

1 [Planning Code - Housing Production]

2

3 **Ordinance amending the Planning Code to encourage housing production by**

4 **exempting, under certain conditions, specified housing projects from the notice and**

5 **review procedures of Section 311 in areas outside of Priority Equity Geographies,**

6 **which are identified in the Housing Element as areas or neighborhoods with a high**

7 **density of vulnerable populations; and removing the Conditional Use requirement for**

8 **several types of housing projects, including housing developments on large lots in**

9 **areas outside the Priority Equity Geographies Special Use District; affirming the**

10 **Planning Department’s determination under the California Environmental Quality Act;**

11 **and making public necessity, convenience, and welfare findings under Planning Code,**

12 **Section 302, and findings of consistency with the General Plan and the eight priority**

13 **policies of Planning Code, Section 101.1.**

14 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.

15 **Additions to Codes** are in *single-underline italics Times New Roman font.*

16 **Deletions to Codes** are in *~~striketrough italics Times New Roman font.~~*

17 **Board amendment additions** are in double-underlined Arial font.

18 **Board amendment deletions** are in ~~striketrough Arial font.~~

19 **Asterisks (* * * *)** indicate the omission of unchanged Code subsections or parts of tables.

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

21 Section 1. Environmental and Land Use Findings.

22 (a) The Planning Department has determined that the actions contemplated in this

23 ordinance comply with the California Environmental Quality Act (California Public Resources

24 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of

25

1 Supervisors in File No. 231258 and is incorporated herein by reference. The Board affirms
2 this determination.

3 (b) On November 30, 2023, the Planning Commission, in Resolution No. 21454,
4 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
5 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
6 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
7 the Board of Supervisors in File No. 231258, and is incorporated herein by reference.

8 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code
9 amendments will serve the public necessity, convenience, and welfare for the reasons set
10 forth in Planning Commission Resolution No. 21454, and the Board adopts such reasons as
11 its own. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File
12 No. 231258 and is incorporated herein by reference.

13 Section 2. General Background and Findings.

14 (a) California faces a severe crisis of housing affordability and availability, prompting
15 the Legislature to declare, in Section 65589.5 of the Government Code, that the state has "a
16 housing supply and affordability crisis of historic proportions. The consequences of failing to
17 effectively and aggressively confront this crisis are hurting millions of Californians, robbing
18 future generations of a chance to call California home, stifling economic opportunities for
19 workers and businesses, worsening poverty and homelessness, and undermining the state's
20 environmental and climate objectives."

21 (b) This crisis of housing affordability and availability is particularly severe in San
22 Francisco. It is characterized by dramatic increases in rent and home sale prices over recent
23 years.

24 (c) According to the Planning Department's 2020 Housing Inventory, the cost of
25 housing in San Francisco has increased dramatically since the Great Recession of 2008-

1 2009, with the median sale price for a two-bedroom house more than tripling from 2011 to
2 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to 2020 alone,
3 even in the face of the COVID-19 pandemic. The median rental price for a two-bedroom
4 apartment saw similar although slightly smaller increases, nearly doubling from \$2,570 to
5 \$4,500 per month, from 2011 to 2019, before declining in 2020 due to the pandemic.

6 (d) These housing cost trends come after decades of underproduction of housing in
7 the Bay Area, according to the Planning Department's 2019 Housing Affordability Strategies
8 Report. The City's Chief Economist has estimated that approximately 5,000 new market-rate
9 housing units per year would be required to keep housing prices in San Francisco constant
10 with the general rate of inflation.

11 (e) Moreover, San Francisco will be challenged to meet increased Regional Housing
12 Needs Allocation ("RHNA") goals in this 2023-2031 Housing Element cycle, which total 82,069
13 units over eight years, (46,598 of which must be affordable to extremely-low, very-low, low-,
14 and moderate-income households), more than 2.5 times the goal of the previous eight-year
15 cycle. The importance of meeting these goals to address housing needs is self-evident. In
16 addition, under relatively new State laws like Senate Bill 35 (2017), failure to meet the 2023-
17 2031 RHNA housing production goals would result in limitations on San Francisco's control
18 and discretion over certain projects.

19 (f) On January 31, 2023, the City adopted the 2022 Update of the Housing Element of
20 the General Plan ("2022 Housing Element"), as required by state law. The 2022 Housing
21 Element is San Francisco's first housing plan that is centered on racial and social equity. It
22 articulates San Francisco's commitment to recognizing housing as a right, increasing housing
23 affordability for low-income households and communities of color, opening small and mid-rise
24 multifamily buildings across all neighborhoods, and connecting housing to neighborhood
25 services like transportation, education, and economic opportunity.

1 (g) The 2022 Housing Element includes goals, objectives, policies and implementing
2 programs that seek to guide development patterns and the allocation of resources to San
3 Francisco neighborhoods. Generally, it intends to shift an increased share of the San
4 Francisco's projected future housing growth to transit corridors and low-density residential
5 districts within "Well-Resourced Neighborhoods" (which are areas identified by the state as
6 neighborhoods that provide strong economic, health, and educational outcomes for its
7 residents), while aiming to prevent the potential displacement and adverse racial and social
8 equity impacts of zoning changes, planning processes, or public and private investments for
9 populations and in areas that may be vulnerable to displacement, such as "Priority Equity
10 Geographies" (identified in the Department of Public Health's Community Health Needs
11 Assessment as Areas of Vulnerability).

12 (h) Among other policies, the 2022 Housing Element commits the City to remove
13 governmental constraints on housing development, maintenance and improvement,
14 specifically in Well-Resourced Neighborhoods and in areas outside of Priority Equity
15 Geographies, as well as to reduce costs and administrative processes for affordable housing
16 projects, small and multifamily housing, and to simplify and standardize processes and permit
17 procedures. Among many other obligations, the 2022 Housing Element requires that the City
18 remove Conditional Use Authorization requirements for code compliant projects, eliminate
19 hearing requirements, and modify standards and definitions to permit more types of housing
20 across the City, in Well-Resourced Neighborhoods and outside of Priority Equity
21 Geographies. This ordinance advances those goals.

22
23 Section 3. The Planning Code is hereby amended by revising Sections 121.1, 121.3,
24 and 311, to read as follows:
25

1 **SEC. 121.1. DEVELOPMENT OF LARGE LOTS IN NEIGHBORHOOD**
2 **COMMERCIAL DISTRICTS LOCATED IN THE PRIORITY EQUITY GEOGRAPHIES**
3 **SPECIAL USE DISTRICT.**

4 * * * *

5 (b) **Design Review Criteria.** In addition to the criteria of Section 303(c) of this Code,
6 the Planning Commission shall consider the extent to which the following criteria are met:

7 (1) The mass, and façade, and other physical characteristics of the proposed
8 structure are compatible with objective design standards established with community input for
9 the districts listed above, which may be specific to particular districts. ~~the existing scale of the~~
10 ~~district.~~

11 * * * *

12 **SEC. 121.3. DEVELOPMENT OF LARGE LOTS, CHINATOWN MIXED USE**
13 **DISTRICTS.**

14 (a) In order to promote, protect, and maintain a scale of development which is
15 appropriate to each Mixed Use District and complementary to adjacent buildings, new
16 construction or enlargement of existing buildings on lots larger than the square footage stated
17 in the table below shall be permitted as conditional uses subject to the provisions set forth in
18 Section 303.

District	Lot Size Limits
Chinatown Community Business	5,000 sq. ft.
Chinatown Residential/Neighborhood Commercial	
Chinatown Visitor Retail	

1 (b) In addition to the criteria of Section 303(c), the Planning Commission shall consider
2 whether the mass, ~~and~~ façade, and other physical characteristics of the proposed structure
3 are compatible with objective design standards established with community input for the
4 districts listed above, which may be specific to particular districts.

5
6 **SEC. 311. PERMIT REVIEW PROCEDURES.**

7 (a) **Purpose.** The purpose of this Section 311 is to establish procedures for reviewing
8 ~~building permit~~ planning entitlement applications to determine compatibility of the proposal
9 with the neighborhood and for providing notice to property owners and residents on the site
10 and neighboring the site of the proposed project and to interested neighborhood
11 organizations, so that concerns about a project may be identified and resolved during the
12 review of the permit. For purposes of this Section 311, a planning entitlement application
13 means the application submitted by a project sponsor to the Planning Department, provided
14 said application has been deemed complete by the Planning Department, that includes the
15 information necessary to conduct environmental review, determine Planning Code
16 compliance, and conformity with the General Plan.

17 (b) **Applicability.**

18 (1) Within the Priority Equity Geographies SUD, all ~~building permit~~ planning
19 entitlement applications in Residential, NC, NCT, Chinatown Mixed Use Districts, and Eastern
20 Neighborhoods Mixed Use Districts for demolition, new construction, or alteration of buildings
21 shall be subject to the notification and review procedures required by this Section 311.
22 Notwithstanding the foregoing or any other requirement of this Section 311, ~~building permit~~
23 planning entitlement applications to construct an Accessory Dwelling Unit pursuant to Section
24 207(c)(6) shall not be subject to the notification or review requirements of this Section 311.
25

1 (2) **Within the Family Housing Opportunity Special Use District.** In RH
2 zoning districts within the Family Housing Opportunity SUD, projects that do not meet the
3 eligibility criteria in subsection (c) of Section 249.94 are subject to the controls in subsection
4 (b)(3).

5 (3) **In all Other Projects in Residential, NC, NCT, and Eastern**
6 **Neighborhoods Mixed Use Districts.** All ~~building permit~~ planning entitlement applications in
7 Residential, NC, NCT, and Eastern Neighborhoods Mixed Use Districts that propose any of
8 the following shall be subject to the notification and review procedures required by this
9 Section 311.

10 (A) Any vertical alteration, unless at least one new unit is being added.

11 (B) Any alteration to a building containing only one Dwelling Unit that both
12 increases the GFA of the existing building by at least 25%, and results in the building having
13 GFA greater than 3,000 square feet ~~a single family house that increases the building's Gross~~
14 ~~Square Feet to more than 3000 sq. ft, or a 25% increase of the existing Gross Square Feet,~~
15 ~~whichever is greater.~~

16 (C) Any demolition or new construction that does not result in the addition
17 of at least one new unit.

18 (4) **Alterations.** For the purposes of this Section 311, an alteration shall be
19 defined as an increase to the exterior dimensions of a building except those features listed in
20 Section 136(c)(1) through 136(c)(26), regardless of whether the feature is located in a
21 required setback.

22 (c) **Building Permit Planning Entitlement Application Review for Compliance.**

23 Upon acceptance of any application subject to this Section, the Planning Department shall
24 review the proposed project for compliance with the Planning Code and any applicable design
25 guidelines approved by the Planning Commission. Applications determined not to be in

1 compliance with the standards of Articles 1.2, 1.5, 2 and 2.5 of the Planning Code, Residential
2 Design Guidelines, including design guidelines for specific areas adopted by the Planning
3 Commission, or with any applicable conditions of previous approvals regarding the project,
4 shall be held until either the application is determined to be in compliance, is disapproved or a
5 recommendation for cancellation is sent to the Department of Building Inspection.

6 (1) **Design Guidelines.** The construction of new buildings and alteration of
7 existing buildings shall be consistent with the design policies and guidelines of the General
8 Plan and with the "Residential Design Guidelines" and all other applicable design guidelines
9 as adopted and periodically amended for specific areas or conditions by the Planning
10 Commission. The design for new buildings with residential uses in RTO Districts shall also be
11 consistent with the design standards and guidelines of the "Ground Floor Residential Units
12 Design Guidelines" as adopted and periodically amended by the Planning Commission. The
13 Planning Director may require modifications to the exterior of a proposed new building or
14 proposed alteration of an existing building in order to bring it into conformity with the
15 applicable design guidelines. These modifications may include, but are not limited to, changes
16 in siting, building envelope, scale texture and detailing, openings, and landscaping.

17 * * * *

18 (3) **Replacement Structure Required.** Unless the building is determined to
19 pose a serious and imminent hazard as defined in the Building Code, an application
20 authorizing demolition of an historic or architecturally important building or of a dwelling shall
21 ~~not be conditioned upon approved and issued until the City has granted~~ final approval of a
22 building permit for construction of the replacement building. A building permit is finally
23 approved if the Board of Appeals has taken final action for approval on an appeal of the
24 issuance or denial of the permit or if the permit has been issued and the time for filing an
25 appeal with the Board has lapsed with no appeal filed.

1 (A) The demolition of any building, including but not limited to historically
2 and architecturally important buildings, may be approved administratively when the Director of
3 the Department of Building Inspection, the Chief of the Bureau of Fire Prevention and
4 Investigation, or the Director of Public Works determines, after consultation with the Zoning
5 Administrator, that an imminent safety hazard exists, and the Director of the Department of
6 Building Inspection determines that demolition or extensive alteration of the structure is the
7 only feasible means to secure the public safety.

8 (d) **Notification.** Upon determination that an application is in compliance with the
9 development standards of the Planning Code, the Planning Department shall cause a notice
10 to be posted on the site pursuant to rules established by the Zoning Administrator and shall
11 cause a written notice describing the proposed project to be sent in the manner described
12 below. This notice shall be in addition to any notices required by the Building Code and shall
13 have a format and content determined by the Zoning Administrator. It shall include a
14 description of the proposal compared to any existing improvements on the site with
15 dimensions of the basic features, elevations and site plan of the proposed project including
16 the position of any adjacent buildings, exterior dimensions and finishes, and a graphic
17 reference scale, existing and proposed uses or commercial or institutional business name, if
18 known. The notice shall describe the project review process and shall set forth the mailing
19 date of the notice and the expiration date of the notification period.

20 * * * *

21 (5) **Notification Period.** All ~~building permit~~ planning entitlement applications
22 shall be held for a period of 30 calendar days from the date of the mailed notice to allow
23 review by residents and owners of neighboring properties and by neighborhood groups.

24 (6) **Elimination of Duplicate Notice.** The notice provisions of this Section may
25 be waived by the Zoning Administrator for ~~building permit~~ planning entitlement applications for

1 projects that have been, or before approval will be, the subject of a duly noticed public hearing
2 before the Planning Commission or Zoning Administrator, provided that the nature of work for
3 which the ~~building permit~~ planning entitlement application is required is both substantially
4 included in the hearing notice and is the subject of the hearing.

5 (7) **Notification Package.** The notification package for a project subject to notice
6 under this Section 311 shall include a written notice and reduced-size drawings of the project.

7 * * * *

8 (D) The ~~building permit~~ planning entitlement application number(s) shall be
9 disclosed in the written notice. The start and expiration dates of the notice shall be stated. A
10 description about the recipient's rights to request additional information, to request
11 Discretionary Review by the Planning Commission and to appeal to other boards or
12 commissions shall be provided.

13 * * * *

14 (e) **Requests for Planning Commission Review.** A request for the Planning
15 Commission to exercise its discretionary review powers over a specific ~~building permit~~
16 planning entitlement application shall be considered by the Planning Commission if received
17 by the Planning Department no later than 5:00 p.m. of the last day of the notification period as
18 described in this Section 311, subject to guidelines adopted by the Planning Commission. The
19 project sponsor of a ~~building permit~~ planning entitlement application may request discretionary
20 review by the Planning Commission to resolve conflicts between the Director of Planning and
21 the project sponsor concerning requested modifications to comply with the Residential Design
22 Guidelines, or other applicable design guidelines.

23 * * * *

24 Section ~~4987~~. Effective Date. This ordinance shall become effective 30 days after
25 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

3
4 Section ~~54098~~. Scope of Ordinance. In enacting this ordinance, the Board of
5 Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections,
6 articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the
7 Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board
8 amendment additions, and Board amendment deletions in accordance with the "Note" that
9 appears under the official title of the ordinance.

10
11 Section 6. This ordinance is a duplicate of the ordinance in Board file No. 230446 (the
12 Original Ordinance). The Original Ordinance, as amended, proposes to delete Planning Code
13 Sections 121.1, 121.3, 132.2, 253.1, 253.2, and 253.3, revise Planning Code Sections 102,
14 121, 121.7, 132, 134, 135, 140, 145.1, 202.2, 204.1, 206.3, 206.6, 207, 209.1, 209.2, 209.3,
15 209.4, 210.3, 249.77, 249.92, 253, 305.1, 311, 317, 406, 710, 711, 713, 714, 722, 723, 750,
16 754, 810, 811, and 812, and add new Planning Code Sections 121.1, 121.3, and 249.97. The
17 Original Ordinance also proposes to make amendments to Sheets SU01, SU02, SU07, SU08,
18 SU09, SU10, SU11, SU12, and SU13 Zoning Maps to create the Priority Equity Geographies
19 Special Use District, and to amend Subdivision Code 1396.6.

20 At the regular meeting of the Land Use and Transportation Committee on December 4,
21 2023, the Committee duplicated file No. 230446, made further amendments to Sections
22 121.1, 121.3, and 311, and continued this duplicated file (Board File No. 231258) to a
23 subsequent Committee meeting. The Committee also adopted other amendments to the
24 Original Ordinance in Board File No. 230446, and referred the Original Ordinance to the full
25

1 Board of Supervisors without recommendation as a committee report. The Board of
2 Supervisors passed the Original Ordinance, as amended, on first read on December 5, 2023.

3 In light of the Original Ordinance in Board file No. 230446 passing on first reading, and
4 the more limited amendments in this ordinance (Board file No. 231258), at the regular meeting
5 of the Land Use and Transportation Committee on December 11, 2023, the Committee
6 amended this ordinance to remove the proposed amendments other than the amendments to
7 Sections 121.1, 121.3, and 311, such that this ordinance no longer includes those Sections.
8 As a result, this ordinance does not include amendments other than those being made to
9 Sections 121.1, 121.3, and 311.

10
11 Section 7. Conflicting Ordinances; Formatting of Ordinance; Explanation of Fonts.

12 (a) The Original Ordinance, Ordinance No. 248-23 (Board File 230446), was finally
13 passed by the Board of Supervisors on December 12, 2023, and approved by the Mayor on
14 December 14, 2023. Per its terms, Ordinance No. 248-23 became effective on January 13,
15 2024. Ordinance No. 249-23 (Board File 230701) (the Small Business Ordinance) was also
16 finally passed by the Board of Supervisors on December 12, 2023, and approved by the
17 Mayor on December 14, 2023. Per its terms, the Small Business Ordinance also became
18 effective on January 13, 2024.

19 (b) Both the Original Ordinance and the Small Business Ordinance proposed
20 amendments to Planning Code Section 311(b). The Original Ordinance amended Section
21 311 to limit notice under Section 311 to building permit applications for the demolition, new
22 construction, or alteration of buildings in Residential, NC, NCT, and Eastern Neighborhoods
23 Mixed Use Districts; it also removed notifications of any building permit application for
24 changes in use citywide. The Small Business Ordinance amended Section 311 to remove
25 notice of a building permit application for a change of use in only the Eastern Neighborhoods

1 Mixed Use District. In order to give effect to both Ordinance Nos. 248-23 and 249-23, it is
2 appropriate to show as existing law the codified text in Ordinance No. 248-23.

3 (c) Although the Original Ordinance (Board File 230446) was enacted and became
4 effective on January 13, 2024, this ordinance, in Board File No. 231258, remained at the Land
5 Use and Transportation Committee. This is the fourth version of the ordinance originally
6 introduced in Board File 230446.

7 (d) To clearly understand the proposed amendments to existing law (Planning Code
8 Section 311, as enacted by Ordinance No. 248-23) contained in this version of this ordinance
9 (Board File 231258), this ordinance shows in "existing text" font (plain Arial) the law currently
10 in effect (Planning Code Sections 311, as enacted by Ordinance No. 248-23). The ordinance
11 shows in "Board amendment" font (double-underlined Arial for additions, and strikethrough
12 Arial for deletions) any amendments to existing law.

13 (e) This version of this ordinance also includes new short and long titles that describe
14 the ordinance, to reflect changes in existing law. They replace the short and long titles in the
15 previous two versions of the ordinance, which had included references to the amendments
16 that became effective with the enactment of Ordinance No. 248-23.

17
18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20 By: /s/ Austin M. Yang
21 AUSTIN M. YANG
22 Deputy City Attorney

23 n:\legana\as2023\2300309\01735426.docx



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 231258

Date Passed: March 12, 2024

Ordinance amending the Planning Code to encourage housing production by exempting, under certain conditions, specified housing projects from the notice and review procedures of Section 311 in areas outside of Priority Equity Geographies, which are identified in the Housing Element as areas or neighborhoods with a high density of vulnerable populations; and removing the Conditional Use requirement for several types of housing projects, including housing developments on large lots in areas outside the Priority Equity Geographies Special Use District; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1.

December 04, 2023 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

December 04, 2023 Land Use and Transportation Committee - CONTINUED AS AMENDED

December 11, 2023 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

December 11, 2023 Land Use and Transportation Committee - CONTINUED AS AMENDED

January 22, 2024 Land Use and Transportation Committee - CONTINUED TO CALL OF THE CHAIR

February 26, 2024 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 26, 2024 Land Use and Transportation Committee - RECOMMENDED AS AMENDED

March 05, 2024 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

March 12, 2024 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Safai, Stefani and Walton

Excused: 1 - Ronen

File No. 231258

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 3/12/2024 by the Board of Supervisors of the City and County of San Francisco.



f Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

3/22/24

Date Approved