

**REVISED LEGISLATIVE DIGEST**

(Substituted 6/23/2020)

[Planning Code - Amendments to the Van Ness & Market Downtown Residential Special Use District]

**Ordinance amending the Planning Code to amend the Van Ness & Market Downtown Residential Special Use District, to encourage additional housing and uses that support neighborhood residents and businesses, and to give effect to amendments to the Market and Octavia Area Plan; amending Planning Code, Sections 145.4, 151.1, 155, 207.6, 249.33, 260, 261.1, 263.19, 270, 270.2, 309, 341.5, 401, 411A.5, 416.3, 421.5, 424.1, 424.3, 424.4, and 424.5; adding new Planning Code, Section 425, to create the Van Ness & Market Community Facilities Fee and Fund; and making environmental findings, including adopting a statement of overriding considerations, findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

Existing Law

The Market & Van Ness Downtown Residential Special Use District, Section 249.33 of the Planning Code, was adopted in conjunction with the Market and Octavia Area Plan, in 2008. It is generally located in the area near the intersections of Van Ness Avenue at Market Street and South Van Ness Avenue at Mission Street, along with parcels on both sides of Market and Mission Streets between 10th and 12th Streets, and it is intended to be a transit-oriented, high-density, mixed-use neighborhood with a significant residential presence.

Amendments to Current Law

This ordinance amends the Market & Van Ness Downtown Residential Special Use District to carry out the policy changes pursued in the Hub Plan, which is an amendment to the Market and Octavia Area Plan. The ordinance amends Section 249.33 in several ways, including:

- It changes the name of the SUD by deleting the word “Downtown,” to emphasize that this area is distinct from downtown San Francisco;
- It encourages more residential development in the area, by requiring that at least three occupied square feet of residential use shall be provided for each occupied square foot of non-residential use, instead of the 2:1 ratio currently required;
- It introduces changes to retail controls, including changes to allow for smaller retail use sizes, or “micro retail,” in order to emphasize neighborhood serving character;
- It changes the maximum off-street parking permitted to .25 parking spaces per dwelling unit (i.e., one parking space for every four dwelling units), and removes the current

possibility to request a conditional use permit for additional parking up to .5 spaces per dwelling unit;

- It adds Living Roofs and Living Walls energy and sustainability requirements;
- It provides an option for Development Projects in the SUD to pay their Transportation Sustainability Fee (TSF) by providing in lieu transportation improvements;
- It provides the option to pay some affordable housing fees by providing on-site affordable housing units; options for income levels of affordable units; and an option for dedication of land to satisfy Section 415 obligations.

The ordinance makes several amendments to other sections of the Planning Code, to achieve the goals of the Hub Plan. For instance:

- It amends Section 263.19, regarding height limits, to provide parcels in the SUD rezoned pursuant to the Hub shall have two sets of maximum heights for podium and tower: the first set of numbers represents the principally permitted height limits for the parcel (both for the podium and for the tower), and the second set of numbers represents the maximum height limits for podium and tower that can be granted by the Planning Commission for that parcel through an exception pursuant to the procedures and findings of Section 309.
- It also adds criteria to Section 309 for the Planning Commission to consider, when deciding whether to allow further heights at these parcels, including the extent to which the project sculpts the building massing; reduces or minimizes potential impacts on winds and shadows; provides ground floor uses that serve a range of income levels and enrich the social landscape of the area such as: Arts Activities, Child Care Facility, Community Facility, Instructional Service, Public Facility, School, Social Service, priority health service or neighborhood serving retail; and maximizes housing density within the allowed envelope.

In addition, the ordinance makes changes related to fees and funding for public infrastructure, community facilities, and affordable housing, such as:

- It creates a new Van Ness & Market Community Facilities fee, applicable to residential development in the SUD, and to be used to fund cultural/arts facilities, social welfare facilities, and community health facilities in the SUD, in the Market and Octavia Plan Area or within 1,250 feet of the Plan Area.
- It sets up a priority of use of fees in the Van Ness & Market Residential Special Use District Affordable Housing Fund. It requires that these fees be to increase the supply of housing affordable to qualifying households within, first, the SUD; second, within 1 mile of the boundaries of the Market and Octavia Area Plan; and third, within the City and County of San Francisco as a whole.
- It provides that funds in the Van Ness & Market Residential Special Use District Infrastructure Fund can be spent within 1,250 feet of the Market and Octavia Area Plan.

Background Information

This ordinance implements Planning Code amendments to carry out the policy goals of the Hub Plan. By separate legislation, the Board is considering other actions in furtherance of the Plan, including the approval of amendments to the City's General Plan, the Zoning Map, and a Housing Sustainability District (HSD).

The Planning Commission certified and approved a final environmental impact report on the Hub Plan, two development projects in the Hub Plan area (30 Van Ness and 98 Franklin) and the Hub HSD under the California Environmental Quality Act (CEQA), adopted findings under the CEQA, including a Mitigation Monitoring and Reporting Plan (MMRP), and recommended the approval ordinance to the Board of Supervisors.

This Legislative Digest describes substitute legislation introduced on June 23, 2020.

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