to refer to the correct Building Code (Chapter 34) that requires full seismic retrofitting and not the soft story retrofitting(Chapter 34B). Clarify that this height increase is exempt from the existing built envelope limitation for ADUs in those eligible buildings.** Currently Section 207(c)(4)(vi)(c) of the Code refers to Chapter 34(B) of the Building Code regarding where a building can be raised 3 feet when undergoing seismic retrofitting. Chapter 34(b) discusses soft story seismic retrofitting which does not actually allow the three foot height increase. This provision is allowed in Chapter 34 of the Building Code which discusses *full* seismic retrofitting of a building (on all floors). Staff recommends correcting this reference so that it would not be tied to the *soft story* seismic retrofitting but to full seismic retrofitting per Chapter 34.

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:

1. Allowing ADUs within existing residential buildings is a pragmatic infill strategy to create more housing. This strategy is crucial for San Francisco's housing market in multiple aspects. First, adding apartments to existing, older housing stock complements the current housing development trends in San Francisco, which primarily occurs on lots that are significantly underdeveloped or vacant. Second, this existing housing stock provides limited available rental housing to the market as many of these buildings are also under rent control where the turnover rate of units for rental is generally low. Lastly, this infill strategy would create more apartments in the areas of the city without increasing building heights or altering the built form. Such small-scale residential infill could create additional homes for existing and future San Franciscans spread throughout the city.
2. ADUs are usually located on the ground floor in space that was previously used for parking or storage, and as a result typically have lower ceilings heights. These units will also likely have less light exposure due to smaller windows or windows facing smaller open areas, and side entrances due to location of the unit on the lot. Such subordinate characteristics of ADUs result in lower rents compared to the rental rates of a unit in a newly developed building. Further, the lower rents would accommodate populations that are not adequately being served by the market: younger households, small families, senior and elderly individuals and so forth. Estimated rents for ADUs citywide would provide more rental housing affordable to these households earning 80% to 145% AMI.
3. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the Objectives and Policies of the General Plan:

OBJECTIVE 1

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

POLICY 1.5

Consider secondary units in community plans where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.

The proposed Ordinance would allow Accessory Dwelling units citywide in pursuit of goals to increase housing opportunities. San Francisco is in dire need for more housing due to high demand. Allowing ADUs in residential properties is an infill housing strategy and would provide one housing option among many options needed for San Francisco. This change in land use controls is not part of a traditional "community planning effort" as the Planning Department would typically pursue. However, the proposal emanates from an elected official who has done their own outreach. The Commission listened to the public comment and considered the outreach completed by the Board Member and finds that there is sufficient community support and compelling public goals in the interest of the neighborhoods and City, to warrant the undertaking of this change.

OBJECTIVE 7

**SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING,
INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON
TRADITIONAL MECHANISMS OR CAPITAL.**

POLICY 7.7

Support housing for middle income households, especially through programs that do not require a direct public subsidy.

ADUs are subordinate to the original unit due to their size, location of the entrance, lower ceiling heights, etc. ADUs are anticipated to provide a lower rent compared to the residential units developed in newly constructed buildings and therefore the proposed Ordinance would support housing for middle income households.

1. **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 impact on neighborhood serving retail uses and will not impact 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. The new units would be built within the existing building envelope and therefore would impose minimal impact on the existing housing and 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 and aims to create units affordable to middle income households. The ordinance would, if adopted, increase the number of rent-controlled units in San Francisco.

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 impact 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 a negative impact on the City's Landmarks and historic buildings as the new units would be added under the guidance of local law and policy protecting historic resources, when appropriate. Further, the additional income that may be gained by the property owner may enable the property owner to pursue a higher standard of maintenance for the building.

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 impact on the City's parks and open space and their access to sunlight and vistas.

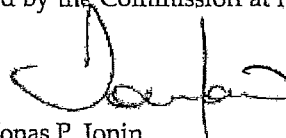
8. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

Planning Commission Resolution No. 19663
June 16, 2016

CASE NO. 2016-004042PCA
Allowing New Accessory Dwelling Units Citywide

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with modifications as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 16, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Johnson, Moore, Richards, Wu

NAYS: Antonini

ABSENT: Fong

RECUSED: Hillis

ADOPTED: June 16, 2016



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning and Administrative Code Text Change

HEARING DATE: JUNE 16, 2016
90 DAY DEADLINE: JUNE 23, 2016

Date: June 09, 2016
Project Name: Allowing New Accessory Dwelling Units Citywide
Case Number: 2016-004042PCA, [Board File No. 160252]
Initiated by: Supervisor Peskin / Introduced March 15, 2016
Staff Contact: Kimia Haddadan, Legislative Affairs
Kimia.haddadan@sfgov.org, 415-575-9068
Reviewed by: AnMarie Rodgers, Senior Policy Advisor
anmarie.rodgers@sfgov.org, 415-558-6395
Recommendation: **Recommend Approval with Modifications**

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Note: On May 31, 2016, Supervisors Farrell and Wiener sponsored an Ordinance that would also allow Accessory Dwelling Units (hereinafter "ADU"s) citywide. On the same date, these Supervisors sent a letter to the Planning Department (hereinafter "Department") requesting that their Ordinance be heard on the same date as Supervisor Peskin's Ordinance at the Planning Commission (hereinafter "Commission"). Upon consideration, the Department decided to discuss both Ordinances at the June 16 Commission hearing. Due to the short-time frame, this case report addresses the Ordinance sponsored by Supervisor Peskin. However, the content and Department recommendations would generally apply to both Ordinances. Below is a list of provisions in the Ordinance proposed by Supervisors Farrell and Wiener that are different than Supervisor Peskin's original Ordinance and any associated recommendations by the Department.

1. Allow one ADU per lot in buildings with 4 or less units, and no limit on number of ADUs for buildings with more than 4 units → *This provision is similar to staff recommendation number 1.*
2. RH-1(D) parcels would not be eligible for the ADU program described in the Planning Code but would be allowed as mandated by State Law
3. Allow reduction of a ground-story retail or commercial space up to 25% in Neighborhood Commercial Districts or Chinatown Community Business or Visitor Retail District. → *This issue is discussed in recommendation number 3. The Department supports allowing a limited reduction in commercial space.*
4. Allow subdivision and separate sales for ADUs. → *This provision is similar to staff recommended modification number 6.*
5. Clarifies the definition of built envelope to include spaces listed in the Zoning Administrator Bulletin No. 4, as well as infilling underneath rear extension. → *This provision is similar to staff recommended modification number 4. Infilling underneath rear extensions is a portion of staff recommended modification number 3.*

PLANNING & ADMINISTRATIVE CODE AMENDMENTS

The proposed Ordinance would amend the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of "rental unit" as it applies to ADUs; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

The Way It Is Now:

1. Currently, San Francisco allows new ADUs in all residential buildings in Supervisor Districts 3 and 8, and also in buildings that are undergoing voluntary or mandatory seismic retrofitting¹.
 - In District 3 and District 8, ADUs are not allowed in RH-1(D) parcels.
 - In buildings undergoing seismic retrofitting, ADUs are not allowed in either RH-1 or RH-1 (D) zoned parcels.
2. The number of ADUs allowed per parcel varies under the various programs and geographies.
 - For ADUs in buildings undergoing seismic retrofitting there is no limit on how many ADUs can be built.
 - Within District 8 and within buildings with more than ten units, two ADUs can be added. However, in District 8 buildings with ten or less units, only one ADU can be added.
 - Within District 3 and within buildings with five or more units, there is no limit on how many ADUs that can be added. However, within District 3 buildings with less than five units, only one ADU can be added.
3. Restrictions:
 - ADUs can only be built within the existing built envelope.
 - ADUs cannot use space from an existing unit.
4. Waivers:
 - Certain provisions of the Planning Code such as rear yard, open space, partial exposure, and parking may be waived by the Zoning Administrator. The Zoning Administrator may reduce the exposure requirement so that qualifying windows may face an open area that is no less than 15'X15' and is open to the sky.
 - Under seismic program and if allowed by the Building Code, a building may be raised up to three feet to satisfy the minimum ground floor ceiling height requirements. This height increase is exempt from notification requirements of Sections 311 and 312 of the Planning Code.
5. Applicability of Rent Control Ordinance:

¹ See Planning Code Section 207(c)(4).

- For ADUs that receive waivers from Planning Code requirements, if the original building is subject to rent control, the ADU(s) would also be subject to rent control².
6. Monitoring:
- Currently, the Department is required to monitor the affordability of ADUs through inquiring rent information from property owners. The Code requires the Department to publish a report by April 1, 2016 to describe and evaluate the types of units being developed and their affordability rates. Subsequent years, this information would be included in the Housing Inventory. The Department is also required to inquire from property owners at the time of application whether or not they intend to use the ADU as short-term rentals.

The Way It Would Be:

1. ADUs would be permitted citywide in any zoning district where a residential building already exists.
2. The number of ADUs allowed per parcel would reflect the existing controls in District 8. In buildings with more than 10 units, two ADUs can be added, and in buildings with 10 or less units, one ADU could be added. This means that the number of ADUs allowed per parcel in District 3, and under the seismic retrofit program would be decreased.
3. Restrictions:
 - a) Restrictions Maintained:
 - ADUs would still only be built within the existing built envelope; this control would also be incorporated into the definition of ADUs in Section 102.
 - ADUs would be still not allowed to use space from an existing unit.
 - b) Restrictions Added:
 - ADUs would be prohibited from eliminating or reducing a ground-story retail or commercial space in Neighborhood Commercial Districts, or in the Chinatown Community Business or Visitor Retail District.
 - ADUs could not be merged with an original unit(s).
 - ADUs could not be subdivided and sold separately.
 - ADUs could not be used for short-term rentals.
 - ADUs could not be built in a building with the following no-fault eviction history:
 - i. owner move-in³ eviction within five year prior to the permit application date for ADU, or
 - ii. within 10 years prior to the application of ADUs: condo conversion, demolition, temporary evictions for capital improvements, substantial

² Administrative Code Section 37.2 defines "rental units" as including Accessory Dwelling Units constructed pursuant to Planning Code Section 207(c)(4), provided that the building containing the ADU(s) or any unit within the building is already subject to the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37.)

³ Section 37.9(a)(8) of the Administrative Code

rehabilitation, Ellis Act withdrawals, temporary eviction due to lead remediation⁴.

4. Waivers:

- The waivers from rear yard, open space, partial exposure, and parking would still be available.
- The exemption from notification requirements of Sections 311 and 312 of the Planning Code in case of raising a building for three feet in buildings undergoing seismic retrofitting would no longer be available.

5. Applicability of Rent Control Ordinance:

- This provision remains unchanged but would be structured under a newly defined Regulatory Agreement.

6. Monitoring:

- The requirements remain intact except for the dates. Planning would develop an annual report until April 1, 2019 to evaluate types of units developed, the affordability of those units, and the use of these units as short-term rentals. Subsequent years, this information would be included in the Housing Inventory.

BACKGROUND

ADUs have been promoted as an important housing strategy in recent years in San Francisco and many other cities. They have been part of the existing housing stock in San Francisco for decades, especially post WWII, in form on unauthorized "in-law units." Government Code Section

65852.2 (a.k.a. second-unit law) was enacted in 1982 and has been amended four times (1986,

1990, 1994 and 2002) to encourage the creation of second-units while maintaining local flexibility

for unique circumstances and conditions. This State law requires jurisdictions to allow secondary units, units added to single family homes in single family or multi-family zoned areas. In 2014, San Francisco developed an official program that allowed ADUs in certain areas of the city. Ordinance 0049-14 allowed ADUs as a pilot program in the Castro NCD and within a quarter-mile buffer. This Ordinance was adapted in parallel with another ordinance that allowed legalizing existing unauthorized units which had been built beyond density limits. These two ordinances represented a turning point in the City's long-standing approach which had previously always required removal of these units. Subsequently in April 2015, Ordinance 030-15 allowed new ADUs in buildings that are undergoing mandatory or voluntary seismic retrofitting across the city. Lastly, in October 2015, the ADU program was further expanded to the entire Supervisorial District 8, replacing the Castro pilot program. It was also allowed in Supervisorial District 3. The proposed Ordinance would expand the ADU program citywide.

What is an Accessory Dwelling Unit?

An ADU is a residential unit added to an existing building or lot where residential uses are allowed. ADUs are subordinate to the other residential units due to their smaller size, location,

⁴ Administrative Code Sections 37.9(a)(9)-(14) respectively.

location of the entrance, low ceiling heights, less light exposure, and so forth. Also known as secondary units, in-law units, or granny flats, ADUs are generally developed using uninhabited spaces within a lot, whether a garage, storage, rear yard, or an attic. These units are entirely independent from the primary unit or units, with independent kitchen, bathroom, sleeping facilities, and access to the street; however, they may share laundry facilities, yards, and other traditional types of common spaces with the primary unit(s).

State Law for ADUs

State Law regulates Accessory Dwelling Units under the definition of "secondary units". Under State Law, Secondary Units are units added to an existing single-family home in single-family or multi-family zoned areas.

As stated previously, State Law currently authorizes but does not require local jurisdictions to adopt an ordinance imposing standards on secondary units and designating areas within single family or multi-family zoned areas where they would be allowed. In the absence of an ordinance local jurisdictions are required to ministerially (A.K.A. without a discretionary action) approve a permit for a second unit that complies with the state standards within 120 days.

More recently, there have been three new, pending State bills under review related to ADUs.

1. Pending State Senate Bill, SB 1069⁵, would require local jurisdictions to pass an ordinance to allow ADUs and no longer authorizes a jurisdiction to totally preclude them. It would shorten the ministerial review period for ADUs from 120 days to 90 days. Ministerial approval is required for one ADU on a lot in zoned for single-family residential use if the ADU is contained within the existing space of a single family residence or accessory structure has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety . Lastly, it would prohibit requiring parking for ADUs under certain circumstances.
2. Pending Assembly Bill AB 2299⁶ would restrict controls that jurisdictions may impose on ADUs including: parking and other physical requirements such as setback.
3. Pending Assembly Bill AB2406⁷ would introduce a new concept for the creation of units called a "junior accessory dwelling unit". This unit could only occur in single-family residential zones. A junior accessory dwelling unit would be defined as a unit that is no more than 500 square feet in size, contained entirely within an existing single-family structure, and may include separate sanitation facilities or share sanitation facilities with

⁵ http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201520160SB1069

⁶ California Legislative Information,
http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201520160AB2299

⁷ California Legislative Information,
http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201520160AB2406

the existing structure. This bill would allow jurisdictions to enact ordinances that accommodate building such units. Some of the required provisions include: owner-occupancy in either the single family unit or the junior ADU, a deed restriction prohibiting the sale of the junior ADU separate from sale of the single-family unit and restricting the size and physical features of the junior ADU, construction of the junior ADU within the existing walls of the single family structure, and inclusion of an existing bedroom and a kitchen with specified features. No additional parking can be required.

ADU Programs in Other Cities

Many cities have sanctioned ADUs by integrating these units into their codes, mostly in form of allowing a secondary unit added within a single family home. Cities with expensive housing markets around the world have been more and more frequently pursuing relaxing regulation of ADUs by encouraging these units as a strategy for infill housing. In the Bay Area, cities have been bolstering their secondary units programs to make them a more viable option. Oakland recently passed an ADU program. Berkeley has simplified their ADU controls. In most cities, ADUs are allowed as either attached to an existing unit, or detached as a free-standing cottage in the backyard. Vancouver allows one attached and one detached (or cottage-like) ADU to a single family home. Among the ADU programs staff studied in different jurisdictions⁸, San Francisco is the only city where the Code neither allows an expansion of an existing built envelope, or a detached cottage in the backyard. Overall, ADUs have become an important housing strategy both in larger cities such as Vancouver, Seattle, Portland, or even smaller cities such as Cambridge, Massachusetts⁹, Durango, Colorado¹⁰, or Portola Valley, California¹¹.

Overview of Unit Additions in Existing Residential Buildings in San Francisco

Underbuilt Existing Residential Buildings- Many residential properties in the city include fewer units than the permitted under current zoning controls. Property owners of these lots can apply for a permit to add a unit provided that it meets Planning Code requirements. Additionally, in late 2000s after many years of community planning, the City rezoned large areas of the City as a result of the Eastern Neighborhoods, Market Octavia, and Balboa Area Plans. These efforts removed numerical density limits that restrict the number of units per lot in these districts. Instead, the number of units is controlled through height, FAR, open space, rear yard, and

⁸ Santa Cruz, Oakland, Berkeley, San Jose, Portland, Seattle, Vancouver, Cambridge, MA, Durango, CO.

⁹ <http://www.bostonglobe.com/opinion/2016/04/30/how-grandma-can-help-housing-crunch/BBul6fbzcinQ4iEPismvVJ/story.html?>

¹⁰ <http://www.citylab.com/design/2016/05/how-one-colorado-city-instantly-created-affordable-housing/483027/>

¹¹ <http://www.portolavalley.net/home/showdocument?id=4813>

exposure requirements. In the absence of traditional density limits, property owners are now able to add units to the existing buildings as long as other Planning Code requirements are met.

Since these units are also added to an existing building (similar to the ADU programs), it is likely that they were created as an infill of an existing unused space: smaller in size, subordinate location on the lot, potential lower ceiling. Many of these units seek variances from some Planning Code requirements such as open space, rear yard, and exposure. In the past ten years (2005-2015), over 700 have been added to existing residential buildings through permits to add 1-5 unit additions to existing residential buildings. Of these, 74 of the units were added to properties where the density controls were lifted in 2008. Staff estimated over 37,000 parcels within the city that are eligible to add a unit while keeping the property within the development capacity of the lot.

Accessory Dwelling Unit Programs- The City has also allowed ADUs, addition of new units beyond density limits. To date the Department has received 72 applications under the seismic retrofit ADU program, totaling approximately 130 ADUs. These permits have proposed between one to five units in an existing building. Additionally, in District 8, the Department has received eight applications (for eight units) to date and only one application in District 1 (for one unit). Based on these numbers, the seismic retrofit program has been the most successful program in creating new ADUs. Reasons for the success of the seismic retrofit program compared to D3 or D8 could include that:

- a) buildings undergoing soft story seismic retrofitting are generally multi-unit buildings with commercial property owners who are more savvy and up to date on new city rules;
- b) these buildings are also already required to undergo construction for seismic retrofitting and addition of ADUs can help offset those costs;
- c) these buildings by definition have soft story on the ground floor which usually includes storage or parking space that can more easily be converted to ADUs; and
- d) there is no cap on how many ADUs can be added to a building.

Property owners can maximize the use of available space to build new ADUs and maximize their future revenue.

From the ADU applications received to date, the majority have been proposed as a one-bedroom or studio unit, with the one-bedroom being over twice prevalent as studios. The average size of the proposed ADUs was just under 600 sq. ft. About half of the applications use spaces from existing storage, or other unused space, and the other half use only garage or garage space combined with storage.

ADU Count	Bedroom	Average square footage	# of ADUs ¹²
Studio		373 ft ²	23
One bedroom		590 ft ²	59
Two bedrooms		743 ft ²	12
Three bedrooms		781 ft ²	8
Four bedrooms		1190 ft ²	1

BENEFITS OF ACCESSORY DWELLING UNITS

Infill strategy- Allowing ADUs within existing residential buildings is a pragmatic infill strategy to create more housing. This strategy is crucial for San Francisco’s housing market which is in the midst of a severe housing affordability crisis. First, adding apartments to existing, older housing stock primarily occurs on lots that are significantly underdeveloped or vacant. This addition does not reduce the number of existing units and ensures that the existing housing stock is more viable. ADUs allow more efficient use of land within our existing housing stock as the majority of the city’s residential properties are already developed and are unlikely to be redeveloped in near or long-term future. Second, this existing housing stock provides limited available rental housing to the market, as many of these buildings are also under rent control with a generally low turnover rate. Lastly, this infill strategy would create more apartments in the areas of the city without increasing building heights or altering the built form. Such residential infill could create additional homes for existing and future San Franciscans throughout the City.

Middle Income Housing- Despite the increase in development where currently about 7,000 units are under construction, the city’s rental market remains the most expensive in the nation. Median rent for a one-bedroom unit has been reported as high as \$3,590 by Zumper¹³ or \$3,400 by Paragon¹⁴, or as low as \$2,950 by Trulia¹⁵.

¹² These numbers add up to only 103 units while the Department has received application for 134 units to date. This is because bedroom count and size information was not available for all ADUs. Planning review of 31 ADUs has been completed at the time of this analysis which means that easy access to plans was not possible to derive information on bedroom counts and average unit size.

¹³ Zumper National Rent Report: March 2016, <https://www.zumper.com/blog/2016/03/zumper-national-rent-report-march-2016/> retrieved June 2, 2016

¹⁴ March 2016 San Francisco Real Estate Report, Paragon Real Estate Group, <http://www.paragon-re.com/3-2016-San-Francisco-Real-Estate-Report>, retrieved June 2, 2016

¹⁵ Real Estate Data for San Francisco, Trulia, http://www.trulia.com/real_estate/San-Francisco-California/market-trends/, retrieve June 2, 2016

ADUs are usually located on the street level, potentially behind the garage, or a side entrance, possibly low ceiling heights or less light exposure. In the Department's previous report on ADU programs in Districts 3 & 8, staff estimated that a one bedroom ADU would rent between \$2,600 to \$2900. The proposed Ordinance would expand the ADU program citywide. ADUs created in already more affordable areas of the city, outer-sunset, outer-Richmond, Excelsior, Ingleside, etc., could be expected to rent as low as \$1,700 for a one bedroom. Assuming that rent is affordable to a household if they are spending less than 30% of their gross income, such apartment would be affordable to a two-person household with a combined income of starting from \$68,000 to \$116,000 equivalent to 80% to 145% of AMI^{16,17}. For San Francisco, this income level represents moderate to middle-income households who are today, more than ever, feeling the pressure to leave the city for lower-rental markets in the Bay Area; therefore ADUs can serve this section of the population who are currently poorly served by the new development.

Flexibility in Lifestyle- For property owners the immediate purpose of building an ADU is creating additional revenue for the household. For a small property owner, adding an ADU at the current construction costs and rental market could break even in about 4 to 5 years. The additional revenue would support the household financially with an increase in their disposable income.

But ADUs can provide flexibility in lifestyle in many other ways. Families living together in one building, but independent units, could provide much needed support to each other. A young family with newborn children could significantly cut on childcare costs by having their parents living in an ADU in the same building. Similarly, households can provide care to their elderly parents or disabled family members if the care providers lived in an ADU only a flight of stairs away. A family can offer the ADU to their young adult children in college or after, to provide their needed independence while maintaining some financial support. Empty nesters can rent ADUs to international students, and build new connections, which would help both students and owners. A senior household can move into an ADU on their ground floor for easier accessibility (no stairs), and smaller space. They can then rely financially on renting the larger original unit while still staying in the same building and the same community.

ISSUES AND CONCERNS

Number of Accessory Dwelling Units per Parcel

Similar to previous Ordinances allowing ADUs, the proposed Ordinance would allow waivers from density limits. This waiver is a critical provision in these programs to create ADUs on lots where buildings are already at capacity or even beyond density limits¹⁸.

¹⁶ Area Median Income (AMI) is the dollar amount where half the population earns less and half earns more.

¹⁷ San Francisco Mayor's Office of Housing, *Maximum Rent by Unit Type: 2015*, <http://www.sf-moh.org/modules/showdocument.aspx?documentid=8829>

¹⁸ It is important to note that per the State law, an ADU in a single-family home would not need a waiver from density. This is because State law requires ADUs in single-family homes to not be counted towards density. San Francisco's existing ADU program and the proposed Ordinance go beyond the provisions of the State Law and therefore density waivers are needed.

Among the existing programs, the number of permitted ADUs per parcel varies as shown in Table below.

ADU Program	Building size Eligibility	Controls
Mandatory Seismic	Buildings of 5 or more units	No limit
Voluntary Seismic	Buildings of 4 or less units	No limit
District 8	All	One ADU for buildings with 10 or less units, and two ADUs for buildings of more than 10 units
District 3	All	One ADU for buildings with 4 or less units, and no cap for buildings with more than 4 units

The proposed Ordinance reflects the controls in District 8-- the most restrictive among all the existing programs. This new proposal, will substantially restrict the existing programs, and especially the ADUs under the soft story seismic retrofitting program. In a review of the existing permits under review, the Department found that a total of 68 units are in projects that would not be permitted under the current proposal. Specifically, this ordinance would prohibit:

- a) 35 units (10 projects) where the number of proposed ADUs are three or more, and
- b) 33 units (15 projects) in buildings with 5 to 10 units where two ADUs are being proposed.

Removing a numerical cap on number of ADUs permitted would better align with the City's more recent policies on density controls. The City's most recently updated land use controls regulate number of units per parcel through height, bulk, form, quality of life requirements, as well as minimum bedroom counts. State law already controls minimum bedroom size, minimum unit size, and number of people per bedroom, addressing health and safety issues. The new land use controls therefore avoid double regulating the number of people living in each parcel. Reflecting on these policies adopted by this Commission and the Board of Supervisors, the cap on number of ADUs in the proposed Ordinance could unnecessarily restrict the efficient use of existing unused space and limit the production of new units. At the same time, in neighborhoods where buildings are smaller scale, allowing an unlimited number of ADUs in each lot could change the neighborhood character. To strike a balance, number of ADUs can be limited in buildings of smaller scale, and unlimited in buildings of larger scale. In consideration of previous Ordinances, the Commission had proposed using 5 unit buildings as a threshold to define large scale buildings.

Waivers from Quality of Life Controls

Similar to the current ADU controls in the Code, the proposed Ordinance allow ADUs to obtain waivers from certain quality of life controls in the Planning Code. The Building, Fire, Housing, and Planning Codes all regulate quality of life standards in housing units in order to ensure

habitability of residential units. While earthquake and fire safety measures along with access to light and air standards represent the minimum life and safety standards, the Planning Code requirements regarding open space, exposure, and parking define the quality of life beyond minimum habitation standards. Historically, applications for adding a unit in areas that are already allowed sought variance from some of the Planning Code requirements such as open space, rear yard, exposure, and parking. The existing ADU programs provide complete or partial waivers from these requirements:

- **Rear Yard-** The rear yard waiver is only used in cases where an ADU is being proposed in an existing auxiliary structure that is non-conforming to the rear yard requirements. These buildings were built prior to establishment of rear yard requirements.
- **Exposure-** New ADUs can apply for partial waiver from the exposure requirements of the Planning Code. Exposure requirements contribute significantly to quality of life as they regulate light and air into residential space. The Building Code regulates the size of windows, while the Planning Code regulates the size and quality of the open area to which the windows face. Generally, the Planning Code requires this open area to be 25' in every direction and expand vertically. A dwelling unit may also satisfy exposure requirements by facing a street or complying rear yard. The ADU programs allowed this open area to be reduced to 15 feet in every direction. Allowing flexibility in the size of the open area would not harm livability of ADUs and may be critical to ensuring these units are built.
- **Parking-** The existing ADU programs provide waivers from parking requirements which facilitates ADUs in two ways: First, it allows removing an existing required parking space to provide space for an ADU. Second, if two or more ADUs are proposed on a lot, the parking requirement can also be waived. It is important to note that currently, the Planning Code does not require parking space if only one unit is being added to an existing building. In a typical new construction project, an average cost of a podium parking spot has been reported nearly \$30,000 per space¹⁹. In the case of new ADUs, while this cost can be lower due to the existing structure, maintaining a parking requirement for these units may render new ADUs as infeasible. These waivers also align with the new proposals under the Assembly bills described earlier in this report. The recent proposed changes in State law would also relax parking requirements that jurisdictions can impose on ADUs.

Restrictions on Space Used

The current ADU programs provide strict regulations on what types of spaces can be used for ADUs in two major ways: protecting existing units and preventing the expansion of the building envelope. The proposed Ordinance would maintain these two restrictions:

- a) **Space from exiting residential units cannot be used.** This restriction aims to preserve the existing housing stock in terms of unit size. Department analysis shows that the newly built housing is generally smaller than the existing housing stock and has less

¹⁹ Seifel Consulting Inc, Inclusionary Housing Financial Analysis, December 2012, Report prepared for San Francisco Mayor's Office of Housing, page 15.

number of bedrooms. Existing housing stock is also more affordable compared to similar types of units, in terms of unit size or bedroom counts, newly developed. Prohibiting ADUs to use space from existing units would help prevent losing our larger housing stock, and dividing up larger units into smaller ADUs. This would help protect the City's existing housing stock.

b) ADU is limited to the exiting built envelope of the residential building. This restriction has been a significant factor in limiting the production of units under the current ADU programs. It aims to protect the built form and maintain the mid-block open space. It also may be unique to San Francisco, as other cities staff reviewed with ADU policies have not been using this physical restriction. While San Francisco is a denser city than other California cities, San Francisco does allow limited building expansions. It seems contradictory to allow the expansion of a building where no new unit is produced but to prohibit an expansion of the same size when a new dwelling unit is produced.

Given that the proposed Ordinance expands the ADU program to the entire city, this issue should be carefully considered. In some areas of the City, the built form consists of large private open spaces with small building footprints. Limiting the ADU to the existing built envelope in these lots could render adding an ADU infeasible. Residents in these areas of the City also rely more heavily on driving and converting their parking space to an ADU may not be a viable option. About 60% of lots with a residential building are more than 45% open, and about 25% of lots are more than 60% open (more than 45%, or 60% of each lot is open and not developed, respectively). Portions of these open areas that are currently in the buildable envelope of the lot could already be expanded on. The Department receives many applications annually that expand the building, to add a bedroom, create a deck, or additional habitable space. When reviewing these applications, staff considers the effects on adjacent properties, as well as the collective "mid-block open space": the aggregate of private open spaces in each city block, usually divided up by 10 foot tall wooden fence at property line, providing residents with light, air, visual relief and a psychological comfort zone. The mid-block open space, if landscaped, can also provide habitat for birds and other animals, enriching the City's biodiversity and wellbeing.

Applications for expansion of a building are generally subject to Neighborhood Notification pursuant to Planning Code Sections 311 and 312. Additionally, expansions over a certain threshold are also reviewed by the Department's Residential Design Team (RDT). RDT reviews these projects and generally requires modifications to the rear yard expansions to minimize light and privacy impact on the adjacent properties, as well as the mid-block open space. This existing comprehensive due process justifies allowing ADUs to also use space from the buildable envelope, so long as the strict conditions currently exercised are met.

The proposed Ordinance would add a new restriction:

c) **Prohibit use of space from an existing retail space in certain Neighborhood Commercial Districts:** This prohibition aims to protect small businesses from competing with the currently booming residential market. In most cases, a commercial tenant is

more appealing to the owner than a residential tenant, especially since commercial tenants are not subject to rent control. However, in cases where a small business is struggling, this prohibition removes another factor that could aggravate the competition for commerce on our major neighborhood commercial corridors.

Restrictions on Use of Accessory Dwelling Units for Short-term Rentals

Currently, the short-term rental controls in the City require resident occupancy for the unit that would be used as short-term rental. If a property owner adds an ADU, in order for the property owner to rent the unit for short-term rentals legally, the property owner would have to use the unit as their permanent residence. Alternatively, if the property owner rents the ADU as a standard rental unit (long-term), then only the tenant can apply for short-term rental of the unit. The proposed Ordinance would ban use of ADUs for short-term rentals entirely, either for the property owner, or the potential long-term tenant. The purpose of this prohibition rests in the two-fold concern that 1) ADUs are susceptible to being used as short-term rentals instead of long-term rental and 2) it has been difficult to enforce the existing laws regulating short-term rentals. While the existing controls already limit the property owner's use of ADUs for short-term rentals, owners may still use the ADUs as short-term rentals unlawfully. The proposed Ordinance would create a strict blanket prohibition that would render ADUs ineligible to register for short-term rental. This prohibition would help protect ADUs for the fundamental purpose of adding units to the City's housing stock for long-term rental.

Restrictions for Subdivision and Sale

The proposed Ordinance would also prohibit subdivision and independent sale of ADUs. Most ADU applications the Department has received to date are located in larger sized rental buildings (5 or more units). These buildings are generally not eligible for subdivision and individual sale of the unit per Article 9 of the Subdivision Code and recent changes in 2013 to this law²⁰. The proposed Ordinance would expand where ADUs are allowed to the entire city. With this prohibition in place, if an ADU is added to a single-family home, the owner would not be able to sell the original single-family or the ADU as separate units. This may create a disincentive for single-family homeowners to build ADUs. Additionally, while condominium buildings are less likely to add an ADU due to their ownership structure, the Department has received a few applications for ADUs in condominium buildings. These ADUs are likely to be built for future subdivision and sale. The proposed Ordinance would remove the option for sale of an ADU in a condominium building which would further disincentivize ADUs in those buildings.

Additionally, the home sales market in San Francisco has been among the top two most expensive markets in the nation. While the rental market in the City has been notoriously also

²⁰ These changes suspended the annual condominium conversion lottery. The current eligibility criteria for subdivision and condominium conversion include: a) only two-unit owner-occupied buildings, b) buildings that lost the lottery 2012 or 2013, or buildings owned as Tenancy in Common as of April 15, 2013.

unaffordable to a large proportion of population, the sales market is unaffordable to a much larger population. An analysis of sales data in San Francisco between May 2014 to May 2015 indicates that a majority of the sales options are affordable to households earning at least more than 200% of the Area Median Income²¹. ADUs would have the potential to offer homeownership opportunities to households of moderate or middle income, given that the physical characteristics of the unit would mean lower sales prices compared to an average newly constructed unit.

Restrictions on Merging ADUs

The proposed Ordinance prohibits merger of ADUs to other units in the building. Effective on April 10, 2016, the Planning Code requires Conditional Use Authorization (hereinafter "CUA") to remove any unit, including unauthorized units. These recent changes impose the highest level of scrutiny for removing units through merger, demolition, or conversion. The controls apply to Unauthorized Units, which are very similar to ADUs in physical and use characteristics. This means that similar to all other housing units, if a property owner files an application to merge an Unauthorized Unit to the original unit, a CUA process is required. The Planning Code provides flexibility based on, among other factors, whether or not the unit is currently rented, or whether the proposed use is for growing the household in the original unit. For an ADU, it is also possible that the property owner's needs and lifestyle may change in near or far future which would warrant a merger. It would be unjustified to not provide the opportunity for mergers to ADUs while other housing units including Unauthorized Units maintain that right.

Restrictions on Eviction History

Parallel with the recent housing boom in San Francisco, evictions have also been increasing significantly. Local and State policy-makers have been seeking solutions to curb evictions, especially non-warranted evictions. One strategy San Francisco has been to withdraw certain rights and privileges from properties that have undergone certain no-fault evictions. In 2013, two Ordinances were passed that incorporated this strategy. Ordinance 286-13 allowed expansion of existing non-conforming residential housing units. However, this opportunity is not provided to properties that have an eviction history for: condo conversion, demolition, temporary evictions for capital improvements, substantial rehabilitation, Ellis Act withdrawals, temporary eviction due to lead remediation, and owner move-in evictions. Similarly, Ordinance 287-13, revoked the right to merge or the City passed another Ordinance that prohibited mergers in buildings with the same eviction history as Ordinance 286-13. To avoid punitive treatment of property owners without knowing that certain rights will be taken away as a result of exercising lawful evictions, these two Ordinances apply the prohibition prospectively rather than retroactively. Both Ordinances provide a timeline for the eviction history, which starts with the effective day of the Ordinance and spans for ten years before the permit application date for all evictions except for owner move-in eviction, which spans for five years only. For the temporary evictions, the two

²¹ SF Planning Department Housing Database, created summer 2015 based on data scraping, as well as data from the Assessor's Office

Ordinances also exempt buildings from the prohibition if the units was either offered to or reoccupied by the tenant subsequent to the improvements.

The proposed Ordinance also uses this similar strategy in not providing the opportunity to build an ADU if the building maintains a history of evictions types similar to the ones in Ordinance 286-13. However, the proposed Ordinance applies this prohibition retroactively rather than prospectively: the timeline for the eviction history spans for ten years prior to the application permit date (and five years for owner move-in) independent of when this prohibition went into effect. An eviction that may have occurred eight years ago in a building that has been sold three times since the eviction would not be able to build an ADU. By retroactively applying this requirement, new owners may be unduly penalized for the actions previous property owners many years before. The proposed Ordinance also does not exempt buildings from the prohibition, where the unit was offered to re-occupied by the tenant subsequent to a temporary eviction.

Application of Rent Control Regulations

San Francisco Residential Rent Stabilization and Arbitration Ordinance²² (Rent Control Law) regulates the existing housing stock in San Francisco, establishing rent increase constraints for rental units in residential buildings built prior to 1979. The Rent Control Law also protects the tenants residing in these units against no-fault evictions, restricting evictions of these tenants to only fourteen specified just causes. Similar to the previous ADU Ordinances, the proposed Ordinance also requires that any new ADU constructed in a building with units currently subject to rent control would also be subject to rent control, if the ADU is granted complete or partial waivers of the Planning Code requirements.

This change has created the opportunity to increase the approximately 170,000 units currently protected under Rent Control²³. Similar to the existing ADU program, these controls would apply the annual rent increase limits to new ADUs at a regulated reasonable rate—helping to ensure tenants won't become priced out of their unit during an economic upturn. The rent stabilization strategy of the City's rent control law limits the amount that the rent can be increased in rent-controlled units, stabilizing rental prices for the tenants of such units, especially during economic booms like the one we are currently in.

The Planning Code already outlines the procedure through which an ADU would legally be subject to the Rent Control law. This procedure includes an agreement between the City and the property owner that would waive the unit from the Costa Hawkins Act, a State law that prohibits municipal rent control ordinances for buildings built after 1995. Under the Costa Hawkins Act, for buildings built after 1995, the property owner may establish the initial and all subsequent rental rates. This agreement represents a condition for permitting an ADU, which is also being used when on-site inclusionary rental units are provided within a project. The proposed

²² Chapter 37 of the Administrative Code.

²³ San Francisco Rent Board. <http://www.sfrb.org/index.aspx?page=940> Retrieved on 6/2/16.

Ordinance further clarifies this agreement and creates a title for this agreement, called "Regulatory Agreement."

Feasibility of Accessory Dwelling Units

Adding an ADU within an existing building requires existing uninhabited space, typically on the ground floor, usually a garage or storage space. Such space is not always available in San Francisco buildings, especially the older buildings without any garage. Other owners may not favor removing garage spaces to add an apartment. Other factors can also prohibit owners from deciding to add a unit: lengthy and complex permitting process, lack of familiarity with the construction process, costs of construction, lack of interest for managing a rental apartment, and so forth.

Based on these challenges, unit additions are not very common in San Francisco, despite the already existing vast potential for adding units within existing buildings throughout the city. Over 37,000 parcels²⁴ can add at least one unit within the allowable density in residential buildings in San Francisco. However, the Department receives unit additions permits for only a very small fraction of that each year. Since 2014 when the two ADU programs were established, only three applications have been received: two ADUs in the Castro and one in a seismic retrofit program.

To encourage more ADUs, the Department has recently published an ADU handbook developed by a consultant. It is the Department's hope that this handbook will help guide and encourage homeowners that may have the ability to add an ADU to their building. This handbook includes six prototypes of adding a unit to an existing building and summarizes the City regulations that govern such permits. This handbook also includes cost analysis for adding a unit to a building. It found that on average an ADU could cost from \$150,000 to \$200,000. While this cost could make adding a unit financially infeasible to many, it indicates that with some investment a property owner could add a unit to their building that would pay for itself within about five years.

Given many factors contributing to the feasibility of an ADU, it is uncertain how many ADUs could potentially result from the proposed Ordinances. Despite this, staff used a methodology to approximate such a number for purposes of the environmental review (see Exhibit B and the Addendum to the Housing Element EIR). ADUs resulting from the proposed Ordinance would be added incrementally and spread out in different residential blocks.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

²⁴ This number includes density controlled lots that are underbuilt by at least one unit to a maximum of five units, as well as residential lots without density controls throughout the city; it does not include the ADUs allowed beyond the density limits per the new Ordinances since 2014.

RECOMMENDATION

The Department recommends that the Commission recommend *approval with modifications* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The proposed modifications are as follows:

1. Remove the cap on number of ADUs allowed per lot in mid to large sized buildings (5 or more units) and maintain a one ADU per lot cap for smaller buildings (less than 5 unit).
2. Allow one ADU to be built in new construction of small-sized residential buildings (Less than 5 units). Require that in new construction the smallest unit be designated as ADU.
3. Modify definition and controls of ADUs to allow using space in the buildable envelope, while limiting this expansion to the ground floor only.
4. Clarify that "existing built envelope" includes spaces that can be filled in without notification as listed in the Zoning Administrator Bulletin No.4 that are exempt from the notification requirements of the Planning Code.
5. Subject the merger of ADUs to the same controls regulating the merger of Unauthorized Units.
6. Allow ADUs to be subdivided and sold separately.
7. Apply the prohibition on adding ADUs within buildings with an eviction history prospectively, and exempt buildings with temporary evictions where the unit has been offered to or re-occupied by the tenant.
8. Modify the provision in Section 207(c)(4)(vi)(c), allowing a building to be raised 3 feet, to refer to the correct Building Code (Chapter 34) that requires full seismic retrofitting and not the soft story retrofitting(Chapter 34B). Clarify that this height increase is exempt from the existing built envelope limitation for ADUs in those eligible buildings.

BASIS FOR RECOMMENDATION

The Department strongly supports the proposed Ordinance to expand the ADU program citywide in San Francisco. This is a strategy that has recently been further promoted and encouraged by many small and large cities in the Bay Area, California, as well as other states and even internationally. ADUs represent one housing strategy among many that the City is promoting to facilitate a variety of housing options. This strategy would create potential to add new homes to properties that otherwise would not have any development potential, efficiently using unused space on properties with existing residential buildings as a resource to provide more housing.

ADUs are usually located on the ground floor in space that was previously used for parking or storage, and as a result typically have lower ceilings heights. These units will also likely have less light exposure due to smaller windows or windows facing smaller open areas, and side entrances due to location of the unit on the lot. Such subordinate characteristics of ADUs result in lower rents compared to the rental rates of a unit in a newly developed building. Further, the lower rents would accommodate populations that are not adequately being served by the market: younger households; small families, senior and elderly individuals and so forth.

The following is the basis for each of the Department's recommended modifications:

1. Remove the cap on number of ADUs allowed per lot in mid to large sized buildings (5 or more units) and maintain a one ADU per lot cap for smaller buildings (less than 5

units). Among the ADU programs currently available in San Francisco, ADUs in buildings undergoing seismic retrofitting have been the most common type of ADU permits the Department has received. Buildings eligible for the mandatory seismic retrofitting are suitable candidates for new ADUs: the property owner already has to undertake construction, and new units would help offset the costs. Under this program, there is no limit on how many ADUs can be added on a lot so long as other physical controls are met and applicable Planning Code requirements. While the applications for ADUs under the soft story seismic program include on average less than two-units per building, some buildings propose up to 5 ADUs per lot. Currently, there are 68 ADUs under review in projects that proposed either more than two ADUs or propose two ADUs in buildings of 5-10 units. These 68 ADUs would not be lawful per the controls in the proposed Ordinance. Imposing a cap of two ADUs per building would not allow efficient use of available space in buildings. The proposed recommendation would maintain a cap of one ADU in smaller buildings (4 or less units) to preserve the smaller scale character of the building. For large buildings (5 or more units), the number of ADUs would remain limited by the available space on the ground floor, as well as the Building and Planning Code requirements (means of egress, exposure, bike parking, etc.).

2. **Allow one ADU to be built in new construction of small-sized residential buildings (Less than 5 units). Require that in new construction the smallest unit be designated as ADU.** This modification would provide an opportunity to property owners to add one unit when demolishing and replacing a building or in new construction on vacant lots. When application of demolition and replacement of a single family home is filed with the Department, this provision would allow the owner to provide an ADU as well as a part of their new construction. In cases of demolition and new construction, the Department has been encouraging maximizing density. Expanding this option to include an ADU would help add to the City's housing stock within the existing built context even in areas of the city that have restrictive zoning controls. Specifying provisions on which unit should be designated as ADU in new construction (smallest unit in the building) would help in future permit documentation.

3. **Modify definition and controls of ADUs to allow using space in the buildable envelope, while limiting this expansion to the ground floor only.** The proposed Ordinance constricts space that can be used to convert to ADUs in a variety of ways: a) No space from existing residential units; b) No space from existing retail; c) Limit to existing built envelope. Making additional space available for ADUs would further advance the potential of the ADU program. The first two limitations help stabilize existing housing stock and small businesses, respectively. The ADU Ordinance proposed by Supervisors Farrell and Wiener would allow limited use of space from existing retail (no more than 25%). The Department supports this recommendation to allow use of retail space especially where a business maintains excess space. The third limitation aims to protect the private open space on the lot; however, this open space can already be used to expand the existing unit. About 60% of lots have more than 45% of the area open and undeveloped. The Department has received over 1000 permit to expand the building in rear over the past decade. It seems contradictory to allow the expansion of a building where no new unit is produced but to prohibit an expansion of the same size when a new

dwelling unit is produced. This recommendation would provide more flexibility in terms of space that could be converted to an ADU. It would also help areas of the city which have less access to transit in maintaining their parking space while adding an ADU. The recommended modification would also limit this expansion to the ground floor only to minimize the effects on the built form, and adjacent properties. Neighborhood notification and RDT review would remain applicable for these expansions.

4. **Clarify that “existing built envelope” includes spaces that can be filled in without notification as listed in the Zoning Administrator Bulletin No.4 that are exempt from the notification requirements of the Planning Code.** If ADUs are limited to the existing built envelope, staff proposes this recommendation. Currently space under the bay windows, cantilevered room, etc. can be filled in without notification per the Zoning Administrator Bulletin Number 4. The recommendation would allow ADUs to be expanded into these spaces, which would help make ADUs possible that are otherwise infeasible due to exposure or other code requirements.
5. **Subject merger of ADUs to the same controls regulating merger of Unauthorized Units.** Recent legislation subjects merger of Unauthorized Units to CUA authorization. Merger controls for ADUs should reflect the controls for Unauthorized Units since these units are similar in terms of physical or use characteristics.
6. **Allow ADUs to be subdivided and sold separately.** Prohibiting ADUs from subdivision could deter condominium buildings, or single family homes from adding ADUs. Property owners of these types of buildings are more likely to sell the ADU, either subsequent to construction or in the future. Additionally, ADUs are generally smaller, with limited light access, and uncommon layouts. As such ADUs can fill an unmet need in the sales market for more affordable homeownership opportunities.
7. **Apply the prohibition on adding ADUs in buildings with an eviction history prospectively, and exempt buildings with temporary evictions where the unit has been offered to or re-occupied by the tenant.** The proposed Ordinance would apply prohibition of ADUs in buildings with certain no-fault eviction history retroactively rather than prospectively. This prohibition seems an unjust punitive measure for owners who exercised lawful evictions without knowing that their building would be withdrawn from certain rights and privileges. If this prohibition is applied only after enactment of the law, it would clearly be a disincentive to future evictions. Additionally, in case of temporary evictions, if the tenant has reoccupied the unit subsequent to the improvements, or that they owner has offered the unit back to the tenant, it seems unjustified to still withdraw the buildings from the opportunity to add an ADU.
8. **Modify the provision in Section 207(c)(4)(vi)(c), allowing a building to be raised 3 feet, to refer to the correct Building Code (Chapter 34) that requires full seismic retrofitting and not the soft story retrofitting(Chapter 34B). Clarify that this height increase is exempt from the existing built envelope limitation for ADUs in those eligible buildings.** Currently Section 207(c)(4)(vi)(c) of the Code refers to Chapter 34(B) of the Building Code regarding where a building can be raised 3 feet when undergoing seismic retrofitting. Chapter 34(b) discusses soft story seismic retrofitting which does not actually allow the three foot height increase. This provision is allowed in Chapter 34 of the

Building Code which discusses *full* seismic retrofitting of a building (on all floors). Staff recommends correcting this reference so that it would not be tied to the *soft story* seismic retrofitting but to full seismic retrofitting per Chapter 34.

ENVIRONMENTAL REVIEW

The proposed ordinance is covered under an Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report (Case No. 2016-004042ENV), pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any comments about this Ordinance.

RECOMMENDATION: Recommendation of Approval with Modification

Attachments:

- Exhibit A: Draft Planning Commission Resolution for BF No. 160252
- Exhibit B: Potential Number of New ADUs
- Exhibit C: Addendum to the 2004 and 2009 Housing Element EIR (to be delivered separately)
- Exhibit D: Draft Ordinance [Board of Supervisors File No. 160252]
- Exhibit E: Draft Ordinance [Board of Supervisors File No. 160657]

160252

Member, Board of Supervisors
District 3



City and County of San Francisco

AARON PESKIN
佩斯金 市參事

June 28, 2016

London Breed, President
Members of the San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File No. 160252 – Citywide ADU Legislation

Dear President Breed and Colleagues:

The discussion and debate around Accessory Dwelling Units (“ADUs”) – or, as they have been referred to in previous eras, “in-law” or “secondary” units – has been going on for decades in our City. Supervisors Hallinan and Tang attempted to legalize the many thousands of these existing units long before I attempted to incentivize the creation of more secondary units at the outset of my first term in office in 2002.

I was pleased to see that strides have been made since 2002, including successful legislation in Districts 8 and 3 to create a legal framework for the construction of new Accessory Dwelling Units in those districts. In March of this year, I introduced the next step forward in expanding that legal framework to the entire City and County of San Francisco. In doing so, my proposal for citywide ADUs built upon Supervisor Wiener’s District 8 legislation, which in turn built on many other legislators’ previous efforts.

Subsequently, on May 31, 2016, months into the legislative process on my proposal and a mere two weeks before the item was scheduled to be heard by the Planning Commission, Supervisors Farrell and Wiener introduced an alternative ADU proposal absent any courtesy of consultation with my office. While I sincerely appreciate our Board’s general spirit of civility and collegiality, candidly these actions were far from civil or collegial. And while my colleagues’ legislation purports to create even more new rent-stabilized housing, the irony is that in taking my cues from the more restrictive thresholds in Supervisor Wiener’s District 8-specific legislation, I did so out of deference to the stakeholders in District 8 and in the interest of arriving at a consensus piece of legislation.

I was further disturbed when Supervisors Farrell and Wiener, along with President Breed and Supervisor Cohen, submitted their signatures to place that parallel ADU legislation on the November 2016 ballot, despite entreaties to work through our relatively minor (though not insignificant) differences and pass citywide ADU legislation through the legislative process.

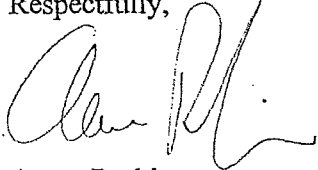
London Breed
June 28, 2016
Page Two

In light of the overwhelming similarity between these ostensibly “competing” pieces of legislation, I fundamentally believe that it is our job to resolve our differences with respect to citywide ADU legislation in the legislative arena – in the Board Chambers. I believe that we can and should pass legislation in the due course of business in the month of July and to render this spurious misuse of the ballot moot. After all, it’s what we were elected to do.

To that end, I write to ensure that these items receive a timely hearing in front of the Land Use and Transportation Committee. And while I have every reason to expect that Chair Cohen will calendar these items for the July 11 regular meeting of said committee and have them heard as a Committee Report by the full Board on July 12, I am taking additional precautions to guarantee that the full Board has an opportunity to hear this legislation before the deadline to withdraw unnecessary items from the ballot.

Thus, out of an abundance of caution, and in the interest of having the file submitted to the full Board of Supervisors for a first reading on July 19, I will introduce a motion today, June 28, pursuant to Board Rule 3.37 to have this matter returned to the full Board and heard as a Committee of the Whole at the July 19 regular meeting of the Board of Supervisors.

Respectfully,

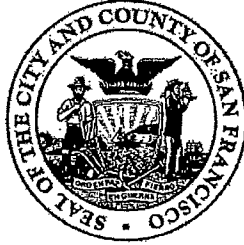


Aaron Peskin

Cc:

Angela Calvillo, Clerk of the Board of Supervisors

BOARD of SUPERVISORS



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

March 23, 2016

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On March 15, 2016, Supervisor Peskin introduced the following legislation:

File No. 160252

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of "rental unit" as it applies to ADUs; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. 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

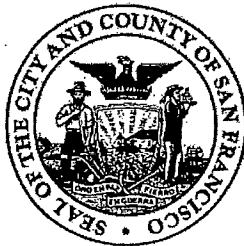
A handwritten signature in cursive script, appearing to read "A Ausberry".

By: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis

AnMarie Rodgers, Legislative Affairs
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



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

March 23, 2016

File No. 160252

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Jones

On March 15, 2016, Supervisor Peskin introduced the following proposed legislation:

File No. 160252

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of "rental unit" as it applies to ADUs; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

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 "A. Ausberry".

By: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

3904

BOARD of SUPERVISORS



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

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

DATE: March 23, 2016

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 160252

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of "rental unit" as it applies to ADUs; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

No Comment

Recommendation Attached

3995
Chairperson, Small Business Commission

BOARD of SUPERVISORS



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

MEMORANDUM

TO: Tom Hui, Director, Department of Building Inspection
Robert Collins, Acting Executive Director, Rent Board
Olson Lee, Director, Mayor's Office of Housing and Community
Development
Tiffany Bohee, Executive Director, Office of Community Investment and
Infrastructure

FROM: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

DATE: March 23, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Peskin on March 15, 2016.

File No. 160252

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (ADUs, also known as Secondary or In-Law Units) on all lots in the City in areas that allow residential use; amending the Administrative Code to revise the definition of "rental unit" as it applies to ADUs; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings under Planning Code, Section 302; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development after adoption.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: andrea.ausberry@sfgov.org

c: Sonya Harris, Building Inspection Commission
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
Sophie Hayward, Mayor's Office of Housing and Community Development
Eugene Flannery, Mayor's Office of Housing and Community Development
Natasha Jones, Commission on Community Investment and Infrastructure

Claudia Guerra, Commission on Community Investment and Infrastructure

#160252

LN member
LN Clerk

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2016 JUL 11 PM 1:24

KATHRYN R. DEVINCENZI

ATTORNEY AT LAW

22 IRIS AVENUE

SAN FRANCISCO, CALIFORNIA 94118-2727

Telephone: (415) 221-4700

BY HAND

July 11, 2016

San Francisco Board of Supervisors
c/o Land Use and Transportation Committee
The Honorable Malia Cohen
The Honorable Aaron Peskin
The Honorable Scott Wiener
Room 250, City Hall
San Francisco, CA 94102

Re: Case Number 160252
Construction of Accessory Dwelling Units
Hearing Date: July 11, 2016/Agenda Item 8

The 2014 Housing Element of the General Plan does not support the proposed ordinance because it would have citywide application and the extensive community planning process required by the Housing Element has not occurred. Also, environmental review under CEQA has not occurred, and the EIR prepared for the 2009 Housing Element did not evaluate impacts of citywide zoning changes enacted without an extensive community planning process.

The City would act at its own risk if it were to approve the proposed ordinance relating to Accessory Dwelling Units because environmental review of the proposal under CEQA relies primarily on the adequacy of the Final Environmental Impact Report for the 2009 Housing Element (FEIR), and the legal sufficiency of that FEIR is now being considered by the California Court of Appeal and has not been finally decided. Addendum 4 to this FEIR purports to substantiate a determination of the Planning Department that no supplemental or subsequent environmental review is needed because the proposal was analyzed in that FEIR.

However, the 2004 Housing Element, which sought to apply various increased density policies citywide, was repealed after the Court of Appeal held that an environmental impact report was required before the City could adopt the general plan changes embodied in the 2004 Housing Element, and the Superior Court set aside the City's approval of the 2004 Housing Element policy changes. When the City later approved the 2009 Housing Element, the City repealed the 2004 Housing Element, so the 2004 Housing Element policy changes never passed environmental review. (See Ex. A, attached Ordinance No. 97-14, repealing 2004 Housing Element, p. 4, lines 9-10.) Page 3 of the Addendum 4 to the FEIR inaccurately refers to Policy 1.8 of the 2004 Housing Element, which was repealed and never passed environmental review. (Ex. B)

Land Use and Transportation Committee

July 11, 2016

Page 2

Policy 1.5 of the 2009 Housing Element, which was continued in the 2014 Housing Element, did not encourage secondary units on a citywide basis. 2009 Housing Element Policy 1.5 is to “Consider secondary units *in community plans* where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households....Within a community planning process, the City may explore where secondary units can occur without adversely affecting the exterior appearance of the building, or in the case of new construction, where they can be accommodated within the permitted building envelope” (Ex. C, p. 10, emphasis added)

2014 Implementation Measure 10 provides as follows that:

“At the initiation of any community planning process, the Planning Department shall notify all neighborhood organizations who have registered with the Planning Department on its neighborhood Organizations List and make continued outreach efforts will [sic] all established neighborhood and interest groups in that area of the city.” (Ex. C, p. C-3)

2014 Implementation Measure 11 provides as follows that:

“At the conclusion of any community planning process, the Planning Commission shall ensure that the community project’s planning process has entailed substantial public involvement before approving any changes to land use policies and controls.” (Ex. C, p. C-3)

With respect to the proposed ordinance, at page 4 of the Planning Commission Resolution No. 19663, the City admits that “This change in land use controls is not part of a traditional ‘community planning effort’ as the Planning Department would typically pursue.” (See Ex. D, excerpt attached) Therefore, the City cannot lawfully rely upon the FEIR for the 2009 Housing Element as environmental review under CEQA for the proposed citywide ordinance, as that EIR did not analyze impacts of citywide implementation of secondary units, and a community planning process relating to citywide implementation of secondary units has not occurred.

The proposed ordinance would have potentially significant impacts on land use character, zoning plans, density and neighborhood character that must be analyzed and mitigated in an environmental impact report pursuant to CEQA before this ordinance may lawfully be adopted.

In view of the attached July 5, 2016 *Business Insider* article discussing the end of the San Francisco housing boom, prudence dictates careful study of impacts of the “condo glut” before considering any measures designed to accelerate production of additional housing units. (Ex. E)

Thank you for your consideration of these matters.

Land Use and Transportation Committee

July 11, 2016

Page 3

Very truly yours,



Kathryn R. Devincenzi

Attachments:

Ex. A - Ordinance No. 97-14, repealing 2004 Housing Element, p. 4, lines 9-10

Ex. B - Page 3 of Addendum 4 to Environmental Impact Report

Ex. C - 2014 Housing Element, excerpts

Ex. D - Page 4 of Planning Commission Resolution No. 19663

Ex. D - *Business Insider*, San Francisco's housing bust is becoming 'legendary,' July 5, 2016.

EXHIBIT A

1 [General Plan - Repealing Ordinance No. 108-11 - Adoption of 2009 Housing Element]

2
3 **Ordinance amending the General Plan by repealing Ordinance No. 108-11 and adopting**
4 **the 2009 Housing Element; and making findings, including environmental findings,**
5 **Planning Code, Section 340, findings, and findings of consistency with the General**
6 **Plan, and the eight priority policies of Planning Code, Section 101.1.**

7
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
16 Be it ordained by the People of the City and County of San Francisco:

17
18 Section 1. Introduction. On March 31, 2011, pursuant to San Francisco Charter
19 section 4.105 and Planning Code section 340, the San Francisco Planning Commission
20 recommended to the San Francisco Board of Supervisors the adoption of the 2009 Housing
21 Element, an amendment to the San Francisco General Plan. On March 24, 2011, the
22 Planning Commission had certified the San Francisco 2004 and 2009 Housing Element
23 Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act
24 ("CEQA") (Public Resources Code section 21000 et seq.) in Planning Commission Motion
25 18307, adopted findings pursuant to CEQA in Motion 18308, and adopted the 2009 Housing
Element as an amendment to the General Plan in Resolution 18309. A copy of said
resolutions and motion are on file with the Clerk of the Board of Supervisors in File No.
140414.

1 In June 2011, in Ordinance 108-11, the Board of Supervisors adopted the 2009
2 Housing Element as the Housing Element of the San Francisco General Plan and adopted
3 findings pursuant to CEQA. A copy of said Ordinance is on file with the Clerk of the Board of
4 Supervisors in File No. 140414.

5 After the adoption of the 2009 Housing Element by the Board of Supervisors, an
6 association of neighborhood groups challenged in San Francisco Superior Court, among other
7 things, the adequacy of the final environmental impact report (FEIR) prepared for the 2009
8 Housing Element and the adequacy of the Board's findings under CEQA. On December 19,
9 2013, the Superior Court upheld the City's compliance with CEQA in all respects, except for
10 the FEIR's analysis of the alternatives required by CEQA and the CEQA Guidelines, and the
11 City's adoption of CEQA Findings. On January 15, 2014, the Superior Court ordered the City
12 to set aside its certification of the FEIR and the approval of the 2009 Housing Element and
13 related CEQA findings, revise the FEIR's alternatives analysis, and reconsider its previous
14 approvals.

15 Pursuant to the Court's order, the Planning Department prepared a revised alternatives
16 analysis and recirculated it for public review and comment. On April 24, 2014, the Planning
17 Commission rescinded Motion 18307, and certified the Final EIR including the revised
18 alternatives analysis in Motion 19121. A copy of said motion is on file with the Clerk of the
19 Board of Supervisors in File No. 140414. On April 24, 2014, the Planning Commission also
20 rescinded Resolution 18309 and Motion 18308, and reconsidered its approval of the 2009
21 Housing Element and adoption of CEQA Findings in light of the revised certified FEIR. As set
22 forth below, the Planning Commission continues to recommend the adoption of the 2009
23 Housing Element as the Housing Element of the San Francisco General Plan.

24 Section 2. Findings. The Board of Supervisors of the City and County of San
25 Francisco hereby finds and determines that:

1 (a) Pursuant to San Francisco Charter 4.105 and San Francisco Planning Code
2 Section 340, any amendments to the General Plan shall first be considered by the Planning
3 Commission and thereafter recommended for approval or rejection by the Board of
4 Supervisors. On April 24, 2014, by Resolution 19123, the Planning Commission conducted a
5 duly noticed public hearing on the General Plan amendment adopting the 2009 Housing
6 Element as the Housing Element of the San Francisco General Plan ("2009 Housing
7 Element"). A copy of the 2009 Housing Element is on file with the Clerk of the Board of
8 Supervisors in File No. 140414. Pursuant to Planning Code Section 340, the Planning
9 Commission found that the public necessity, convenience and general welfare required the
10 General Plan amendment, adopted the General Plan amendment and recommended it for
11 approval to the Board of Supervisors. A copy of Planning Commission Resolution No. 19123
12 is on file with the Clerk of the Board of Supervisors in File No. 140414.

13 (b) The Board finds that this ordinance adopting the 2009 Housing Element is, on
14 balance, in conformity with the priority policies of Planning Code Section 101.1 and consistent
15 with the General Plan as it is proposed for amendment herein, for the reasons set forth in
16 Planning Commission Motion No. 19122, and the Board hereby incorporates these findings
17 herein by reference.

18 (c) On April 24, 2014, by Motion No. 19121, the Planning Commission certified as
19 adequate, accurate and complete the 2004 and 2009 Housing Element Final Environmental
20 Impact Report, including the revised alternatives analysis ("Final EIR"), finding that the Final
21 EIR reflected the independent judgment and analysis of the City and County of San
22 Francisco, is adequate, accurate and objective, and that the content of the report and the
23 procedures through which the Final EIR was prepared, publicized and reviewed comply with
24 the provisions of CEQA, the CEQA Guidelines (14 Cal. Code Regs. Section 15000 et seq.)
25 and Chapter 31 of the San Francisco Administrative Code. A copy of the Final EIR and

1 Planning Commission Motion No. 19121 are on file with the Clerk of the Board in File No.
2 140414.

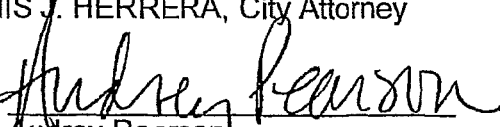
3 (d) In accordance with the actions contemplated herein, the Board has reviewed the
4 Final EIR, and adopts and incorporates by reference, as though fully set forth herein, the
5 findings required by CEQA, including a statement of overriding considerations and the
6 mitigation monitoring and reporting program, adopted by the Planning Commission on April
7 24, 2014, in Motion No. 19122. A copy of said Motion No. 19122 is on file with the Clerk of
8 the Board of Supervisors in File No. 140414.

9 Section 3. The Board of Supervisors hereby rescinds Ordinance 108-11, repeals the
10 2004 Housing Element, and adopts the 2009 Housing Element as the Housing Element to the
11 San Francisco General Plan.

12 Section 4. Effective Date. This ordinance shall become effective 30 days after
13 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
14 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
15 of Supervisors overrides the Mayor's veto of the ordinance.

16
17
18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA, City Attorney

20 By:


21 Audrey Pearson
22 Deputy City Attorney

23 n:\MandVi2014\120178\00913186.doc
24
25

EXHIBIT B

As discussed in the City's Housing Element, housing density standards in San Francisco have been traditionally set in terms of numbers of dwelling units in proportion to the size of the building lot. For the various zoning districts throughout the City, the San Francisco Planning Code ("Planning Code") limits the number of dwelling units permitted on a given lot. For example, in an RH-2 (Residential, House, Two-Family) District, two dwelling units are principally permitted per lot, and one dwelling unit is permitted for every 1,500 square feet of lot area with conditional use authorization. The 2004 and 2009 Housing Elements discussed the need to increase housing stock through policies that promote intensification of dwelling unit density on developed lots. As shown in Table 1: Housing Element Policies and Implementation Measures Related to ADUs, the following policies and associated implementation measures call for the creation of ADUs and were analyzed in the Final EIR:

Table 1: Housing Element Policies and Implementation Measures Related to ADUs

Policies and Implementation Measures	2004 Housing Element	2009 Housing Element	2014 Housing Element
Policies	<p>Policy 1.8: Allow secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower income households.</p>	<p>Policy 1.5: Consider secondary units in community plans where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.</p> <p>Policy 1.6: Consider greater flexibility in the number and size of units within established building envelopes in community plan areas, especially if it can increase the number of affordable units in multi-family structures.</p>	<p>Policy 1.5: Consider secondary units in community planning processes where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.</p>
Implementation Measures	<p>Implementation Measure 1.8.1: The Board has introduced Planning Code amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit.</p> <p>Implementation Measure 1.8.3 – Ongoing planning will propose Planning Code amendments to encourage secondary units where appropriate.</p>	<p>Implementation Measure 13: When considering legalization of secondary units within a community planning process, Planning should develop design controls that illustrate how secondary units can be developed to be sensitive to the surrounding neighborhood, to ensure neighborhood character is maintained.</p>	<p>Implementation Measure 13: When considering legalization of secondary units within a community planning process, Planning should develop design controls that illustrate how secondary units can be developed to be sensitive to the surrounding neighborhood, to ensure neighborhood character is maintained.</p>

EXHIBIT C



2014 HOUSING ELEMENT

SAN FRANCISCO
 SAN FRANCISCO
 GENERAL PLAN
 GENERAL PLAN

Lead Agency: Planning Department
Supporting Agencies: Office of Community Investment and Infrastructure, Office of Economic and Workforce Development, San Francisco Housing Authority
Funding Source: Maintain in annual Work Program
Schedule: Implement long range planning processes for:
 Cnadlestick/Hunters Point Shipyard
 Japantown
 Glen Park
 Parkmerced
 Transbay

9. Planning shall publish its work program annually, citing all community planning processes that are to be initiated or are underway. This annual work program shall be located on the Department's website after it is adopted by the Board of Supervisors.

Lead Agency: Planning Department
Funding Source: Annual Work Program
Schedule: Ongoing

10. At the initiation of any community planning process, the Planning Department shall notify all neighborhood organizations who have registered with the Planning Department on its Neighborhood Organization List and make continued outreach efforts will all established neighborhood and interest groups in that area of the city.

Lead Agency: Planning Department
Funding Source: Annual Work Program (part of outreach for community planning process budget)
Schedule: Implement at the beginning of every community planning process.

11. At the conclusion of any community planning process, the Planning Commission shall ensure that the community project's planning process has entailed substantial public involvement before approving any changes to land use policies and controls.

Lead Agency: Planning Commission
Funding Source: Annual Work Program (part of outreach for community planning process budget)
Schedule: Implement at the beginning of every community planning process.

12. Planning shall continue to require integration of new technologies that reduce space required for non-housing functions, such as parking lifts, tandem or valet parking, into new zoning districts, and shall also incorporate these standards as appropriate when revising existing zoning districts.

Lead Agency: Planning Department
Funding Source: Annual Work Program

Plan Area / Major Area	Estimated Net Housing Construction Potential
Balboa Park Area Plan	1,800
Market/Octavia Area Plan	6,000
Central Waterfront Area Plan	2,000
Mission Area Plan	1,700
East SOMA Area Plan	2,900
Showplace Square/Potrero Hill Area Plan	3,200
Rincon Hill Area Plan	4,100
Visitation Valley Redevelopment Plan	1,680
Transbay Redevelopment Plan	1,350
Mission Bay Redevelopment Plan	6,090
Hunters Point Shipyard/ Candlestick Point	10,500
Total Adopted Plans & Projects:	41,320
Executive Park	1,600
Glen Park	100
Parkmerced	5,600
Transit Center District	1,200
West SOMA	2,700
Treasure Island	8,000
Total Plans & Projects Underway:	28,844
TOTAL	70,164

* From individual NOP and EIR, rounded

POLICY 1.3

Work proactively to identify and secure opportunity sites for permanently affordable housing.

The City should aggressively pursue opportunity sites for permanently affordable housing development.

Publicly-owned land offers unique opportunity for development of affordable housing. The City should regularly review its inventory of surplus, vacant or underused public property, through an annual reporting process that provides such information to the Mayor's Office of Housing. Public property no longer needed for current or foreseeable future public operations, such as public offices, schools or utilities should be considered for sale or lease for development of permanently affordable housing. The City should ensure that future land needs for transit, schools and other services will be considered before public land is repurposed

to support affordable housing. Where sites are not appropriate for affordable housing, revenue generated from sale of surplus lands should continue to be channeled into the City's Affordable Housing Fund under the San Francisco Administrative Code Sections 23A.9 - 11.

The City's land-holding agencies should also look for creative opportunities to partner with affordable housing developers. This may include identifying buildings where air rights may be made available for housing without interfering with their current public use; sites where housing could be located over public parking, transit facilities or water storage facilities; or reconstruction opportunities where public uses could be rebuilt as part of a joint-use affordable housing project. Agencies should also look for opportunities where public facilities could be relocated to other, more appropriate sites, thereby making such sites available for housing development. For example, certain Muni fleet storage sites located in dense mixed-use or residential areas could be relocated, thereby allowing in-fill mixed use or residential development. The City should proactively seek sites for affordable housing development by buying developments that are no longer moving towards completion. This may include properties that have received some or all City land use entitlements, properties that have begun construction but cannot continue, or properties that have completed construction, but whose owners must sell.

POLICY 1.4

Ensure community based planning processes are used to generate changes to land use controls.

Community plans are an opportunity for neighborhoods to work with the City to develop a strategic plan for their future, including housing, services and amenities. Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate. Community plans also develop or update neighborhood specific design guidelines, infrastructure plans, and historic resources surveys, as appropriate. As noted above, in recent years the City has undertaken significant community based planning efforts to accommodate projected growth. Zoning changes that involve several parcels or blocks should always involve significant community outreach. Additionally zoning changes that involve several blocks should always be made as part of a community based planning process.

Any new community based planning processes should be initiated in partnership with the neighborhood, and involve the full range of City stakeholders. The process should be initiated by the Board of Supervisors, with the support of the District Supervisor, through their adoption of the Planning Department's or other overseeing agency's work program; and the scope of the process should be approved by the Planning Commission. To assure that the Planning Department, and other agencies involved in land use approvals conduct adequate community outreach, any changes to land use policies and controls that result from the community planning process may be proposed only after an open and publicly noticed process, after review of a draft plan and environmental review, and with comprehensive opportunity for community input. Proposed changes must be approved by the Planning Commission and Board of Supervisors at a duly noticed public hearing. Additionally, the Department's Work Program allows citizens to know what areas are proposed for community planning. The Planning Department should use the Work Program as a vehicle to inform the public about all of its activities, and should publish and post the Work Program to its webpage, and make it available for review at the Department.

POLICY 1.5

Consider secondary units in community planning processes where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.

Secondary units (in-law" or "granny units") are smaller dwelling units within a structure containing another much larger unit(s), frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors, people with disabilities and others who, because of modest incomes or lifestyles, prefer or need small units at relatively low rents.

Within a community planning process, the City may explore where secondary units can occur without adversely affecting the exterior appearance of the building, or in the case of new construction, where they can be accommodated within the permitted building envelope. The process may also examine further enhancing the existing amnesty program where existing secondary units can be legalized.

Such enhancements would allow building owners to increase their safety and habitability of their units. Secondary units should be limited in size to control their impact.

POLICY 1.6

Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings. However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density.

Within a community based planning process, the City may consider using the building envelope, as established by height, bulk, set back, parking and other Code requirements, to regulate the maximum residential square footage, rather than density controls that are not consistent with existing patterns. In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. In some areas, such as RH-1 and RH-2, existing height and bulk patterns should be maintained to protect neighborhood character.

POLICY 1.7

Consider public health objectives when designating and promoting housing development sites.

A healthy neighborhood has a balance of housing and the amenities needed by residents at a neighborhood level, such as neighborhood serving retail, particularly stores offering

EXHIBIT D

The proposed Ordinance would allow Accessory Dwelling units citywide in pursuit of goals to increase housing opportunities. San Francisco is in dire need for more housing due to high demand. Allowing ADUs in residential properties is an infill housing strategy and would provide one housing option among many options needed for San Francisco. This change in land use controls is not part of a traditional "community planning effort" as the Planning Department would typically pursue. However, the proposal emanates from an elected official who has done their own outreach. The Commission listened to the public comment and considered the outreach completed by the Board Member and finds that there is sufficient community support and compelling public goals in the interest of the neighborhoods and City, to warrant the undertaking of this change.

OBJECTIVE 7

**SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING,
INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON
TRADITIONAL MECHANISMS OR CAPITAL.**

POLICY 7.7

Support housing for middle income households, especially through programs that do not require a direct public subsidy.

ADUs are subordinate to the original unit due to their size, location of the entrance, lower ceiling heights, etc. ADUs are anticipated to provide a lower rent compared to the residential units developed in newly constructed buildings and therefore the proposed Ordinance would support housing for middle income households.

1. **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 impact on neighborhood serving retail uses and will not impact 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. The new units would be built within the existing building envelope and therefore would impose minimal impact on the existing housing and 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 and aims to create units affordable to middle income households. The ordinance would, if adopted, increase the number of rent-controlled units in San Francisco.

EXHIBIT E

BUSINESS INSIDER

San Francisco's housing bust is becoming 'legendary'



WOLF RICHTER, WOLF STREET
22H

The San Francisco housing bubble – locally called “Housing Crisis” – needs a few things to be sustained forever, and that has been the plan, according to industry soothsayers: an endless influx of money from around the world via the startup boom that recycles that money into the local economy; endless and rapid growth of highly-paid jobs; and an endless influx of people to fill those jobs. That’s how the booms in the past have worked. And the subsequent busts have become legendary:

The current boom has worked that way too. And what a boom it was. *Was* – past tense because it’s over. And now jobs and the labor force itself are in decline.



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Until recently, jobs and the labor force (the employed plus the unemployed who’re deemed by the quirks of statistics to be looking for a job) in San Francisco have been on a mind-bending surge. According to the California Employment Development Department (EDD):

- The labor force soared 15% in six years, from 482,000 in January 2010 to its peak of 553,700 in March 2016.
- Employment skyrocketed 23%, from 436,700 in January 2010 to its peak of 536,400 in December 2015. That’s nearly 100,000 additional jobs.

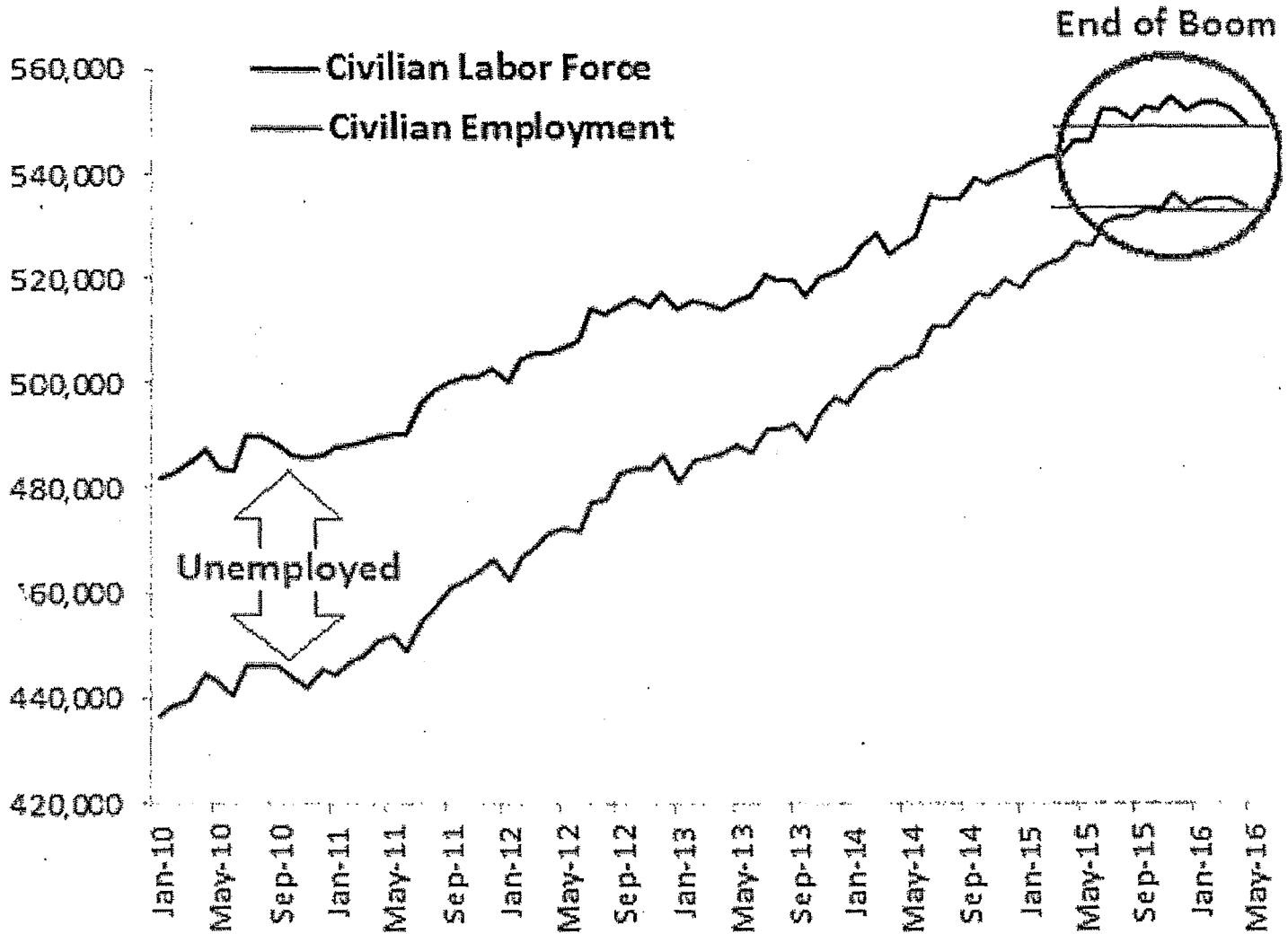
This increase in employment put a lot of demand on housing. Low mortgage rates enabled the scheme. Investors from around the world piled into the market. And vacation rentals have taken off. As money was sloshing knee-deep through the streets, and many of the new jobs paid high salaries, the housing market went, to put it mildly, insane.

But the employment boom has peaked. Stories abound of startups that are laying off people or shutting down entirely. Some are going bankrupt. Others are redoing their business model to survive a little longer, and they’re not hiring. Old tech in the area has been laying off for months or years, such as HP or Yahoo in Silicon Valley, where many folks who live in San Francisco commute to.

So civilian employment in May in SF, at 533,900, was below where it had been in December. The labor force in May, at 549,800, was below where it had been in July 2015. Some people are already leaving!

The chart shows how the Civilian Labor Force (black line) and Civilian Employment (red line) soared from January 2010. As employment soared faster than the labor force, the gap between them – a measure of unemployment – narrowed sharply. But now both have run out of juice:

San Francisco Labor Force & Employment Begin to Shrink



Source: California Employment Development Department

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During the dotcom bust, the labor force and employment both peaked in December 2000 at 481,700 and 467,100 respectively. Employment bottomed out at 390,900 in May 2004, a decline of over 16%!

The workforce continued falling long past the bottom of employment. SF is too expensive for people without jobs to hang on for long. Eventually, they bailed out and went home or joined the Peace Corp or did something else. And this crushed the SF housing market.

But by the time the labor force bottomed out in May 2006 at 411,000, down 15% from its peak, the new housing boom was already well underway, powered by the pan-US housing bubble. In SF, this housing bubble peaked in November 2007 and then imploded spectacularly.

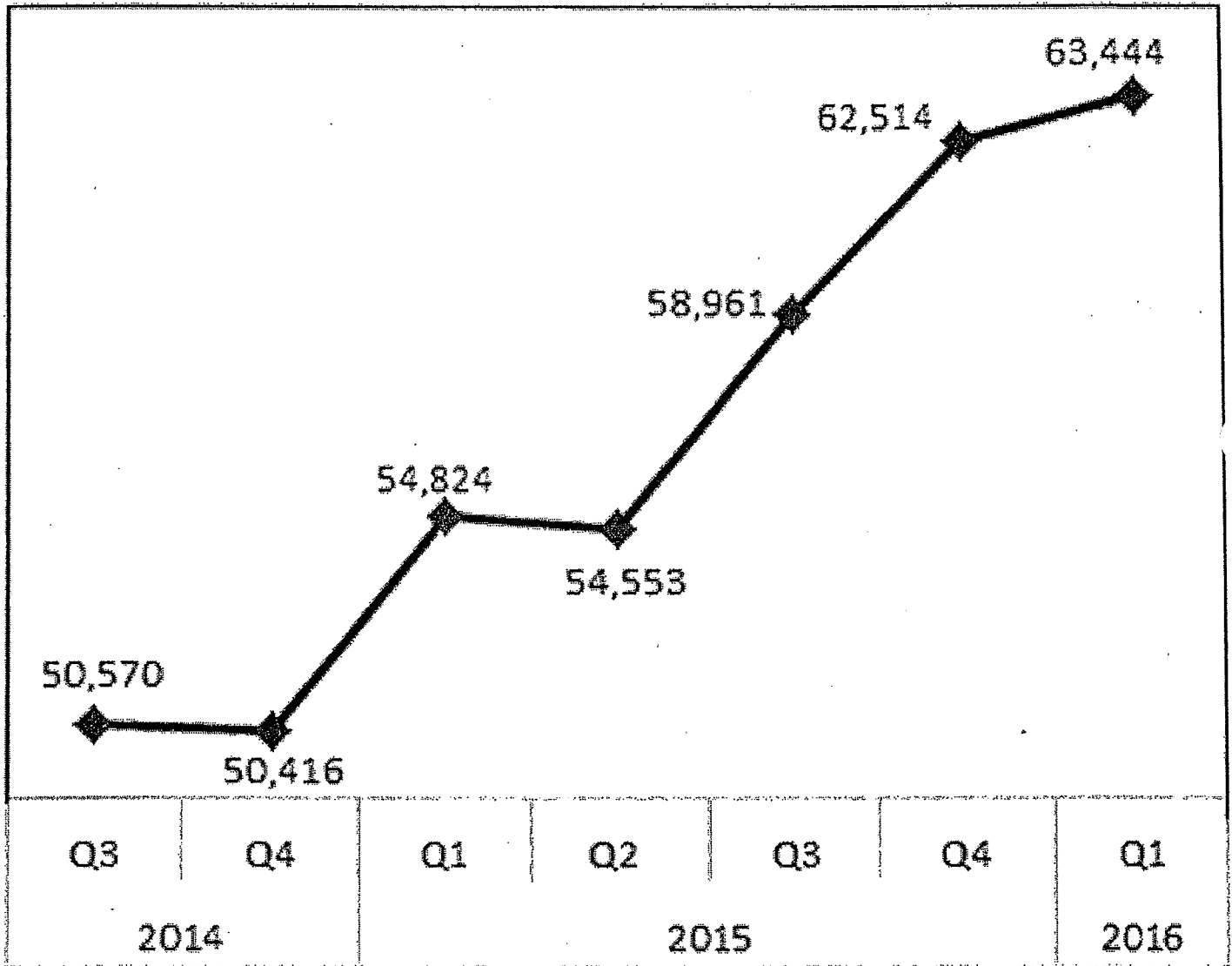
So now, even if employment in San Francisco doesn't drop off as sharply as it did during the dotcom bust, in fact, *even if employment and the labor force just languish in place*, they will take down the insane housing bubble for a simple reason: with impeccable timing, a historic surge of new housing units is coming on the market.

According to the SF Planning Department, at the end of Q1, there were 63,444 housing units at various stages in the development pipeline, from "building permit filed" to "under construction." Practically all of them are apartments or condos.

This chart shows that the development boom is not exhibiting any signs of tapering off. Planned units are entering the pipeline at a faster rate than completed units are leaving it; and the total number of units in the pipeline is still growing:

Housing Construction Boom in San Francisco

Housing units in the development pipeline



Source: SF Planning Department

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Many units will come on the market this year, on top of the thousands of units that have hit the market over the last two years. Once these 63,444 units are completed – if they ever get completed – they'll increase the city's existing housing stock of 382,000 units by over 16%.

If each unit is occupied by an average of 2.3 people, these new units would amount to housing for 145,000 people. This is in addition to the thousands of units that have recently been completed as a result of the current

construction boom, many of which are now on the market, either as rentals or for sale.

This surge in new, mostly high-end units has created an epic condo glut that is pressuring the condo market, and rents too, to where mega-landlord Equity Residential issued an earnings warning in June, specifically blaming the pressures on rents in San Francisco (and in Manhattan).

Manhattan's condo glut also has taken on epic proportions. Sales of apartments in the second quarter dropped 10% year-over-year, to the lowest since 2009. And condo prices plummeted 14.5% in 3 months. Ugly!

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