

File No. 250069

Committee Item No. 4

Board Item No. 2

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Land Use and Transportation

Date: March 17, 2025

Board of Supervisors Meeting:

Date: March 25, 2025

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Prepared by: John Carroll

Date: March 13, 2025

Prepared by: John Carroll

Date: March 18, 2025

Prepared by: John Carroll

Date: March 21, 2025

1 [Planning Code - Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush
Street]

2
3 **Ordinance amending the Planning Code to principally permit up to 51 Tourist Hotel**
4 **rooms at Assessor's Parcel Block No. 0287, Lot No. 020, also known as 447 Bush**
5 **Street; exempting 447 Bush Street from the requirement to obtain a conditional use**
6 **authorization to convert 38 Residential Hotel rooms to Tourist Hotel rooms; waiving**
7 **development impact fees and requirements for the conversion of the 38 rooms;**
8 **providing that the conversion of the 38 rooms shall occur simultaneously with the**
9 **application of the Residential Hotel Unit Conversion and Demolition Ordinance to 27**
10 **Group Housing rooms at 412-422 Hayes Street and seven Group Housing Rooms**
11 **at 319-321 Ivy Street, Assessor's Parcel Block No. 0808, Lot No. 007; providing that the**
12 **Department of Building Inspection shall issue certificates of use to reflect the changes**
13 **in use of all the aforementioned properties and waiving associated fees; providing that**
14 **the Ordinance is conditioned on enactment of the ordinance approving settlement of**
15 **claims in *Hotel Des Arts, LLC v. City and County of San Francisco et al.*; affirming the**
16 **Planning Department's determination under the California Environmental Quality Act;**
17 **making findings of consistency with the General Plan, and the eight priority policies of**
18 **Planning Code, Section 101.1; and making findings of public necessity, convenience,**
19 **and welfare under Planning Code, Section 302.**

20 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
21 **Additions to Codes** are in *single-underline italics Times New Roman font*.
22 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
23 **Board amendment additions** are in double-underlined Arial font.
24 **Board amendment deletions** are in ~~strikethrough Arial font~~.
25 **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:

1 Section 1. Environmental and Planning Code Findings.

2 (a) The Planning Department has determined that the actions contemplated in this
3 ordinance comply with the California Environmental Quality Act (California Public Resources
4 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
5 Supervisors in File No. 250069 and is incorporated herein by reference. The Board affirms
6 this determination.

7 (b) On March 6, 2025, the Planning Commission, in Resolution No. 21696,
8 recommended the Planning Code amendments in this ordinance for approval and adopted
9 findings that the actions contemplated in this ordinance are consistent, on balance, with the
10 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board
11 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
12 Board of Supervisors in File No. 250069, and is incorporated herein by reference.

13 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the
14 Planning Code amendments in this ordinance will serve the public necessity, convenience,
15 and welfare for the reasons set forth in Planning Commission Resolution No. 21696, and the
16 Board incorporates such reasons herein by reference.

17
18 Section 2. General Findings.

19 (a) The Residential Hotel Unit Conversion and Demolition Ordinance was enacted
20 in 1990 as Chapter 41 of the Administrative Code (“Chapter 41”). The stated purpose of
21 Chapter 41 is “to benefit the general public by minimizing adverse impact on the housing
22 supply and on displaced low-income, elderly, and disabled persons resulting from the loss of
23 residential hotel units through their conversion and demolition.” (Administrative Code
24 Section 41.2.)

1 (b) Section 41.3 of the Administrative Code, subsections (a)-(h), includes the
2 following verbatim findings:

3 (1) There is a severe shortage of decent, safe, sanitary and affordable rental
4 housing in the City and County of San Francisco and this shortage affects most severely the
5 elderly, the disabled and low-income persons.

6 (2) The people of the City and County of San Francisco, cognizant of the
7 housing shortage of San Francisco, on November 4, 1980, adopted a declaration of policy to
8 increase the city's housing supply by 20,000 units.

9 (3) Many of the elderly, disabled and low-income persons and households
10 reside in residential hotel units.

11 (4) A study prepared by the Department of City Planning estimated that there
12 were only 26,884 residential hotel units in the City in December of 1979, a decrease of 6,098
13 such units from 1975. Since enactment of this Chapter, residential hotel units have continued
14 to decrease, at a slower rate: in 1981, there were 20,466 residential hotel units as defined by
15 this Chapter; in 1988, there were 18,723 residential hotel units, a decrease of 1,743 over a
16 period of 7 years. The decrease is caused by vacation, conversion or demolition of residential
17 hotel units. Continued vacation, conversion or demolition of residential hotel units will
18 aggravate the existing shortage of affordable, safe and sanitary housing in the City and
19 County of San Francisco.

20 (5) As a result of the removal of residential hotel units from the rental housing
21 market, a housing emergency exists within the City and County of San Francisco for its
22 elderly, disabled and low-income households.

23 (6) Residential hotel units are endangered housing resources and must be
24 protected.

1 (7) The Board of Supervisors and the Mayor of the City and County of San
2 Francisco recognized this housing emergency and enacted an ordinance which established a
3 moratorium on the demolition or conversion of residential hotel units to any other use. The
4 moratorium ordinance became effective on November 21, 1979.

5 (8) The conversion of residential hotel units affects those persons who are
6 least able to cope with displacement in San Francisco's housing market.

7 (c) Pursuant to Sections 41.12 and 41.13 of the Administrative Code, the owner or
8 operator of a residential hotel within Chapter 41's scope may apply to convert or demolish one
9 or more residential units by providing for a one-to-one replacement of the unit(s) by one of the
10 methods set forth in Section 41.13.

11 (d) Since its enactment in 1990, the Residential Hotel Unit Conversion and
12 Demolition Ordinance has been amended from time to time to ensure that its provisions
13 continue to align with its original intent (1) to preserve affordable rental housing for elderly,
14 disabled, and low-income persons and households who are least able to cope with
15 displacement and (2) to require a one-for-one replacement of these residential units if the
16 hotel owner or operator is allowed to convert or demolish them.

17
18
19 Section 3. Article 2 of the Planning Code is hereby amended by revising Section
20 210.2, to read as follows:

21
22 **SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.**

23 * * * *

24 **Table 210.2**

25 **ZONING CONTROL TABLE FOR C-3 DISTRICTS**

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
* * * *						
NON-RESIDENTIAL STANDARDS AND USES						
* * * *						
Sales and Service Category						
Retail Sales and Service Uses*	§§ 102, 202.2(a)	P	P	P	P	P
Hotel	§ 102	C	C	<u>C (12)</u>	C	C
* * * *						

* Not listed below.

* * * *

(12) A total of up to 51 Tourist Hotel rooms are Principally Permitted on Block 0287 Lot 020, subject to the provisions of Ordinance No. _____, in Board File No. 250069.

Section 4. Planning Code Waivers for 447 Bush Street; Certificates of Use for 447 Bush Street, 412-422 Hayes Street, and 319-321 Ivy Street and Associated Fee Waivers.

(a) The conversion to Tourist Hotel Use of 38 Residential Hotel Rooms subject to Administrative Code Chapter 41 and located at 447 Bush Street is hereby exempt from

(1) the requirements of Planning Code Section 317; and

(2) any development impact fee or development impact requirement imposed by Article 4 of the Planning Code.

(b) The change of use of the 38 Residential Hotel Rooms at 447 Bush Street shall occur simultaneously with, and subject to, the application of Administrative Code Chapter 41 to the 27 Group Housing Rooms located at 412-422 Hayes Street and seven Group Housing Rooms at 319-321 Ivy Street, Assessor's Parcel Block 0808, Lot 007, as referenced in and in accordance with the companion ordinance described in Section 6 of this ordinance. The Department of Building Inspection shall issue Certificates of Use to 447 Bush Street, 412-422

1 Hayes Street, and 319-321 Ivy Street reflecting these changes of use. Any permit or plan
2 review fees incurred in the issuance of the Certificates of Use are hereby waived.

3
4 Section 5. Limited Effect of Ordinance.

5 This ordinance:

6 (a) shall have no retroactive effect;

7 (b) does not forgive or waive enforcement of any violations of applicable law, including
8 but not limited to the Planning Code, Building Code, or Administrative Code, that may have
9 occurred at 447 Bush Street, 412-422 Hayes Street, or 319-321 Ivy Street prior to or that may
10 occur on or after the ordinance's effective date; and

11 (c) does not exempt any future changes of use at 447 Bush Street, 412-422 Hayes
12 Street or 319-321 Ivy Street from the requirements of the Planning Code, Building Code, or
13 Administrative Code, including but not limited to Planning Code Section 317 and Article 4 of
14 the Planning Code.

15
16 Section 6. Effective Date; Dependence on Enactment of Companion Settlement
17 Ordinance.

18 (a) This ordinance shall become effective 30 days after enactment, or upon the
19 enactment of the companion settlement ordinance referenced in subsection (b), whichever
20 occurs later. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
21 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
22 of Supervisors overrides the Mayor's veto of the ordinance.

23 (b) This ordinance is a companion ordinance to the ordinance in Board File
24 No. 250068, which approves the settlement of claims in *Hotel Des Arts, LLC v. City and*
25

1 County of San Francisco et al. (Northern District of California, Case No. 3:23-cv-02933) filed
2 on June 14, 2023. If that ordinance is not enacted, this ordinance shall be null and void.

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

10
11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

13 By: /s/ Kristen A. Jensen
14 KRISTEN A. JENSEN
Deputy City Attorney

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LEGISLATIVE DIGEST

[Planning Code - Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street]

Ordinance amending the Planning Code to principally permit up to 51 Tourist Hotel rooms at Block 0287, Lot 020, also known as 447 Bush Street; exempting 447 Bush Street from the requirement to obtain a conditional use authorization to convert 38 Residential Hotel rooms to Tourist Hotel rooms; waiving development impact fees and requirements for the conversion of the 38 rooms; providing that the conversion of the 38 rooms shall occur simultaneously with the application of the Residential Hotel Unit Conversion and Demolition Ordinance to 27 Group Housing rooms at 412-422 Hayes Street and seven Group Housing Rooms at 319-321 Ivy Street, Assessor's Parcel Block 0808, Lot 007; providing that the Department of Building Inspection shall issue certificates of use to reflect the changes in use of all the aforementioned properties and waiving associated fees; providing that the ordinance is conditioned on enactment of the ordinance approving settlement of claims in *Hotel Des Arts, LLC v. City and County of San Francisco et al.*; 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 making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

The Residential Hotel Unit Conversion and Demolition Ordinance ("HCO") is codified in Chapter 41 of the Administrative Code. Effective in April 2025, units that are designated as "Residential Units" under the HCO must be rented for periods of 30 days or more.

Block 0287, Lot 020 (447 Bush) is located in the C-3-R (Downtown Retail) District. In the C-3-R District, tourist hotels are conditionally permitted. (Planning Code Section 210.2.)

Planning Code Section 317 requires a conditional use authorization to remove or change the use of a residential unit.

Article 4 of the Planning Code imposes impact fees and related requirements on certain changes in use of a property.

Section 106A.1.12 of the Building Code requires a permit and fees for a change in occupancy or use of a building.

Amendments to Current Law

This ordinance amends Planning Code Section 210.2 to principally permit up to 51 tourist hotel rooms at Block 0287, Lot 020 (447 Bush). In an uncodified section, the ordinance waives the required conditional use authorization for the conversion of 38 residential hotel rooms under the HCO into tourist hotel rooms at 447 Bush. The ordinance waives any associated development impact fees and development impact requirements on the conversion of the 38 rooms.

The ordinance also provides that the conversion of the 38 rooms at 447 Bush shall occur simultaneously with the application of the HCO to 27 group housing rooms at 412-422 Hayes Street and seven group housing rooms at 319-321 Ivy Street (both addresses share the same Assessor's Parcel Block 0808, Lot 007). The Department of Building Inspection shall issue certificates of use to reflect the changes in use of all the aforementioned properties. The ordinance waives any associated fees in the issuance of the certificates of use.

Background Information

This ordinance is a companion ordinance to the ordinance in Board File No. _____, which approves the settlement of claims in *Hotel Des Arts, LLC v. City and County of San Francisco et al.* (Northern District of California, Case No. 3:23-cv-02933) filed on June 14, 2023. That lawsuit challenges 2023 amendments to the HCO (Board File No. 220815, Ord. No. 36-23) that define Tourist or Transient use as a stay of less than 30 days and establish a two-year amortization period. Material terms of the settlement require the City to permit the conversion of the existing 38 residential hotel rooms at 447 Bush Street to tourist hotel rooms under Administrative Code Chapter 41 in exchange for conversion of 27 group housing rooms and associated amenities at 412-422 Hayes and seven group housing rooms and associated amenities at 319-321 Ivy Street to Residential Hotel Rooms subject to the HCO.

This ordinance is conditioned on enactment of the companion ordinance approving settlement of claims in *Hotel Des Arts, LLC v. City and County of San Francisco et al.*



March 12, 2025

Ms. Angela Calvillo, Clerk
Mr. David Chiu, San Francisco City Attorney
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: **Transmittal of Planning Department Case Number 2025-001027PCA:**
Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street
Board File No. 250069

Planning Commission Recommendation: Approval

Dear Ms. Calvillo and City Attorney Chiu,

On March 6, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by the City Attorney's Office, that would, among other things, amend the Planning Code to principally permit up to 51 tourist hotel rooms 447 Bush Street. At the hearing the Planning Commission adopted a recommendation for approval.

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

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

Sincerely,

Aaron D. Starr
Manager of Legislative Affairs

cc: Kristen Jensen, Deputy City Attorney
Andrea Ruiz-Esquide, Deputy City Attorney
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21696

HEARING DATE: March 6, 2025

Project Name: Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street
Case Number: 2025-001027PCA/ Board File No. 250069
Initiated by: City Attorney / Introduced January 28, 2025
Staff Contact: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-558-6362
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-558-6362

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO PRINCIPALLY PERMIT UP TO 51 TOURIST HOTEL ROOMS AT BLOCK 0287, LOT 020, ALSO KNOWN AS 447 BUSH STREET; EXEMPTING 447 BUSH STREET FROM THE REQUIREMENT TO OBTAIN A CONDITIONAL USE AUTHORIZATION TO CONVERT 38 RESIDENTIAL HOTEL ROOMS TO TOURIST HOTEL ROOMS; WAIVING DEVELOPMENT IMPACT FEES AND REQUIREMENTS FOR THE CONVERSION OF THE 38 ROOMS; PROVIDING THAT THE CONVERSION OF THE 38 ROOMS SHALL OCCUR SIMULTANEOUSLY WITH THE APPLICATION OF THE RESIDENTIAL HOTEL UNIT CONVERSION AND DEMOLITION ORDINANCE TO 27 GROUP HOUSING ROOMS AT 412-422 HAYES STREET AND SEVEN GROUP HOUSING ROOMS AT 319-321 IVY STREET, ASSESSOR'S PARCEL BLOCK 0808, LOT 007; PROVIDING THAT THE DEPARTMENT OF BUILDING INSPECTION SHALL ISSUE CERTIFICATES OF USE TO REFLECT THE CHANGES IN USE OF ALL THE AFOREMENTIONED PROPERTIES AND WAIVING ASSOCIATED FEES; PROVIDING THAT THE ORDINANCE IS CONDITIONED ON ENACTMENT OF THE ORDINANCE APPROVING SETTLEMENT OF CLAIMS IN HOTEL DES ARTS, LLC V. CITY AND COUNTY OF SAN FRANCISCO ET AL.; 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 MAKING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on January 28, 2025, the Office of City Attorney David Chiu introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250069 which would amend the Planning Code to principally permit up to 51 tourist hotel rooms at block 0287, lot 020, also known as 447 Bush Street; exempting 447 Bush Street from the requirement to obtain a conditional use authorization to convert 38

residential hotel rooms to tourist hotel rooms; waiving development impact fees and requirements for the conversion of the 38 rooms; providing that the conversion of the 38 rooms shall occur simultaneously with the application of the residential hotel unit conversion and demolition ordinance to 27 group housing rooms at 412-422 Hayes Street and seven group housing rooms at 319-321 Ivy Street, assessor's parcel block 0808, lot 007; providing that the Department of Building Inspection shall issue Certificates of Use to reflect the changes in use of all the aforementioned properties and waiving associated fees; providing that the ordinance is conditioned on enactment of the ordinance approving settlement of claims in *Hotel Des Arts, LLC v. City and County of San Francisco et al.* (Northern District of California, Case No. 3:23-cv-02933)("Lawsuit");

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on March 6, 2025; and,

WHEREAS, the Planning Department has determined that the proposed Ordinance has been determined is not a project for purposes of review under the California Environmental Quality Act; and

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

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

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

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

MOVED, that the Planning Commission hereby adopts a **recommendation for approval** of the proposed ordinance. The Commission's proposed recommendation(s) is/are as follows:

Findings

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

The proposed Ordinance is a required component of the agreement to settle the Lawsuit brought by Plaintiff Hotel Des Arts to challenge the City's 2023 amendments to the Hotel Conversion Ordinance, Chapter 41 of the San Francisco Administrative Code ("HCO"). The settlement approximates a one-for-one exchange as permitted under Administrative Code sections 41.12 - 41.14, permits the Plaintiff to use the 38 Residential Units at the Hotel Des Arts for Tourist Use, and imposes the Residential Use restrictions of Chapter 41 on 34 units and associated amenities including shared kitchens, mail services and open space, including 27 units located at 412-422 Hayes Street and 7 units located at 319-321 Ivy Street.

The proposed Ordinance is one aspect of a comprehensive settlement agreement which removes the restrictions of the HCO from an existing hotel (Hotel Des Arts), in exchange for imposing the restrictions of Chapter 41 on 34 units and associated amenities in another building. By imposing the HCO on the units at 412-422 Hayes Street and 7 units located at 319-321 Ivy Street, the settlement will result in those units being subject to a minimum 30-day tenancy requirement, whereas they currently may be rented for as little as 7 days. The settlement is not possible without the code amendment and waivers set forth in the proposed Ordinance.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

POLICY 36

Maximize the use of existing housing stock for residential use by discouraging vacancy, short-term use, and speculative resale.

POLICY 19

Enable low and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-resourced Neighborhoods by increasing the number of permanently affordable housing units in those neighborhoods.

The proposed Ordinance is consistent with Policy 19 of the Housing Element in that it will expand group housing opportunities- a more affordable housing option. While not inside the Well-resourced Neighborhoods, the units are close to it and outside the Priority Equity Geographies. It is also consistent with Policy 36 in the Housing Element's, which seeks to discourage vacancies and short-term uses of existing housing stock by converting seven-day tenancy units into 30-day tenancy units.

Planning Code Section 101 Findings

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

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

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

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

the cultural and economic diversity of our neighborhoods;

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

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

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing. In fact, by consolidating residential units subject to the HCO in one location, at 412-422 Hayes and 319-321 Ivy Street, instead of having those residential units mixed in with tourist units as is currently the case at the 447 Bush Street hotel, the proposed Ordinance, by facilitating the related settlement agreement, preserves the availability of the units at 412-422 Hayes Street and 319-321 Ivy Street for residential uses. By doing so, it contributes to the overall supply of housing in the City, and indirectly enhances affordability.

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

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

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

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

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

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

7. That the landmarks and historic buildings be preserved;

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

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

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

Planning Code Section 302 Findings.

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

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on March 6, 2025.



Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2025.03.12 13:33:38
-07'00'

Jonas P. Ionin
Commission Secretary

AYES: Campbell, McGarry, Williams, Braun, Imperial, Moore, So
NOES: None
ABSENT: None
ADOPTED: March 6, 2025



EXECUTIVE SUMMARY

PLANNING CODE AMENDMENT

HEARING DATE: March 6, 2025

90-Day Deadline: April 29, 2025

Project Name: Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street
Case Number: 2025-001027PCA /Board File No. 250069
Initiated by: City Attorney / Introduced January 28, 2025
Staff Contact: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-558-6362
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-558-6362
Environmental Review: Not a Project Under CEQA

RECOMMENDATION: Adopt of Recommendation for Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to make a Tourist Hotel a principally permitted use for all 51 Hotel Units at 447 Bush Street (Assessor's Parcel Block No. 0287, Lot N. 020), the Hotel Des Arts location; waive the requirement for a conditional use authorization under Planning Code Section 317 for the conversion of the current 38 Residential Hotel Units at that location; and waive otherwise applicable impact fees and application and permit review fees for the conversion of the 38 Residential Hotel Units to Tourist use. The Planning Code amendments and waivers are part of a settlement of litigation ("Settlement Agreement") to resolve litigation brought in federal court challenging the Board of Supervisors' 2023 amendments to the Hotel Conversion Ordinance (Board File No. 220815, Ord. No. 36-23 ["HCO"]). They are conditioned on the approval of the Settlement Agreement by the Board of Supervisors through Board File No. 250068.

The Way It Is Now:

1. The Hotel Des Arts is regulated under the Hotel Conversion Ordinance (HCO). The Hotel currently contains 38 Residential Hotel Units, and 13 Tourist Hotel Units. Under Planning Code Section 210.2, Hotel Uses require a Conditional Use Authorization (CUA) in this location, in the C-3 zoning district. In addition, Conversion of Residential Units requires a CUA under Section 317 of the Planning Code.
2. 412-422 Hayes Street and 319-321 Ivy Street contain 34 Group Housing Units, 8 kitchens, 7 full and 4 half bathrooms, and associated amenities. The Planning Code definition of Group Housing currently includes a required minimum stay of 30 days. However, prior to May 1, 2022, Section 102 of the Planning Code required Group Housing to offer only lodging of “prearrangement for a week or more at a time.” Because the existing Group Housing at 412-422 Hayes Street and 319-321 Ivy Street use was operating legally under the old definition at the time that Section 102 was amended, it became a nonconforming use when the amendment took effect.

The Way It Would Be:

1. The Hotel Des Arts would not be subject to the CUA requirement to establish a Hotel under Planning Code Section 210.2 or the CUA requirement under Planning Code Section 317 for the conversion of residential units to a Hotel Use. The proposed ordinance would also waive otherwise applicable impact fees and application and permit review fees for the conversion of the 38 Residential Hotel Units to Hotel Use. The result will be to make a Tourist Hotel a principally permitted use for all 51 Hotel Units at 447 Bush.
2. In exchange for the concession stated above, the entirety of the buildings located at 412-422 Hayes Street and 319-321 Ivy Street would be subjected to the HCO, creating 34 new Residential Units (collectively, the “TRADED UNITS”) and associated amenities (including laundry, mail and common courtyard access). Along with other provisions of the Settlement Agreement, the result would be that the Residential Units at 412-422 Hayes Street and 319-321 Ivy Street would be subject to minimum tenancies of 30 days, as well as all other provisions of the HCO. The Settlement Agreement also requires the operator of the TRADED UNITS to adopt certain operating terms in order to encourage the rental of those units for residential purposes at all times. It also requires that Plaintiff record a Notice of Special Restrictions to memorialize the obligations of the settlement.

Background

Plaintiff Hotel Des Arts filed a writ petition and complaint for injunctive and declaratory relief (“Lawsuit”) in federal court challenging the Board of Supervisors’ 2023 amendments to HCO that define Tourist or Transient use as a stay of less than 30 days and establish 2-year amortization period for hotel owners to recoup their investments in tourist uses of their Residential Hotel Units. Plaintiff Hotel Des Arts is currently regulated under the HCO, and operates 38 residential and 13 tourist rooms, for a total of 51 rooms.

The proposed Ordinance implements the settlement of the Lawsuit, as set forth in a related Settlement Ordinance (Board File No. 250068).

Since 1981, the City has regulated residential hotel rooms through the HCO. The City amended the HCO several times to reinforce its original policy goal that residential rooms subject to the ordinance would remain available to the City's most vulnerable residents. The City amended the HCO again in 2023 responding to the Court of Appeal's order in an earlier lawsuit and included both a two-year amortization period for the legislative changes to the HCO and a process for a property owner to request an extension of the amortization period to recover its reasonable investments. The Lawsuit challenges these amendments.

The parties have agreed to settle the Lawsuit. The Settlement Agreement requires the City to remove the restrictions of the HCO from the Hotel des Arts and place those restrictions on 34 units, including 27 units, 6 kitchens, 5 full and 4 half bathrooms, and all associated amenities (including laundry, mail and common courtyard access) at 412-422 Hayes Street and 7 units, 2 kitchens, and 2 bathrooms, and all associated amenities (including laundry, mail and common courtyard access) at 319-321 Ivy Street. Adding the HCO restrictions to these buildings will extend the minimum tenancy period for the Group Housing use from seven to 30 days. Consolidating these rooms in buildings without tourist rooms, and with related residential amenities, along with other provisions of the settlement agreement, increases the likelihood that these units will be rented to San Francisco Residents, rather than for transient use. Upon approval of the Proposed Ordinance, Plaintiff will dismiss its challenge to the 2023 amendments to the HCO. The proposed ordinance is required to effectuate the settlement.

Issues and Considerations

The proposed ordinance is one component of a settlement that is intended to end litigation challenging the 2023 amendments to the HCO, and to restrict the TRADED UNITS for minimum 30-day tenancies. Without the proposed ordinance, the settlement will not be approved, and the litigation challenging the 2023 amendments will recommence.

Housing Affordability

The Planning Department's paramount concern is the impact that Residential Units in Chapter 41 hotels have on the availability and affordability of the City's housing stock. While the proposed Ordinance furthers the conversion of Residential units to Tourist hotel units at 447 Bush Street, it also helps preserve housing stock at 412-422 Hayes Street and 319-321 Ivy Street, for the following reasons: First, although the TRADED UNITS are currently Group Housing, under the settlement agreement, the tenancy will increase from seven to 30 days. Moreover, the TRADED UNITS include other amenities such as laundry, mailroom, and courtyard access, which increases the likelihood that these units will be indeed rented for residential uses. Second, having all the residential units consolidated in one location, as opposed to being mixed with tourist uses, as they currently are at the Hotel, would also be beneficial to the City and in furtherance of City policies, as stated below.

General Plan Compliance

The proposed ordinance is consistent with Policy 19 of the Housing Element in that it will expand group housing opportunities- a more affordable housing option. It is also consistent with Policy 36 in the Housing

Element, which seeks to discourage vacancy and short-term uses of existing housing stock by converting seven-day tenancy units into 30-day tenancy units.

Racial and Social Equity Analysis

Because the Ordinance applies to a limited number of parcels, its impact on the City's racial and social equity cannot be directly quantified. The proposal converts Residential Hotel units into Tourist Hotel rooms; however, these units do not currently provide long-term stable housing, and no tenants will be displaced as a result. To offset this change, the ordinance increases the minimum tenancy requirement for 34 Group Housing units from seven days to 30 days. Group housing is generally a more affordable option, expanding housing choices for residents.

Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

Recommendation

The Department recommends that the Commission ***adopt a recommendation for approval*** of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The proposed Ordinance is a required component of the agreement to settle the Lawsuit. The settlement approximates a one-for-one exchange as permitted under Administrative Code sections 41.12 - 41.14, permits the Plaintiff to use the 38 Residential Units at the Hotel Des Arts for Tourist Use, and imposes the Residential Use restrictions of Chapter 41 on 34 units, including 27 units located at 412-422 Hayes Street and 7 units located at 319-321 Ivy Street. The TRADED UNITS include kitchens, mail service and laundry facilities. As a result, the TRADED UNITS provide greater benefits to the prospective residential tenants, making those units beneficial to the target population of the HCO. In addition, it will benefit the City to have all these residential units consolidated in one location, as opposed to being mixed with tourist uses, as they currently are at the Hotel. As a result of the settlement, the 34 TRADED UNITS will be subject to Chapter 41, and will be subject to minimum 30-day tenancies instead of the 7-day tenancy requirement currently applicable to those units. For these reasons, the Department supports the proposed Ordinance. .

Required Commission Action

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.

Environmental Review

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

Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

ATTACHMENTS:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 250069

BOARD of SUPERVISORS

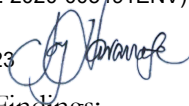


City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: February 5, 2025
To: Planning Department/Planning Commission
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 250069
Planning Code - Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*) CEQA clearance under Final Negative Declaration issued on 1/26/2023 (Case No. 2020-005491ENV)
 - Ordinance / Resolution
 - Ballot Measure

10/31/2023 
- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302
- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to John Carroll at john.carroll@sfgov.org.



NEGATIVE DECLARATION

Date: October 19, 2022; amended January 26, 2023
Case No.: 2020-005491ENV
Zoning: Various
Block/Lot: Various
Lot Size: Various
Project Sponsor: Supervisor Aaron Peskin, San Francisco Board of Supervisors
Lead Agency: San Francisco Planning Department
Staff Contact: Joy Navarrete, p. 628.652.7561, joy.navarrete@sfgov.org

Project Description:

The 2022 HCO Amendments project (Board of Supervisors File No. 220815) is an ordinance amending Chapter 41 of the Administrative Code to add a definition of Tourist or Transient Use under the Residential Hotel Unit Conversion Ordinance; to set the term of tenancy for such use at less than seven days for a period of two years after the effective date of this ordinance, and at no less than 30 days following that two-year period; to provide an amortization period applicable to hotels currently regulated under the ordinance; to provide a process by which the owners or operators of regulated hotels can apply for an extension of the amortization period, on a case-by-case basis; and, to amend the definition of Permanent Resident from a person who occupies a room for 32 days to a person who occupies a room for 30 days.

Finding:

This project could not have a significant effect on the environment. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance), and 15070 (Decision to prepare a Negative Declaration), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached.

In the independent judgment of the planning department, there is no substantial evidence that the project could have a significant effect on the environment.

Lisa Gibson
Environmental Review Officer

January 26, 2023

Date of Issuance of Final
Negative Declaration

ATTACHMENT A

INITIAL STUDY

2022 HOTEL CONVERSION ORDINANCE AMENDMENTS

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A. Project Description

Background

Residential Single Room Occupancy (SRO) hotels represent one of the few remaining affordable housing options for low-income households and seniors in San Francisco. But housing market pressures, illegal conversions of SRO rooms to tourist use, and legal issues with defining tenancy have, over time, led to the loss of SRO rooms and contributed to the City's rental housing affordability crisis.

SRO rooms are differentiated from tourist rooms in that they were meant to house a transient workforce, not tourists visiting the City for pleasure. Historically, SRO hotel rooms were occupied by low-wage workers, transient laborers, and recent immigrants for long stays. A typical room in a residential hotel is a single eight (8) x ten (10) foot room with shared toilets and showers on each floor. Approximately 19,000 residential SRO rooms exist in the City, and an increasing number of these rooms house several people, including families, for long periods of time. Approximately 12,400 of the City's SRO rooms are in for-profit SRO hotels and approximately 6,540 residential rooms are in non-profit owned SRO hotels.¹

In 1979, the San Francisco Board of Supervisors instituted a moratorium on the conversion of residential hotel units into tourist units in response to a severe shortage of affordable rental housing for elderly, disabled, and low-income persons. Subsequently, in 1981, the City enacted the Residential Hotel Unit Conversion and Demolition Ordinance (the "HCO"), Administrative Code Chapter 41, instituting permanent controls to regulate all future residential hotel conversions. In adopting the HCO, the Board of Supervisors included findings that "the City suffers from a severe shortage of affordable rental housing; that many elderly, disabled and low-income persons reside in residential hotel units; that the number of such units had decreased by more than 6,000 between 1975 and 1979; that loss of such units had created a low-income housing "emergency" in San Francisco, making it in the public interest to regulate and provide remedies for unlawful conversion of residential hotel units; that the City had instituted a moratorium on residential hotel conversion effective November 21, 1979; and that because tourism is also essential to the City, the public interest also demands that some moderately priced tourist hotel rooms be available, especially during the summer tourist season." (*San Remo Hotel L.P. v. City and Cty. of San Francisco* (2002) 27 Cal.4th 643, 650).

Tourist hotels and residential hotels are defined in Planning Code Section 102, and permanent resident is defined in Administrative Code Section 41.4:

- **Hotel.** A Retail Sales and Services Use that provides tourist accommodations, including guest rooms or suites, which are intended or designed to be used, rented, or hired out to guests (transient visitors) intending to occupy the room for less than 32 consecutive days. This definition also applies to buildings containing six or more guest rooms designated and certified as tourist units, under [Chapter 41](#) of the San Francisco Administrative Code. For purposes of this Code, a Hotel does not include (except within the Bayshore-Hester Special Use District as provided for in Sections [713](#) and [780.2](#) of this Code) a Motel, which contains guest rooms or suites that are independently accessible from the outside, with garage or parking space located on the lot, and designed for, or occupied by, automobile-traveling transient visitors. Hotels

¹ <https://projects.sfplanning.org/community-stabilization/sro-hotel-protections.htm>

shall be designed to include all lobbies, offices, and internal circulation to guest rooms and suites within and integral to the same enclosed building or buildings as the guest rooms or suites.

- **Hotel, Residential.** A Residential Use defined in [Chapter 41](#) of the San Francisco Administrative Code that contains one or more residential hotel units. A residential hotel unit is a guest room, as defined in Section 203.7 of Chapter XII, Part II, of the San Francisco Municipal Code ([Housing Code](#)), which had been occupied by a permanent resident on September 23, 1979, or any guest room designated as a residential unit pursuant to Sections [41.6](#) or [41.7](#) of [Chapter 41](#) of the San Francisco Administrative Code. Residential hotels are further defined and regulated in the Residential Hotel Unit Conversion and Demolition Ordinance, [Chapter 41](#), of the San Francisco Administrative Code.
- **Permanent Resident.** A person who occupies a guest room for at least 32 consecutive days.

In the original HCO, a unit's designation as "residential" or "tourist" was determined as of September 23, 1979, by its occupancy status according to definitions contained in the HCO. The HCO required SRO hotels in San Francisco to report all residential and tourist units in a hotel as of September 23, 1979. Residential units were then placed on a registry, and a hotel owner could subsequently convert residential units into tourist units only by obtaining a conversion permit from the Department of Building Inspection ("DBI"). To obtain a conversion permit, applicants were required to construct new residential units, rehabilitate old ones, or pay an "in lieu" fee into the City's Residential Hotel Preservation Fund Account.

The original HCO also allowed seasonal tourist rentals of residential units during the summer if the unit was vacant because a permanent resident voluntarily vacated the unit or was evicted for cause by the hotel operator. Further, the HCO required hotel operators to maintain records to demonstrate compliance with the ordinance and to provide these records for inspection by DBI.

In 1987 and 1988, the City conducted a series of meetings and workshops to discuss the operation of the HCO with City staff, community housing groups, and residential hotel owners and operators. City decision makers considered the concerns of hotel operators relating to the prohibition of renting residential units for fewer than 32 days². Ultimately, the City repealed and readopted the HCO in 1990, making four changes from the old law. The 1990 amendments: (1) prohibited the summer tourist use of residential rooms; (2) increased the in-lieu payment from 40 percent to 80 percent; (3) added the requirement that any hotel that rents rooms to tourists during the summer months must rent the rooms at least 50 percent of the time to permanent residents during the winter; and (4) the new law did not provide for relief on the ground of economic hardship.

In 2014, the City analyzed the HCO and found that while private hotel owners are required to file an Annual Unit Usage Report ("AUUR") with DBI, only 179 of 413 private SRO hotels thought to be in operation had submitted the required annual usage report.³ The City acknowledged that given the low rate of response to the AUUR, it was difficult to know precisely the total number of residential units available in private and non-profit owned and operated SRO hotels, and the actual vacancy rates for these buildings. However, based on available data the City calculated the following vacancies:

2 San Francisco SRO Hotel Coalition, Hotel des Arts, LLC, and Brent Haas v. City and County of San Francisco, Department of Building Inspection, San Francisco County Superior Court, September 24, 2019

3 San Francisco Department of Building Inspection AUUR data, 2014

- Of the 228 privately owned SRO hotels for which data were obtained, 864 of 7,241 units (11.9 percent) were vacant.
- Of 32 non-profit SRO hotels, 91 of 2,667 units (3.4 percent) were vacant.

In a 2015 report to the Board of Supervisors, the Budget and Legislative Analyst Office further found that “a few of the buildings indicated that they were serving populations other than the low-income, disabled, and elderly individuals whom the units are intended to serve,” and that “the hotels may be providing long-term rental housing to students or to young technology sector workers, both of which would be allowed under the provisions of Chapter 41.”⁴ It confirmed that “at least three of the hotels are now providing long-term housing for students only, a use which is allowed under Chapter 41, but which does not accomplish the goal of providing rooms for low-income and disabled populations.”

Further analysis by the City showed the following vacancies in 2015:⁵

- Of 354 privately owned hotels, 1,488 of 11,473 units (12.9 percent) were vacant.
- Of 29 non-profit hotels, 84 of 2,028 units (4.1 percent) were vacant.

Again, the City acknowledged that “many SROs had disconnected numbers, did not return phone calls, or were unable to provide information, [and] as a result, it was impossible to verify whether they were still in operation, or to include vacancy information for them.”⁶

Past CEQA Review for the Hotel Conversion Ordinance

On June 23, 1983, the Planning Department (formerly “Department of City Planning”) issued a Final Negative Declaration for the original HCO, the addition of Chapter 41 of the San Francisco Administrative Code Hotel Conversion Ordinance (“HCO Negative Declaration”). The HCO Negative Declaration analyzed the ordinance, which regulated the conversion of rooms in residential hotels to other use, including tourist occupancy, the demolition of such rooms, as well as required construction of replacement units, if applicable. The Hotel Conversion Ordinance applied to residential hotels citywide. The project contemplated possible physical changes to the environment, such as replacement of units. No mitigation measures were required.

On January 9, 1985, the Planning Department issued a Final Negative Declaration for amendments to the Hotel Conversion Ordinance affecting the definition of interested parties, time limits for compliance, penalties for violation, and other aspects of administration of the ordinance. (“1985 Negative Declaration.”) The amendments did not contemplate possible physical changes to the environment. No mitigation measures were required.

On September 22, 1989, the Planning Department issued a memorandum to the file for amendments to the Hotel Conversion Ordinance. (“Memorandum to File.”) The proposed amendments made several administrative changes to the ordinance, such as revising definitions, notice requirements, reporting requirements, and time limit replacement requirements. The 1989 amendments included the “clarification of the requirements regarding temporary conversions, including authorization to use some units as tourist hotel units during the summer season under defined limited circumstances, or as weekly rather than monthly rentals during winter months under

⁴ City and County of San Francisco, Board of Supervisors Budget and Legislative Analysis, Policy Analysis Report, August 25, 2015. San Francisco Department of Building Inspection AUUR data, 2015

⁵ Idem.

⁶ Idem.

defined limited circumstances”. The Memorandum to File found that the proposed amendments would be largely procedural and housekeeping measures to improve operation and enforcement of the ordinance, affecting only the administration of the ordinance. The memorandum found “Clearly, they could have no physical effect on the environment” and therefore no new environmental review was necessary under CEQA Guidelines Section 15162.

2017 and 2019 Amendments

On December 6, 2016, Supervisor Peskin introduced substitute Ordinance No. 38-17 (“the 2017 Amendments”) to update the HCO by increasing the 7-day initial minimum rental period for SRO units to 32 days. On December 15, 2016, the Planning Department determined the Ordinance was “not defined as a project under CEQA Guidelines Section 15378 and 15060(c)(2) because it does not result in a physical change in the environment.”⁷

On February 7, 2017, the Board of Supervisors unanimously adopted the 2017 Amendments. Mayor Ed Lee signed the 2017 Amendments on February 17, 2017, and the 2017 Amendments became effective on March 19, 2017. As of that date, the HCO regulated roughly 18,000 residential units within 500 residential hotels across San Francisco.

A CEQA lawsuit was filed against the City and County of San Francisco by San Francisco SRO Hotel Coalition challenging the Planning Department’s “not a project” determination on the 2017 Amendments. (*San Francisco SRO Hotel Coalition v. City and County of San Francisco*, San Francisco County Superior Court, Case No. CPF-17-515656.)

On January 15, 2019 the City passed further legislation further amending the HCO to revise the definition of “Tourist or Transient Use” to “any use of a guest room for less than a 30-day term of tenancy by a party other than a Permanent Resident” (the 2019 HCO Amendment).

On September 24, 2019, the San Francisco Superior Court found that potential tenant displacement is a reasonably foreseeable impact of the 2017 HCO Amendments, and that the possibility of displacement was sufficient to bring the Amendments within the definition of “project” under CEQA (“Court Order.”) The court specifically rejected the challengers’ argument that displacement results in homelessness or urban blight. The Court issued a writ of mandate setting aside and voiding the City’s adoption of the 2017 HCO Amendments, and thereby the 2019 HCO Amendment, ordering the City to comply with CEQA before proceeding with any HCO legislation increasing the 7-day minimum rental period for SRO units.

2022 Proposed Amendments to the Hotel Conversion Ordinance

The 2022 HCO Amendments project (Board of Supervisors File No. 220815) is an ordinance amending Chapter 41 of the Administrative Code to add a definition of Tourist or Transient Use under the Residential Hotel Unit Conversion Ordinance; to set the term of tenancy for such use at less than seven days for a period of two years after the effective date of this ordinance, and at no less than 30 days following that two-year period; to provide an amortization period applicable to hotels currently regulated under the ordinance; to provide a process by which the owners or operators of regulated hotels can apply for an extension of the amortization period, on a case-by-case basis; and, to amend the definition of Permanent Resident from a person who occupies a room for 32 days to a person who occupies a room for 30 days.

⁷ San Francisco Planning Department, CEQA Determination for Board File No. 161291, December 15, 2016.

Existing Law

Chapter 41 of the Administrative Code contains the Residential Hotel Unit Conversion Ordinance (HCO), which regulates single room occupancy (SRO) hotels in the City. Currently, the HCO does not include a definition of what constitutes a tourist or transient use.

Amendments to Current Law

This ordinance would amend the HCO to add a definition of “Tourist or Transient Use;” to mean:

- For two years after the effective date of the ordinance, “any use of a guest room for less than a 7-day term of tenancy by a party other than a Permanent Resident;” and
- After those two years, “any use of a guest room for less than a 30-day term of tenancy by a party other than a Permanent Resident,” unless a hotel owner or operator demonstrates that a longer time is necessary to recover reasonable investments in the owner or operator’s hotel.

The ordinance provides that a hotel owner or operator may seek to extend the time during which the terms “Tourist or Transient Use” means “any use of a guest room for less than a 7- day term of tenancy by a party other than a Permanent Resident” beyond the two-year period, by filing a request with the Building Inspection Commission six months prior to the expiration of that two-year period. The ordinance sets forth criteria for the Building Inspection Commission to take into account, when considering a reasonable extension of time, such as: the total cost of the hotel owner or operator’s investments in the hotel; the length of time those investments have been in place; suitability of the investments for residential hotel use; and any other relevant factors to determining the owner or operator’s reasonable return on investments.

The ordinance mandates that Building Inspection Commission staff amply publicize the deadline to request an extension with the Commission, to give notice to interested hotel owners of the provisions of the procedures to obtain such an extension. Further, the Ordinance requires that the Commission consider the application at a public hearing.

Board of Supervisors File No. 190946 contains a similar ordinance. This ordinance (BOS File No. 220815) updates the amortization period to run for two years from the effective date of the ordinance.

Reasonably Foreseeable Indirect Physical Change in the Environment

The Ordinance seeks to phase out the transient hotel uses that currently exist in SROs in favor of permanent residential uses by increasing the 7-day initial minimum rental period for SRO units to 30 days, at the end of the amortization period. While the Ordinance would, after a two-year amortization period, result in a change from transient hotel use to residential hotel use, it would not result in any direct environmental impacts such as those related to construction activities (e.g., loss of a cultural resource through demolition or impacts associated with construction traffic, noise, or air quality). Any environmental effects of the ordinance would be limited to potential indirect effects. The Superior Court concluded that potential tenant displacement is a reasonably foreseeable impact of the HCO Amendments, and the possibility of displacement is sufficient to bring the Amendments within the definition of “project” under CEQA.⁸ However, in preparing this initial study, the Department found that substantial evidence does not support the conclusion that the HCO Amendments would result in tenant displacement.

⁸ San Francisco SRO Hotel Coalition, Hotel des Arts, LLC, and Brent Haas v. City and County of San Francisco, Department of Building Inspection, San Francisco County Superior Court, September 24, 2019.

Identifying a physical change involves “comparing existing physical conditions with the physical conditions that are predicted to exist at a later point in time, after the proposed activity has been implemented. The difference between these two sets of physical conditions is the relevant physical change.” (*Wal-Mart Stores, Inc. v. City of Turlock* (2006) 138 Cal. App.4th 273, 289 (disapproved on other grounds in *Hernandez v. City of Hanford* (2007) 41 Cal.4th 279). Under the CEQA Guidelines, “an indirect physical change is to be considered only if that change is a reasonably foreseeable impact which may be caused by the project. A change which is speculative or unlikely to occur is not reasonably foreseeable.” (CEQA Section 15064(d)(3).)

A comparison of the HCO before and after the 2022 Amendments indicates that prior to 2022, section 41.20(a) made it unlawful to “rent any residential unit for a term of tenancy less than seven days except as permitted by Section 41.19 of this Chapter” and to “offer for rent for nonresidential use or tourist use a residential unit except as permitted by this Chapter.” A hotel owner could not rent a residential unit for tourist use unless certain conditions applied. Following the 2022 Amendments, section 41.20(a) would make it unlawful “to rent any residential unit for Tourist or Transient Use except as permitted by Section 41.19 of this Chapter” and to “offer for rent for Tourist or Transient Use except as permitted by this Chapter.”

Under the 2022 Amendments, for a period of two years beginning on the effective date of the ordinance, “Tourist or Transient Use” would be defined as “any use of a guest room for less than a 7-day term of tenancy by a party other than a Permanent Resident. After those two years, “Tourist or Transient Use” would be defined as “any use of a guest room for less than a 30-day term of tenancy by a party other than a Permanent Resident,” unless a hotel owner or operator demonstrates that a longer time is necessary to recover reasonable investments in the owner or operator’s hotel. A Permanent Resident, in turn, would be defined in Chapter 41 as “A person who occupies a guest room for at least 30 consecutive days.”

In the prior CEQA action, the plaintiffs argued that a 30-day minimum stay would make residential rooms unaffordable to low-income tenants because tenants would be unable to prepay a month’s rent plus a security deposit. The Department has found nothing in the 2022 HCO Amendments requiring hotel owners to require monthly payments from tenants. While the minimum term of tenancy is proposed to be changed to 30 days from 7 days, the 2022 Amendments do not address rental payment schedules at all. Plaintiffs argued, and ultimately the court agreed, that residential displacement is at least reasonably foreseeable, if several conditions are met. For instance, if landlords do require monthly rent payments, some tenants may potentially be displaced. If some of the for-profit hotel owners choose to leave residential hotel rooms vacant instead of accepting long-term residential tenancies, that may also potentially result in some displacement.

For those reasons, the Planning Department has decided to further analyze the displacement arguments, to see if there are indeed any impacts under CEQA. As discussed further below, the department’s further analysis has found that substantial evidence does not support the conclusion that the HCO Amendments would result in tenant displacement.

Displacement

Displacement is defined as the process by which a household is forced to move from a residence—or is prevented from moving into a neighborhood that was previously accessible to them because of conditions beyond their control.⁹ As indicated by Berkeley Urban Displacement Project (UDP), displacement takes many different forms—

⁹ UC Berkeley Urban Displacement Project, *Rising Housing Costs and Re-Segregation of San Francisco*, 2018. Online: https://www.urbandisplacement.org/sites/default/files/images/sf_final.pdf

direct and indirect, physical or economic, and exclusionary—and may result from either investment or disinvestment.¹⁰

Displacement is also defined as the involuntary relocation of current residents or businesses.¹¹

Other definitions for different types of displacement include:

- Residential displacement is defined as the involuntary movement of residents from their current residence.¹²
- Physical (direct) displacement is the result of eviction, acquisition, rehabilitation, or demolition of a property, or the expiration of covenants on rent- or income-restricted housing.¹³
- Economic (indirect) displacement occurs when residents and businesses can no longer afford escalating rents or property taxes (and must move out).¹⁴
- Exclusion or exclusionary displacement occurs when a lower income household cannot afford to move in to an area given the cost of housing relative to their household income, which typically is the result of rising rents and/or home prices that contribute to the area becoming exclusive.¹⁵
- Cultural displacement occurs when there is a decline in the number of businesses and/or cultural organizations/institutions associated with a particular race, ethnicity, or other marginalized group, which can be accompanied by residential displacement.¹⁶

The 2022 HCO Amendments would, after an amortization period, restrict hotel owners from renting rooms to guests for tenancies as short as seven days, as is currently allowed, and would require tenancies be a minimum of 30 days.

A change in regulation that increases the minimum term of occupancy for the finite number of available SRO units from weekly hotel rentals to monthly apartment rentals foreseeably restricts the availability of the limited stock of

¹⁰ Ibid.

¹¹ Seattle 2035 Growth and Equity Report summarizes key terms used to define displacement from a review of research literature. <https://www.seattle.gov/documents/Departments/OPCD/OngoingInitiatives/SeattlesComprehensivePlan/FinalGrowthandEquityAnalysis.pdf>

¹² This definition is based on UDP's 2021 research, which defined displacement as a situation in which households are forced involuntarily to move out for economic or physical reasons (because of eviction, rent increase, demolition of existing housing, etc.) or are prevented from moving into a neighborhood (i.e., excluded) because of high rents or other conditions they are unable to control or prevent. <https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy-Effectiveness.pdf>

¹³ Seattle 2035 Growth and Equity Report presents these terms to define various types of displacement <https://www.seattle.gov/documents/Departments/OPCD/OngoingInitiatives/SeattlesComprehensivePlan/FinalGrowthandEquityAnalysis.pdf>

¹⁴ Ibid.

¹⁵ This definition is based on UDP's research typology that defines displacement, gentrification and exclusion. https://www.urbandisplacement.org/wp-content/uploads/2021/07/udp_replication_project_methodology_10.16.2020-converted.pdf. It also builds upon the following definition used by Peter Marcuse in his 1986 research, which is cited by UDP. "Exclusionary displacement from gentrification occurs when any household is not permitted to move into a dwelling, by a change in conditions, which affect that dwelling or its immediate surroundings, which:

- a) is beyond the household's reasonable ability to control or prevent;
- b) occur despite the household's being able to meet all previously-imposed conditions of occupancy;
- c) differs significantly and in a spatially concentrated fashion from changes in the housing market as a whole; and
- d) makes occupancy by that household impossible, hazardous or unaffordable."

¹⁶ Based on draft set of terms from the San Francisco Housing Element Update.

these units to the transient tourist population in favor of making them available to permanent residents, with the reasonably foreseeable potential of displacing some individuals (tourists) in favor of others (residents).

While the 2022 HCO Amendments do not require a specific payment structure, the department considered the potential impacts if some hotel owners began requiring security and monthly deposits if required to rent for longer minimum rental terms that eliminate weekly rentals. In such a case, renters who are unable to afford monthly deposits could be displaced as a result.

Homelessness

The City's homelessness issue is a complex one with multiple causes and is not subject to simplification and linear causal relationships. Every two years during the last ten days of January, the Department of Homelessness and Supportive Housing (HSH) conducts comprehensive counts of the local population experiencing homelessness, the Point-in-Time Count (PIT Count).¹⁷

On February 23, 2022, there were 7,754 people experiencing homelessness in San Francisco, a 3% decrease over the 2019 Point-in-Time Count. The total number of unsheltered persons counted was 4,397. Of the 3,357 individuals included in the shelter count, 87% (2,933 people) were in emergency shelter programs while 13% (424 persons) were residing in transitional housing programs on the night of the count.

Persons in families with children, including the minor children, represented eight percent (8%) of the total population counted in the Point-in-Time Count, while 91% were individuals without children. In total, 5% of those counted on February 23, 2022, were under the age of 18, 13% were between the ages of 18-24, and 81% were over the age of 25.¹⁸

The San Francisco 2022 Homeless Count & Survey states:

“Widespread homelessness is the result of a severe shortage in affordable housing, a widening gap between rising housing costs and stagnant wages, and an insufficient safety net for individuals with disabling conditions. Though these drivers are structural and systemic, individuals often have one or multiple major events or factors that precipitate their homelessness. An inability to secure adequate housing can lead to an inability to address other basic needs, such as health care and adequate nutrition.

Over one-fifth (21%) of respondents identified job loss as the primary cause of their homelessness. Fourteen percent (14%) reported eviction. Twelve percent (12%) identified drugs or alcohol, 9% reported an argument with a friend or family member who asked them to leave, and 7% cited mental health issues as the primary cause of their homelessness.”¹⁹

Some hotel owners have argued that extending the minimum tenancy required for residential tenants could result in displaced persons leading to homelessness, resulting in physical environmental impacts such as increased trash in public streets, discarded syringes, human feces and urination, abandoned shopping carts in public and private spaces, pollution of waterways, increased crime, impacts to City services, and urban decay. The Superior Court rejected this argument, finding that the plaintiffs had failed to provide evidence supporting this claim.

¹⁷ San Francisco sought an exception from HUD to postpone the 2021 unsheltered PIT count until 2022 due to COVID-19 health and safety concerns. In addition, the 2022 count took place at the end of February 2022 rather than the standard requirement to conduct the count at the end of January 2022. San Francisco was granted permission from HUD to postpone the count one month due to low staff capacity and public health concerns resulting from the COVID-19 Omicron variant surge.

¹⁸ 2022-PIT-Count-Report-San-Francisco-Updated-8.19.22.pdf (sfgov.org), accessed October 6, 2022

¹⁹ Ibid.

Similarly, the department has identified no evidence to support this claim. Moreover, even if any of these speculative scenarios were to occur, they are considered under CEQA to be socioeconomic, rather than environmental impacts. CEQA generally does not require the analysis of socioeconomic impacts. Instead, CEQA Guidelines Section 15131(a) prohibits considering such impacts, stating:

“Economic or social effects of a project shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes.”

As a result, CEQA’s analysis of potential adverse physical impacts resulting from economic activities focuses on the question of whether an economic change would lead to physical deterioration in a community. Enactment of the 2022 HCO Amendments would not reduce the City’s authority to enforce its laws, to clean up City streets, pursue affordable housing programs or construct homeless shelters, supportive housing and navigation centers, or to pursue nuisance abatement proceedings under its inherent police powers. The Department finds that the proposed legislation would not create an economic change that would lead to the physical deterioration of any community within San Francisco.

Past Vacancy Trends

According to DBI’s 2016 Annual Unit Usage Report (AUUR) data, of the approximately 400 for-profit hotels for which data were reported, approximately 1,840 of 13,042 units (14.1 percent) were vacant in 2016.²⁰ Reasons for residential hotel vacancy in October 2016 were not required to be reported.

According to DBI’s 2017 AUUR data, of the approximately 400 for-profit hotels for which data were reported, approximately 2,314 of 12,659 units (18.2 percent) were vacant in 2017.²¹ Reasons for residential hotel vacancy in October 2017 included, but were not limited to: vacancy due to fire and renovation, vacancy due to renovations, vacancy due to emergency housing program usage by Chinatown Family Benevolent Associations, vacancy due to new ordinance now in place since March 2017, no demand for long term stays, no demand for 32 night stays, rent too high.²²

According to DBI’s 2018 AUUR data, of the approximately 400 for-profit hotels for which data were reported, approximately 2,176 of 12,534 units (17.3 percent) were vacant in 2018.²³ Reasons for residential hotel vacancy in October 2018 included, but were not limited to: vacancy during renovations, vacancy due to conflict in estate, vacancy due to fire, low demand in housing market, unable to find tenants.²⁴

According to DBI’s 2019 AUUR data, of the approximately 400 for-profit hotels for which data were reported, approximately 2,280 of 10,140 units (22.5 percent) were vacant in 2019.²⁵ Reasons for residential hotel vacancy in October 2019 included, but were not limited to: vacancy during renovations, vacancy due to emergency housing

20 San Francisco Department of Building Inspection Annual Unit Usage Report AUUR data, 2016-2018.

21 Idem.

22 Idem.

23 Idem.

24 Idem.

25 San Francisco Department of Building Inspection AUUR data, 2019.

program usage by Chinatown Community Development Center (CCDC), vacancy due to construction on Van Ness Avenue making renting impossible, no demand for 32 night stays, rent too high, owners making affirmative decision not to rent out rooms, low demand in housing market, unable to find tenants, fire damage, pest control abatement, tenants unable to pay rent and required deposit at check-in.²⁶

According to DBI’s 2020 AUUR data, of the approximately 400 for-profit hotels for which data were reported,²⁷ approximately 3,800 of 12,400 units (30.6 percent) were vacant in 2020. Reasons for residential hotel vacancy in 2020 included, but were not limited to: vacancy due to planned or ongoing renovations/seismic upgrade, vacancy due to the COVID-19 pandemic, no demand for rooms, low demand for housing near downtown, vacancy due to legal conflict between the Academy of Art University and the City and County of San Francisco, vacancy due to a 1985 court order, owners making affirmative decision not to rent out rooms, and fire damage.²⁸ It is important to note that this 2020 AUUR data was collected during the COVID-19 emergency shelter in place. The last two years of data (2019 and 2020) show a continued upward trend in the vacancy rate compared to the 2014 and 2015 data.

Table 1 below summarizes the AUUR data obtained from DBI from 2016 to 2020.

TABLE 1 – Annual Usage Reports Summary					
AUUR Year	Total Number of For-Profit SROs in AUUR	Total SRO units Vacant	Vacancy Percentage from Total	Reported Vacancy Due to 2017 HCO²⁹	Percentage of Total Vacant due to 2017 HCO^b
2014	7,241	864	11.9%	n/a	n/a
2015	11,473	1,488	12.9%	n/a	n/a
2016	13,042	1,840	14.1%	n/a	n/a
2017	12,659	2,314	18.2%	64	0.50%
2018	12,534	2,176	17.3%	36	0.29%
2019	10,140	2,280	22.5%	46	0.45%
2020	12,400	3,800	30.6%	n/a	n/a

a. The City acknowledges that given the low rate of response to the AUURs, it is difficult to know precisely the total number of residential units available in private owned and operated SRO hotels at any point in time, and the actual vacancy rates for these buildings.

b. Note that in 2017-2019 (before the writ of mandate reversing the 2017 and 2019 HCO Amendments) many SROs were not complying with 32-day minimum and were still offering 7-day rentals. DBIs records do not include length of stays.

26 2019 Vacancy Data, hotels reporting more than 50% vacancy as of October 15, 2019, provided by Matthew Luton, Housing Inspection Services, Department of Building Inspection.

27 San Francisco Department of Building Housing Inspection Services, AUUR data. October 2020.

28 2019 Vacancy Data, hotels reporting more than 50% vacancy as of October 15, 2019, provided by Matthew Luton, Housing Inspection Services, Department of Building Inspection.

29 Note that in 2017-2019 (before the writ of mandate reversing the 2017 and 2019 HCO Amendments) many SROs were not complying with 32-day minimum and were still offering 7-day rentals. DBIs records do not include length of stays.

Based on all of the factors discussed above, the Planning Department uses the estimated vacancy rate of 19.3 percent between 2017 (18.2%), 2018 (17.3%), and 2019 (22.5%) (before the writ of mandate reversing the 2017 and 2019 HCO Amendments) as it reflects the approximate rate of vacancy under implementation of the previous legislation (2017 HCO Amendments) before the court’s order and before the impacts of the COVID-19 pandemic³⁰.

It is uncertain whether any tenants would be displaced indirectly through implementation of the 2022 HCO Amendments or which specific residential hotels in San Francisco would be affected. However, for the purpose of environmental review, the Planning Department has estimated a theoretical number of units which would be vacant due to the 2022 HCO Amendments, thereby theoretically indirectly displacing those tenants who would otherwise rent these units. Of the approximately 400 for-profit hotel owners reporting in the 2017, 2018 and 2019 AUUR data, it was reported that 64, 36, and 46 of the reported hotel units, respectively, were vacant because they were either unable to rent for 32 days, unable to rent due to the 2017 HCO Ordinance, found no interest in long term stays, or the rent was too high.³¹ For purposes of this analysis, the department conservatively assumes the highest number of 64 SRO units as a reasonable estimation of potential indirect displacement of tenants who would otherwise rent these 64 units were it not for the 2022 HCO Amendments (i.e. if the minimum stay remains 7 days by transient tourists). To be conservative, and in the absence of any other substantial evidence, the full number of 64 units will be used for this Initial Study analysis.

Project Approvals

Approval Action: The adoption of the Ordinance by the San Francisco Board of Supervisors would be the approval action for this project.

B. Project and Cumulative Setting

Site Vicinity

San Francisco is a consolidated city and county located on the tip of the San Francisco Peninsula with the Golden Gate Strait to the north, San Francisco Bay to the east, San Mateo County to the south, and the Pacific Ocean to the west. San Francisco has an area of approximately 49 square miles.

While residential hotels exist throughout the City, they are concentrated in three major sub-areas of the City: Chinatown/North Beach, Union Square/North of Market, and South of Market. Over two-thirds of all residential hotel units in San Francisco are in these three general areas, mostly located in commercially-zoned districts.

Cumulative Setting

CEQA Guidelines section 15130(b)(1)(A) defines cumulative projects as past, present, and reasonably foreseeable projects producing related or cumulative impacts. CEQA Guidelines section 15130(b)(1) provides two methods for cumulative impact analysis: the “list-based approach” and the “projections-based approach”. The list-based approach uses a list of projects producing closely related impacts that could combine with those of a proposed project to evaluate whether the project would contribute to significant cumulative impacts. The projections-based

³⁰ The City acknowledges that given the low rate of response to the AUURs, it is difficult to know precisely the total number of residential units available in private owned and operated SRO hotels at any point in time, and the actual vacancy rates for these buildings.

³¹ Note that in 2017 to 2019 many SROs were not complying with 32-day minimum and were still offering 7-day rentals.

approach uses projections contained in a general plan or related planning document to evaluate the potential for cumulative impacts.

This PND concludes that the 2022 HCO Amendments would not result in adverse physical effects on the environment; all issues are discussed in Section D below. By its nature as a city-wide ordinance, the analysis of the effects related to implementation of the 2022 HCO Amendments is cumulative; therefore, checklist responses consider individual and cumulative effects together.

These 2022 HCO Amendments under the proposed Ordinance are intended preserve low-cost housing and eliminate the use of residential rooms by weekly tourists that could displace permanent residents by increasing the duration of initial minimum stay from 7 to 30 days.

The substantive change is increasing the duration of initial minimum stays in SROs from 7 to 30 days. Increased compliance with the Ordinance is the intention and a resulting decrease in illegal conversions of residential hotel rooms would be a likely result of the incorporation of the proposed amendments into the Ordinance.

C. Summary of Environmental Effects

The proposed project could potentially affect the environmental factor(s) checked below. The following pages present a more detailed checklist and discussion of each environmental topic.

- | | | |
|---|--|---|
| <input type="checkbox"/> Land Use and Land Use Planning | <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Wind | <input type="checkbox"/> Hydrology and Water Quality |
| <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Shadow | <input type="checkbox"/> Hazards and Hazardous Materials |
| <input type="checkbox"/> Tribal Cultural Resources | <input type="checkbox"/> Recreation | <input type="checkbox"/> Mineral Resources |
| <input type="checkbox"/> Transportation and Circulation | <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Energy Resources |
| <input type="checkbox"/> Noise | <input type="checkbox"/> Public Services | <input type="checkbox"/> Agriculture and Forestry Resources |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Wildfire |

Approach to Analysis

This initial study examines the proposed project’s impacts on the environment. For each item in the checklist, the evaluation considered the impacts of the proposed project both individually and cumulatively.

All items in the checklist are checked one of the following:

- Potentially Significant Impact
- Less than Significant with Mitigation Incorporated
- Less than Significant Impact
- No Impact
- Not Applicable

All items on the initial study checklist below that have been checked “Less than Significant with Mitigation Incorporated,” “Less Than Significant Impact,” “No Impact,” or “Not Applicable” indicate that, upon evaluation,

staff has determined that the proposed project could not have a significant adverse environmental effect relating to that topic. A discussion is included for these items. Items on the initial study checklist that have been checked “Potentially Significant” may require the preparation of a Draft Environmental Impact Report to further evaluate the potentially significant impact. There are no environmental topics for which the proposed project would have a potential individual or cumulative significant environmental effect. A discussion of items that are checked “No Impact” or “Not Applicable” are described below.

No Impact or Not Applicable Environmental Topics

The proposed project would have no impact on the following environmental topics and as a result are not discussed in detail in this initial study: Aesthetics, Mineral Resources, Agriculture and Forestry Resources, and Wildfire. This section briefly describes why the proposed project has no impact on these topics or why these topics are not applicable to the proposed project. These topics are not discussed further in the remainder of the initial study.

Aesthetics and Parking

CEQA Section 21099 CEQA Section 21099(d) states: “Aesthetic and parking impacts of a residential, mixed-use residential, or employment center project on an infill site located within a transit priority area shall not be considered significant impacts on the environment.”³² Accordingly, aesthetics and parking are not to be considered in determining if a project has the potential to result in significant environmental effects for projects that meet all of the following three criteria:

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

Residential hotels, in general, meet each of the above three criteria; thus, this checklist does not consider aesthetics or parking in determining the significance of project impacts under CEQA.

Mineral Resources

The project site is not located in an area with known mineral resources and would not extract mineral resources. Therefore, the proposed project would have no impact on mineral resources and would not have the potential to contribute to any cumulative mineral resource impact.

Agriculture and Forestry Resources

The project site is within an urbanized area in the City and County of San Francisco that does not contain any prime farmland, unique farmland, or farmland of statewide importance; forest land; or land under Williamson Act contract. The area is not zoned for any agricultural uses. Therefore, the project would have no impact, either individually or cumulatively, on agricultural or forest resources.

Wildfire

The project site is not located in or near state responsibility lands for fire management or lands classified as very high fire hazard severity zones. Therefore, this topic is not applicable to the project.

³² See CEQA Section 21099(d)(1).

D. Evaluation of Environmental Effects

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
1. LAND USE AND PLANNING. Would the project:					
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Cause a significant physical environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D.1.a) The proposed project would not result in the construction of a physical barrier to neighborhood access or the removal of an existing means of access. The 2022 HCO Amendments under the proposed Ordinance are intended to preserve low-cost housing and eliminate the use of residential rooms by weekly tourists that could displace permanent residents by increasing the duration of initial minimum stay from 7 to 30 days. It is not anticipated that the 2022 HCO Amendments would lead to zoning change proposals that make development on property in the city more restrictive than is currently allowed. Implementation of the 2022 HCO Amendments would not physically divide existing communities or neighborhoods, both individually or cumulatively. The proposed project would not alter the established street grid or permanently close any streets or sidewalks. Therefore, the proposed project would not physically divide an established community and no impacts would occur.

D.1.b) Land use impacts would be considered significant if the proposed project would conflict with any plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. The project sites under the HCO are currently developed with residential hotels and no physical changes are proposed as part the 2022 HCO Amendments project. Implementation of the proposed project would not result in physical changes to any residential hotel units throughout the city. The proposed project would not substantially conflict with any plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect and no impacts would occur.

___ Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
2. POPULATION AND HOUSING. Would the project:					
a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing people or housing units, necessitating the construction of replacement housing?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

According to the U.S. Census Bureau, the City and County of San Francisco had an estimated population of about 873,965 in 2020.³³ The Association of Bay Area Governments (ABAG) prepares projections of employment and housing growth for the Bay Area. The latest projections were prepared as part of Plan Bay Area 2050, adopted by ABAG and the Metropolitan Transportation Commission in October 2021. The growth projections for San Francisco County anticipate an increase of 213,000 households and 236,000 jobs between 2015 and 2050.³⁴ Plan Bay Area 2050 calls for an increasing percentage of Bay Area growth to occur as infill development in areas with good transit access and the services necessary for daily living in proximity to housing and jobs. With its abundant transit services and mixed-use neighborhoods, San Francisco is expected to accommodate an increasing share of future regional growth.

In the last few years, the supply of housing has not met demand in San Francisco. In December 2021, ABAG projected regional housing needs in the *Regional Housing Need Plan for the San Francisco Bay Area: 2023-2031*. ABAG projected that the housing need in San Francisco for 2023-2031 will be 82,069 dwelling units, consisting of 20,867 dwelling units that would be affordable to households at the very low-income level (below 50 percent of the Area Median Income [AMI]), 12,014 at the low-income level (50–80 percent), 13,717 at the moderate-income level (80–120 percent), and 35,471 above the moderate-income level (above 120 percent).³⁵

D.2.a) In general, a project would be considered growth-inducing if its implementation would result in a substantial population increase and/or new development that might not occur if the project were not implemented. The project sites under the HCO are currently developed with residential hotels and no physical changes are proposed as part the 2022 HCO Amendments project. The 2022 HCO Amendments under the proposed Ordinance are intended to preserve low-cost housing and eliminate the use of residential rooms by weekly tourists that could displace permanent residents by increasing, after an amortization period, the duration of initial minimum stay from 7 to 30 days.

33 U.S. Census Bureau, Quick Facts, San Francisco County, California. Available at <https://www.census.gov/quickfacts/fact/dashboard/sanfranciscocountycalifornia/PST045219>, accessed February 15, 2022.

34 Association of Bay Area Governments, Plan Bay Area 2050: The Final Blueprint – Growth Pattern, January 21, 2021. Available at https://www.planbayarea.org/sites/default/files/FinalBlueprintRelease_December2020_GrowthPattern_Jan2021Update.pdf, accessed February 15, 2022.

35 Association of Bay Area Governments, Regional Housing Needs Plan: San Francisco Bay Area, 2023-2031, December 2021. Available at https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf, accessed February 15, 2022.

Therefore, the proposed 2022 HCO Amendments would not induce substantial population growth in the area and the project would not result in a significant impact related to population growth, both directly and indirectly.

D.2.b) The project sites under the HCO are currently developed with residential hotels and no physical changes are proposed as part the 2022 HCO Amendments project. Implementation of the proposed project would not directly displace any existing residential hotel units or their existing tenants throughout the city. A change in regulation that increases the minimum term of occupancy for the finite number of available SRO units from weekly hotel rentals to monthly apartment rentals foreseeably restricts the availability of the limited stock of these units to the transient tourist population in favor of permanent residents, with the reasonably foreseeable potential of displacing some individuals (tourists) in favor of others (residents).

It is uncertain how many, if any, transient tourist tenants could be indirectly displaced through implementation of the 2022 HCO Amendments or which specific residential hotels in San Francisco would be affected.

Based on the 2020 AUUR, there are approximately 12,400 residential hotel units within 400 for-profit hotels in the Hotel Conversion Ordinance program. Based on all of the factors discussed above, the Planning Department uses the vacancy rate of 19.3 percent, as it reflects the approximate rate of vacancy under implementation of the previous legislation before the court's order and before the impacts of the COVID-19 pandemic (AUUR data from 2017 to 2019).

The reported reasons shown above for hotel vacancy in 2017, 2018 and 2019³⁶ vary from hotel owner to hotel owner, and only a small portion of the reported reasons for vacancy (less than 0.50 percent) appear to be attributed to the 2017 and 2019 HCO Amendments,³⁷³⁸ As a result, and without finding any other substantial evidence, the Planning Department uses the highest of those three reports with hotel SRO vacancies reporting "no demand for 32-night stays", "rent too high", and "tenants unable to pay rent and deposit at check-in", at 64 hotel units with , as the theoretical number of hotel units with transient tourist tenants anticipated to be indirectly displaced due to the 2022 HCO Amendments project implementation.

The HCO's purpose is to provide and preserve affordable housing for elderly, disabled, and low-income persons; its premise in regulating the terms of occupancy for SRO units is that they are a limited resource and critical housing stock that must remain available to serve a vulnerable and economically-disadvantaged target population. (HCO Section 41.3.)

The 2022 HCO Amendments would neither displace existing residential hotel tenants nor create demand for additional housing, the construction of which could have potential adverse environmental effects. The potential theoretical anticipated indirect displacement of tenants in approximately 64 SRO units would not be considered substantial as the past vacancy trends show the consistent vacancy rate of SROs at about 19.3 percent throughout approximately 400 for-profit residential hotels, which translates to approximately 2,393 vacant units which are reported by for-profit hotel owners as vacant for various other reasons including the lack of ability to pay security and initial month's rent. . Any indirect displacement increase in the number of tenants as a result of the 2022 HCO Amendments would not be substantial relative to the existing and historic number of vacant SRO units located

36 It is important to note that this October 2019 AUUR data was collected while the 2017 and 2019 HCO Amendments increasing the 7-day minimum rental period for SRO units to 32 days were in effect.

37 2019 Vacancy Data, hotels reporting more than 50% vacancy as of October 15, 2019 and San Francisco Department of Building Inspection AUUR data, 2016-2018., provided by Matthew Luton, Housing Inspection Services, Department of Building Inspection.

38 Note that in 2017 to 2019 many SROs were not complying with 32-day minimum and were still offering 7-day rentals

throughout the City. Further, some of the tenants that might be indirectly displaced would be students, technology sector workers, and weekly transient tourists – none of which fall under the low-income category above. The Department finds no evidence that members of these groups would be likely to become homeless or otherwise experience displacement as a result of the 2022 Amendments. Thus, the potentially displaced tenants in approximately 64 hotel units is likely to be an overestimate. This indirect displacement is not anticipated to induce substantial unplanned population growth in the area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure), nor would it necessitate the construction of replacement housing, because there is an approximate 19.3 percent vacancy across the 400 for-profit hotels, estimated at 2,393 vacant units. Therefore, implementation of the 2022 HCO Amendments is anticipated to result in less-than-significant impacts, both individual and cumulative, on population and housing.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
3. CULTURAL RESOURCES. Would the project:					
a) Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5, including those resources listed in article 10 or article 11 of the San Francisco Planning Code?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.3.a) Pursuant to Section 15064.5 of the CEQA Guidelines, historical resources include properties listed in, or formally determined eligible for listing in, the California Register of Historical Resources or in an adopted local historic register. Historical resources also include resources identified as significant in a historical resource survey meeting certain criteria. Additionally, properties that are not listed but are otherwise determined to be historically significant, based on substantial evidence, would also be considered historical resources. The significance of a historical resource is materially impaired when a project “demolishes or materially alters in an adverse manner those physical characteristics of a historical resource that convey its historical significance ...”³⁹

In evaluating whether the proposed project would cause a substantial adverse change in the significance of a historical resource, the Planning Department must first determine whether the existing buildings on the project site are historical resources. A property may be considered a historical resource if it meets any of the California Register criteria related to (1) events, (2) persons, (3) architecture, or (4) information potential, that make it eligible for listing in the California Register, or if it is considered a contributor to a potential historic district.

39 CEQA Guidelines 15064.5(b)(2)(A).

The 2022 HCO Amendments do not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. In accordance with the Planning Department's CEQA review policy, any project that involves the major alteration or demolition of a property over 50 years of age is required to undergo environmental review that includes an evaluation of the property's historical significance and, if a resource is present, an analysis of project impacts.

For the reasons stated above, implementation of the 2022 HCO Amendments would not result in adverse impacts to historical resources since they do not include the demolition or alteration of historic buildings and do not directly propose material changes to buildings, structures, objects, sites, historic districts and cultural landscapes. As such, the 2022 HCO Amendments are considered to have no significant effect on historical resources, both individually and cumulatively.

D.3.b) In addition to assessing impacts to archeological resources that would meet the requirements for listing as a historical resource, impacts to unique archeological resources are also considered under CEQA, as described in section 15064.5 of the CEQA Guidelines, as well as under the California Public Resources Code (section 21083.2). If an archeological site does not meet the criteria for inclusion in the California Register of Historic Resources but does meet the definition of a unique archeological resource as outlined in Public Resources Code section 21083.2, it is entitled to special protection under CEQA. A unique archeological resource implies an archeological artifact, object, or site about which it can be clearly demonstrated that – without merely adding to the current body of knowledge – there is a high probability that it meets one of the following criteria:

- The archeological artifact, object, or site contains information needed to answer important scientific questions, and there is a demonstrable public interest in that information;
- The archeological artifact, object, or site has a special and particular quality, such as being the oldest of its type or the best available example of its type; or
- The archeological artifact, object, or site is directly associated with a scientifically recognized important prehistoric or historic event or person.

A non-unique archeological resource indicates an archeological artifact, object, or site that does not meet the above criteria. Impacts to non-unique archeological resources and resources that do not qualify for listing in the California Register of Historical Resources receive no further consideration under CEQA. It should also be noted herein that a disturbed or secondarily deposited prehistoric midden is presumed to be significant for its information potential; under CEQA, and it is legally significant unless or until it is demonstrated to the contrary.

The 2022 HCO Amendments do not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. Implementation of the 2022 HCO Amendments would not result in any adverse effects to archeological resources since they would not directly involve any material change to the physical environment, including subsurface soils that may contain archeological resources. Thus, the potential of the 2022 HCO Amendments to result in any direct or indirect effect to archeological resources is not significant.

D.3.c) Archeological resources may include human burials. Human burials outside of formal cemeteries often occur in prehistoric or historic period archeological contexts. The potential for the proposed project to affect archeological resources, which may include human burials is addressed above under D.3.b.

Furthermore, the treatment of human remains and of associated or unassociated funerary objects must comply with applicable state laws. This includes immediate notification to the county coroner (San Francisco Office of the

Chief Medical Examiner) and, in the event of the coroner’s determination that the human remains are Native American, notification of the California Native American Heritage Commission, which shall appoint a most likely descendant.⁴²

Implementation of the 2022 HCO Amendments would not result in any adverse effects to archeological resources including human remains since they would not directly involve any material change to the physical environment, including subsurface soils that may contain archeological resources or human remains. Thus, the potential of the 2022 HCO Amendments to result in any direct or indirect effect to archeological resources is not significant.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
4. TRIBAL CULTURAL RESOURCES. Would the project:					
a) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, or cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:					
i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.4.a) Public Resources Code Section 21074(a)(2) requires the lead agency to consider the effects of a project on tribal cultural resources. As defined in Section 21074(a)(1), tribal cultural resources are sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are listed, or determined to be eligible for listing, in a national, state, or local register of historical resources.

Pursuant to Assembly Bill 52, effective July 1, 2015, within 14 days of a determination that an application for a project is complete or a decision by a public agency to undertake a project, the lead agency is required to contact the Native American tribes that are culturally or traditionally affiliated with the geographic area in which the

project is located. Notified tribes have 30 days to request consultation with the lead agency to discuss potential impacts on tribal cultural resources and measures for addressing those impacts.

On April 18, 2022, the planning department mailed a “Tribal Notification Regarding Tribal Cultural Resources and CEQA” to the appropriate Native American tribal representatives who have requested notification. During the 30-day comment period, no Native American tribal representatives contacted the planning department to request consultation.

As discussed in the Cultural Resources section of this document above, the 2022 HCO Amendments do not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites, and therefore would have no impacts to tribal cultural resources.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
5. TRANSPORTATION AND CIRCULATION. Would the project:					
a) Involve construction that would require a substantially extended duration or intensive activity, and the effects would create potentially hazardous conditions for people walking, bicycling, or driving, or public transit operations; or interfere with emergency access or accessibility for people walking or bicycling; or substantially delay public transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Create potentially hazardous conditions for people walking, bicycling, or driving or public transit operations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Interfere with accessibility of people walking or bicycling to and from the project site, and adjoining areas, or result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially delay public transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Cause substantial additional vehicle miles traveled or substantially induce additional automobile travel by increasing physical roadway capacity in congested areas (i.e., by adding new mixed-flow travel lanes) or by adding new roadways to the network?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Result in a loading deficit, and the secondary effects would create potentially hazardous conditions for people walking, bicycling, or driving; or substantially delay public transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
g) Result in a substantial vehicular parking deficit, and the secondary effects would create potentially hazardous conditions for people walking, bicycling, or driving; or interfere with accessibility for people walking or bicycling or inadequate access for emergency vehicles; or substantially delay public transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.5.a to d) The project sites affected by the 2022 HCO Amendments are currently developed with residential hotels. No physical changes are proposed as part the 2022 HCO Amendments, and the amendments would not generate new person trips, including vehicle trips. As a result, the 2022 HCO Amendments would not result in impacts to traffic conditions, operations or hazards. No direct person trip generation is associated with adopting these amendments.

Pursuant to the planning department’s *Transportation Impact Analysis Guidelines for Environmental Review*, tourist hotels generate higher numbers of daily person trips and vehicle trips compared to residential hotels.⁴⁰ During and after the amortization period, the number of daily person trips and vehicle trips at the various hotel sites is expected to decrease slightly as a result of the change of use from tourist hotel to residential hotel. With this decrease in daily person trips and vehicle trips, transportation impacts resulting from implementation of the 2022 HCO Amendments would be similar to or slightly less severe than under existing conditions.

The 2022 HCO Amendments project would not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. Implementation of the 2022 HCO Amendments would not substantially or adversely affect traffic conditions in the City. In addition, the 2022 HCO Amendments would not conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, or with an applicable congestion management system.

Future projects that would occur indirectly in the context of the 2022 HCO Amendments would be subject to separate, independent study and environmental review. Therefore, the 2022 HCO Amendments would not conflict with the General Plan’s Transportation Element and would not significantly impact traffic conditions in the City. Thus, implementation of the 2022 HCO Amendments would not have a significant impact on traffic, individually and cumulatively.

⁴⁰ San Francisco Planning Department, *Transportation Impact Analysis Guidelines for Environmental Review*, Appendix F, Travel Demand, February 2019 (updated October 2019). Available at <https://sfplanning.org/project/transportation-impact-analysis-guidelines-environmental-review-update>, accessed April 29, 2022.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
6. NOISE. Would the project result in:					
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) For a project located within the vicinity of a private airstrip or an airport land use plan area or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

D.6.a) The proposed project would not directly result in construction noise impacts because the 2022 HCO Amendments do not include construction at any of the hotel sites. As previously discussed under Section D.5, Transportation, there would be a decrease in the number of daily vehicle trips at the various hotel sites, resulting in slightly lower operational noise levels associated with vehicle trips. Operational noise impacts resulting from implementation of the 2022 HCO Amendments would be similar to or slightly less severe than under existing conditions.

The 2022 HCO Amendments project does not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. Implementation of the 2022 HCO Amendments would not directly increase ambient noise levels, or directly result in construction noise effects. No future construction work would occur indirectly in the context of the 2022 HCO Amendments. In addition, implementation of the 2022 HCO Amendments would not be substantially affected by existing noise. As such, the 2022 HCO Amendments would have no impacts on noise at both the individual and cumulative level.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
7. AIR QUALITY. Would the project:					
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal, state, or regional ambient air quality standard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.7.a) The most recently adopted air quality plan for the air basin is the Bay Area Air Quality Management District’s 2017 Clean Air Plan. The primary goals of the clean air plan are to: (1) protect air quality and health at the regional and local scale; (2) eliminate disparities among Bay Area communities in cancer health risk from toxic air contaminants; and (3) reduce greenhouse gas emissions. The clean air plan recognizes that to a great extent, community design dictates individual travel modes, and that a key long-term control strategy to reduce emissions of criteria pollutants, air toxics, and greenhouse gases from motor vehicles is to channel future Bay Area growth into vibrant urban communities where goods and services are close at hand, and people have a range of viable transportation options.

The 2022 HCO Amendments project does not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. In terms of GHG emissions, the City and County has adopted an ordinance which implements citywide “Strategies to Reduce Greenhouse Gas Emissions.” As discussed further under topic D.8, Greenhouse Gas Emissions, the 2022 HCO Amendments would not conflict with the CAP’s overarching goal to “reduce GHG emissions and protect the climate.” As such, the 2022 HCO Amendments would not conflict with or obstruct implementation of the 2017 Clean Air Plan.

D.7.b) In accordance with the state and federal Clean Air Acts, air pollutant standards are identified for the following six criteria air pollutants: ozone, carbon monoxide (CO), particulate matter (PM_{2.5}, and PM₁₀⁴¹), nitrogen dioxide (NO₂), sulfur dioxide (SO₂), and lead. These air pollutants are termed criteria air pollutants because they are regulated by developing specific public health- and welfare-based criteria as the basis for setting permissible levels. The bay area air basin is designated as either in attainment or unclassified for most criteria pollutants except for ozone, PM_{2.5}, and PM₁₀. For these pollutants, the air basin is designated as non-attainment for either the state or federal standards. By its very nature, regional air pollution is largely a cumulative impact in that no single project is sufficient in size to, by itself, result in non-attainment of air quality standards. Instead, a project’s individual emissions contribute to existing cumulative air quality impacts. If a project’s contribution to cumulative

41 PM10 is often termed “coarse” particulate matter and is made of particulates that are 10 microns in diameter or smaller. PM2.5, termed “fine” particulate matter, is composed of particles that are 2.5 microns or less in diameter.

air quality impacts is considerable, then the project's impact on air quality would be considered significant.⁴² Regional criteria air pollutant impacts resulting from the proposed project are evaluated below.

Criteria Air Pollutants

The Bay Area Air Quality Management District prepared updated 2017 CEQA Air Quality Guidelines,⁴³ which provide methodologies for analyzing air quality impacts. These guidelines also provide thresholds of significance for ozone and particulate matter. The planning department uses these thresholds to evaluate air quality impacts under CEQA.

The air district has developed screening criteria to determine whether to undertake detailed analysis of criteria pollutant emissions for construction and operations of development projects. Projects that are below the screening criteria would result in less-than-significant criteria air pollutant impacts, and no further project-specific analysis is required. As a policy document, implementation of the 2022 HCO Amendments would not involve construction activities and therefore the 2022 HCO Amendments would not affect criteria air pollutant screening sizes identified in the BAAQMD's CEQA Air Quality Guidelines. Thus, quantification of construction-related criteria air pollutant emissions is not required, and implementation of the 2022 HCO Amendments would result in no impacts to construction criteria air pollutants.

Construction Criteria Air Pollutants

The proposed project would not directly result in construction-related emissions of criteria air pollutants because the 2022 HCO Amendments do not include construction at any of the hotel sites. Therefore, the proposed project would not result in any construction-related air quality impacts.

Operational Criteria Air Pollutants

As previously discussed under Section D.5, Transportation, there would be a decrease in the number of daily vehicle trips at the various hotel sites, resulting in slightly lower operational emissions of criteria air pollutants associated with vehicle trips. Operational air quality impacts resulting from implementation of the 2022 HCO Amendments would be similar to or slightly less severe than under existing conditions.

As stated above, tourist hotels generate higher numbers of daily person trips and vehicle trips compared to residential hotels.⁴⁴ During and after the amortization period, the number of daily person trips and vehicle trips at the various hotel sites is expected to decrease slightly as a result of the change of use from tourist hotel to residential hotel. With this decrease in daily person trips and vehicle trips, air quality impacts resulting from implementation of the 2022 HCO Amendments would be similar to or slightly less severe than under existing conditions, and the proposed project would not exceed any of the significance thresholds for criteria air pollutants.

D.7.c) The San Francisco Board of Supervisors approved amendments to the San Francisco Building and Health Codes, referred to as Enhanced Ventilation Required for Urban Infill Sensitive Use Developments or Health Code, article 38 (Ordinance 224-14, amended December 8, 2014). The purpose of article 38 is to protect the public health and welfare by establishing an *air pollutant exposure zone* and imposing an enhanced ventilation requirement for

42 Bay Area Air Quality Management District (BAAQMD), California Environmental Quality Act Air Quality Guidelines, May 2017, page 2-1.

43 Bay Area Air Quality Management District, CEQA Air Quality Guidelines, updated May 2017.

44 San Francisco Planning Department, Transportation Impact Analysis Guidelines for Environmental Review, Appendix F, Travel Demand, February 2019 (updated October 2019). Available at <https://sfplanning.org/project/transportation-impact-analysis-guidelines-environmental-review-update>, accessed April 29, 2022.

all new sensitive uses within this zone. The air pollutant exposure zone as defined in article 38 includes areas that exceed health protective standards for cumulative PM_{2.5} concentration and cumulative excess cancer risk and incorporates health vulnerability factors and proximity to freeways. Projects within the air pollutant exposure zone require special consideration to determine whether the project’s activities would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality.

Construction Health Risks

The proposed project would not directly result in construction-related emissions of air pollutants because the 2022 HCO Amendments do not include construction at any of the hotel sites. Therefore, the proposed project would not result in any construction-related air quality impacts.

Operational Health Risks

The 2022 HCO Amendments would not cause the disruption, delay or otherwise hinder the implementation of the 2017 Clean Air Plan. The 2022 HCO Amendments would be, on balance, consistent with applicable BAAQMD control measures. In terms of GHG emissions, the City and County has adopted an ordinance which implements citywide “Strategies to Reduce Greenhouse Gas Emissions.” As discussed further under topic D.8, Greenhouse Gas Emissions, the 2022 HCO Amendments would not conflict with the CAP’s overarching goal to “reduce GHG emissions and protect the climate.” As such, the 2022 HCO Amendments would not conflict with or obstruct implementation of the 2017 Clean Air Plan.

D.7.d) Typical odor sources of concern include wastewater treatment plants, sanitary landfills, transfer stations, composting facilities, petroleum refineries, asphalt batch plants, chemical manufacturing facilities, fiberglass manufacturing facilities, auto body shops, rendering plants, and coffee roasting facilities. As an ordinance, implementation of the 2022 HCO Amendments would not create significant sources of new odors, and therefore, odor impacts would be less than significant.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
8. GREENHOUSE GAS EMISSIONS. Would the project:					
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with any applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.8.a and b) Individual projects contribute to the cumulative effects of climate change by directly or indirectly emitting GHGs during construction and operational phases. Direct emissions include GHG emissions from new vehicle trips and area sources (natural gas combustion). Indirect emissions include emissions from electricity

providers, energy required to pump, treat, and convey water, and emissions associated with waste removal, disposal, and landfill operations.

The proposed project would not directly result in construction impacts related to GHG emissions because the 2022 HCO Amendments do not include construction at any of the hotel sites. As previously discussed under Section D.5, Transportation, there would be a decrease in the number of daily vehicle trips at the various hotel sites, resulting in slightly lower operational GHG emissions associated with vehicle trips. Operational impacts related to GHG emissions resulting from implementation of the 2022 HCO Amendments would be similar to or slightly less severe than under existing conditions.

All development projects in San Francisco would be required to comply with the energy efficiency requirements of the City’s Green Building Code, Building Code, Stormwater Management Ordinance, Water Conservation and Irrigation ordinances and Environment Code, which would promote energy and water efficiency, thereby reducing the proposed project’s energy-related GHG emissions.⁴⁵ A project’s waste-related emissions would be reduced through compliance with the City’s Recycling and Composting Ordinance, Construction and Demolition Debris Recovery Ordinance and Construction Site Runoff Pollution Prevention for New Construction Ordinance. These regulations reduce the amount of materials sent to a landfill, thus reducing GHGs emitted by landfill operations. These regulations also promote reuse of materials, conserving their embodied energy⁴⁶ and reducing the energy required to produce new materials. Compliance with other regulations, including those requiring low-emitting finishes, would reduce volatile organic compounds (VOCs).⁴⁷

The 2022 HCO Amendments project would not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. As such, the 2022 HCO Amendments would not result in any significant impacts with respect to GHG emissions.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
9. WIND. Would the project:					
a) Create wind hazards in publicly accessible areas of substantial pedestrian use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.9.a) Wind impacts are directly related to the height, orientation, design, location, and surrounding development context of a proposed project. Based on wind analyses for other development projects in San Francisco, a building that does not exceed a height of 85 feet generally has little potential to cause substantial changes to ground-level wind conditions. The 2022 HCO Amendments do not include any projects that could result in adverse wind effects,

⁴⁵ Compliance with water conservation measures reduce the energy (and GHG emissions) required to convey, pump and treat water required for the project.

⁴⁶ Embodied energy is the total energy required for the extraction, processing, manufacture and delivery of building materials to the building site.

⁴⁷ While not a GHG, VOCs are precursor pollutants that form ground level ozone. Increased ground level ozone is an anticipated effect of future global warming that would result in added health effects locally. Reducing VOC emissions would reduce the anticipated local effects of global warming.

and as an ordinance, no specific projects are proposed at this time. Therefore, implementation of the 2022 HCO Amendments would not result in impacts related to wind.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
10. SHADOW. Would the project:					
a) Create new shadow that substantially and adversely affects the use and enjoyment of publicly accessible open spaces?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.10.a) Planning Code section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space.

The 2022 HCO Amendments do not include any projects that could result in adverse shadow effects, and as an ordinance, no specific projects are proposed at this time. Therefore, the proposed 2022 HCO Amendments would not create shadow in a manner “that substantially and adversely affects the use and enjoyment of publicly accessible open spaces.” Implementation of the 2022 HCO Amendments would result in no impacts related to shadow.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
11. RECREATION. Would the project:					
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.11.a-b) The 2022 HCO Amendments do not include any projects that may directly or indirectly result in material changes to buildings, structures, objects, and sites. It would not include any projects that could result in adverse recreation effects, and as an ordinance, no specific projects are proposed at this time. Therefore, the proposed

2022 HCO Amendments would not increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated and no impacts related to recreation would occur.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
12. UTILITIES AND SERVICE SYSTEMS. Would the project:					
a) Require or result in the relocation or construction of new or expanded, water, wastewater treatment, or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.12.a) and c) The project site is served by San Francisco's combined sewer system, which handles both sewage and stormwater runoff. The Southeast Treatment Plant and the Oceanside Treatment Plant provide wastewater and stormwater treatment and management for the city. Project related wastewater and stormwater currently flows into the city's combined sewer system and is treated to standards contained in the city's National Pollutant Discharge Elimination System Permit prior to discharge into the San Francisco Bay. The treatment and discharge standards are set and regulated by the Regional Water Quality Control Board.

As an ordinance, no specific projects are proposed at this time. Therefore, the proposed 2022 HCO Amendments would not directly result in an exceedance of wastewater treatment requirements. The 2022 HCO Amendments would also not conflict with the City's Green Building Ordinance.

D.12.b) As an ordinance, no specific projects are proposed at this time. The 2022 HCO Amendments would not result in an increase in the demand for water in San Francisco. Thus, the proposed project would have no impacts related to water supply.

D.12.d and e) The city disposes of its municipal solid waste at the Recology Hay Road Landfill, and that practice is anticipated to continue until 2025, with an option to renew the agreement thereafter for an additional six years. San Francisco Ordinance No. 27-06 requires mixed construction and demolition debris to be transported to a facility that must recover for reuse or recycling and divert from landfill at least 65 percent of all received construction and demolition debris. San Francisco’s Mandatory Recycling and Composting Ordinance No. 100-09 requires all properties and persons in the city to separate their recyclables, compostables, and landfill trash.

The proposed project would not increase the total city waste generation as no development is proposed. Thus, the proposed project would have no impacts related to solid waste.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
13. PUBLIC SERVICES. Would the project:					
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services such as fire protection, police protection, schools, parks, or other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.13.a) The San Francisco Police Department provides police services to residents, visitors and workers in the City and County from the following ten stations: Central, Southern, Bayview, Mission, North, Park, Richmond, Ingleside, Taraval, and the Tenderloin. Because the proposed project is an ordinance, no individual projects are proposed, and the 2022 HCO Amendments would not require new or physically altered governmental facilities such as police stations.

With respect to fire protection, the San Francisco Fire Department (SFFD) provides emergency services to the City and County of San Francisco. The SFFD consists of 42 engine companies, 19 truck companies, 20 ambulances, 2 rescue squads, 2 fire boats and 19 special purpose units. The engine companies are organized into 9 battalions. There are 41 permanently-staffed fire stations, and although the SFFD system has evolved over the years to respond to changing needs, the current station configuration has not changed substantially since the 1970s.

Implementation of the 2022 HCO Amendments would not conflict with the General Plan’s Community Facilities Element pertaining to police facilities, nor would it conflict with the General Plan’s “Principles for Fire Facilities,” related to the siting of future fire stations. As such, the 2022 HCO Amendments would have no impact on police or fire services.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
14. BIOLOGICAL RESOURCES. Would the project:					
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.14.a)-f) Implementation of the 2022 HCO Amendments would not conflict with existing or foreseeable conservation plans or programs that pertain to the protection of special status species or other natural resources, as no physical projects are proposed. Therefore, implementation of the 2022 HCO Amendments would not have a significant effect either directly or through habitat modifications, on any special status species, sensitive natural community, protected wetlands, or conflict with an adopted conservation plan. The 2022 HCO Amendments would not conflict with any local policies or ordinances protecting biological resources.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
15. GEOLOGY AND SOILS. Would the project:					
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:					
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

CEQA does not require lead agencies to consider how existing hazards or conditions might impact a project’s users or residents, except for specified projects or where the project would significantly exacerbate an existing environmental hazard.⁴⁸ Accordingly, hazards resulting from a project that places development in an existing or future seismic hazard area or an area with unstable soils are not considered impacts under CEQA unless the project would significantly exacerbate the seismic hazard or unstable soil conditions. Thus, the analysis below evaluates whether the proposed project would exacerbate future seismic hazards or unstable soils at the project site and result in a substantial risk of loss, injury, or death. The impact is considered significant if the proposed

48 California Building Industry Association v. Bay Area Air Quality Management District, December 17, 2015, Case No. S213478, <http://www.courts.ca.gov>.

project would exacerbate existing or future seismic hazards or unstable soils by increasing the severity of these hazards that would occur or be present without the project.

D.15.a)-d) Although the potential for seismic ground shaking and ground failure to occur within San Francisco is unavoidable, no structures or specific projects are proposed under the 2022 HCO Amendments that would significantly exacerbate seismic hazard or unstable soil conditions.

The 2022 HCO Amendments would not directly result in the construction of new facilities and, would therefore, have no impacts with respect to exacerbating the seismic hazard or unstable soil conditions.

D.15.e) The project would not necessitate connection to the city’s existing sewer system. Therefore, septic tanks or alternative waste disposal systems would not be required, and this topic is not applicable to the project.

D.15.f) Paleontological resources include fossilized remains or traces of mammals, plants, and invertebrates, as well as their imprints. Such fossil remains as well as the geological formations that contain them are also considered a paleontological resource. Together, they represent a limited, non-renewable scientific and educational resource. The potential to affect fossils varies with the depth of disturbance, construction activities and previous disturbance.

The 2022 HCO Amendments not would not directly or indirectly result in the construction of new facilities. Therefore, impacts to paleontological resources would not be significant.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
16. HYDROLOGY AND WATER QUALITY. Would the project:					
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner that would:					
i) Result in substantial erosion or siltation on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
iv) Impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.16.a) The 2022 HCO Amendments do not include any physical projects that would conflict with existing policies, regulations or programs that pertain to water quality. As such, implementation of the 2022 HCO Amendments would have no significant impact with regard to degradation of water quality or contamination of public water supply, individually or cumulatively.

D.16.b) The project site is located within the boundaries of the South San Francisco Groundwater Basin.⁴⁹ This groundwater basin is not currently used as a water supply, nor are there plans for it to be used as a future water supply.⁵⁰ Implementation of the 2022 HCO Amendments would not directly result in the removal of water, either from the ground or other sources. Therefore, the 2022 HCO Amendments would result in no significant effects related to groundwater.

D.16.c) The 2022 HCO Amendments project does not include any physical projects that may directly or indirectly alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river.

D.16.d) The 2022 HCO Amendments would not involve any activities that could release pollutants due to project inundation because there would be no construction of any buildings or structures that could be inundated.

D.16.e) For the reasons discussed in topic D.16a, the project would not interfere with the San Francisco Bay water quality control plan. Further, the project site is not located within an area subject to a sustainable groundwater management plan and the project would not routinely extract groundwater supplies.

49 State of California Department of Water Resources, DWR Mapping Tool, <https://sgma.water.ca.gov/webgis/index.jsp?appid=gasmaster&rz=true>, Accessed June 12, 2019.

50 Torrey, Irina P., Bureau Manager, Bureau of Environmental Management, San Francisco Public Utilities Commission (SFPUC), letter correspondence with Jennifer McKellar, Environmental Planner, San Francisco Planning Department, August 24, 2018.

Topics:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Not Applicable
17. HAZARDS AND HAZARDOUS MATERIALS. Would the project:					
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

D.17.a) The 2022 HCO Amendments do not identify site-specific projects for the City, and as such, no specific development projects are analyzed in this Initial Study. Therefore, potential impacts related to the routine use, transport, and disposal of hazardous materials would not be significant.

D.17.b and c) The following discusses the project's potential to emit hazardous materials.

Hazardous Building Materials

Some building materials commonly used in older buildings could present a public health risk if disturbed during an accident or during demolition or renovation of an existing building. Hazardous building materials could include asbestos, electrical equipment such as transformers and fluorescent light ballasts that contain PCBs or di (2 ethylhexyl) phthalate (DEHP), fluorescent lights containing mercury vapors, and lead-based paints. Asbestos and lead based paint may also present a health risk to existing building occupants if they are in a deteriorated condition. If removed during demolition of a building, these materials would also require special disposal procedures. Regulations are in place to address the proper removal and disposal of asbestos containing building

materials and lead based paint. Compliance with these regulations would ensure the proposed project would not result in significant impacts from the potential release of hazardous building materials.

Soil and Groundwater Contamination

Article 22A of the Health Code, also known as the Maher Ordinance, was expanded to include properties throughout the city where there is potential to encounter hazardous materials, primarily industrial zoning districts, sites with current or former industrial uses or underground storage tanks, sites with historic bay fill, and sites close to freeways or underground storage tanks. The Maher Ordinance, which is implemented by the San Francisco Department of Public Health, requires appropriate handling, treatment, disposal, and remediation of contaminated soils that are encountered in the building construction process. All projects in the city that disturb 50 cubic yards or more of soil that are located on sites with potentially hazardous soil or groundwater are subject to this ordinance. Some projects that disturb less than 50 cubic yards may also be subject to the Maher Ordinance if they propose to a change of use from industrial (e.g., gas stations, dry cleaners, etc.) to sensitive uses (e.g., residential, medical, etc.).

The 2022 HCO Amendments do not identify site-specific projects for the City, and as such, no specific development projects are analyzed in this Initial Study. Implementation of the 2022 HCO Amendments would not create a significant hazard through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment, and therefore this impact would not be significant.

D.17.d) The 2022 HCO Amendments do not identify site-specific projects for the City, and as such, no specific development projects are analyzed in this Initial Study. For the reasons described in the analysis of topic D.17.b and c, above, the proposed project would not create a significant hazard to the public or environment.

D.17.e) The project site is not located within an airport land use plan area or within 2 miles of a public airport. Therefore, topic 16.e is not applicable to the proposed project.

D.17.f) The 2022 HCO Amendments do not identify site-specific projects for the City, and as such, no specific development projects are analyzed in this Initial Study. The proposed project would not impair implementation of an emergency response or evacuation plan adopted by the City of San Francisco. The project would not close roadways or impede access to emergency vehicles or emergency evacuation routes. Thus, the proposed project would not obstruct implementation of the city's emergency response and evacuation plans, and potential impacts would not be significant.

D.17.g) Implementation of the 2022 HCO Amendments would not expose people or structures to a significant risk of loss, injury, or death involving fires, and would not interfere with the implementation of an emergency response plan. Therefore this impact would not be significant.

Appeal of PND

On November 8, 2022, Zacks, Freedman & Patterson, on behalf of Hotel des Arts, LLC, filed an appeal of the PND. On January 19, 2023, the planning department transmitted an appeal response to the planning commission (available as part of planning department case file no. 2020-005491ENV). On January 26, 2023, the planning commission held a public hearing on the appeal, rejected the appeal, and upheld the PND.

E. Determination

On the basis of this Initial Study:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, no further environmental documentation is required.



Lisa Gibson
Environmental Review Officer
for
Rich Hillis
Director of Planning

DATE January 26, 2023



DAVID CHIU
City Attorney

GIULIA GUALCO-NELSON
Deputy City Attorney

Direct Dial: (415) 554-4617
Email: giulia.gualco-nelson@sfcityatty.org

January 23, 2025

Angela Calvillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Dear Ms. Calvillo:

Enclosed please find a draft ordinance for legislative introduction, along with legislative digest, amending the Planning Code to facilitate the conversion of residential hotel rooms to tourist hotel rooms at 447 Bush Street (“Planning Code Ordinance”). The Planning Code Ordinance is a companion to an ordinance authorizing the settlement of claims in *Hotel Des Arts, LLC v. City and County of San Francisco, et al.*

By way of background, the *Hotel Des Arts* lawsuit challenges the 2023 amendments to the Residential Hotel Unit Conversion and Demolition Ordinance (Board File No. 220815, Ord. No. 36-23) that define Tourist or Transient use as a stay of less than 30 days and establish a two-year amortization period. Material terms of the settlement require the City to permit the conversion of the existing 38 residential hotel rooms at the Hotel des Arts (447 Bush Street) to tourist hotel rooms in exchange for conversion of 34 Group Housing rooms and associated amenities at 412-422 Hayes Street and 319-321 Ivy Street to residential hotel rooms.

The Planning Code Ordinance facilitates the settlement by (1) principally permitting tourist hotel rooms at 447 Bush Street; (2) waiving Conditional Use Authorization requirements for the conversion; and (3) waiving any associated impact or permitting fees.

Please feel free to contact me or my colleagues, Deputy City Attorneys Kristen Jensen (Kristen.Jensen@sfcityatty.org) and Andrea Ruiz-Esquide (Andrea.Ruiz-Esquide@sfcityatty.org) if you have any questions about the Planning Code Ordinance or the legislative package.

Very truly yours,

DAVID CHIU
City Attorney

/s/
GIULIA GUALCO-NELSON
Deputy City Attorney



MYRNA MELGAR

DATE: March 12, 2025

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

RE: Land Use and Transportation Committee
COMMITTEE REPORTS

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Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matters are of an urgent nature and request them be considered by the full Board on Tuesday, March 18, 2025

- | | |
|------------------------|---|
| File No. 241021 | Planning Code - Window Replacement Standards
Sponsors: Melgar; Engardio and Sauter |
| File No. 241067 | Planning, Building Codes - Interim Housing in Hotels and Motels
Sponsor: Mayor |
| File No. 241173 | Planning Code - Continuation of Nonconforming Public Parking Lots in CMUO and MUR
Sponsor: Dorsey |
| File No. 250069 | Planning Code - Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street |

These matters will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, March 17, 2025.

BOARD of SUPERVISORS



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

MEMORANDUM

LAND USE AND TRANSPORTATION COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Myrna Melgar, Chair
Land Use and Transportation Committee

FROM: John Carroll, Assistant Clerk

DATE: March 18, 2025

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, March 18, 2025

The following file should be presented as COMMITTEE REPORT during the Board meeting on Tuesday, March 18, 2025. This ordinance was acted upon during the Land Use and Transportation Committee meeting on Monday, March 17, 2025, at 1:30 p.m., by the votes indicated.

BOS Item No. 27

File No. 250069

[Planning Code - Conversion of Residential Hotel Rooms to Tourist Hotel Rooms at 447 Bush Street]

Ordinance amending the Planning Code to principally permit up to 51 Tourist Hotel rooms at Assessor's Parcel Block No. 0287, Lot No. 020, also known as 447 Bush Street; exempting 447 Bush Street from the requirement to obtain a conditional use authorization to convert 38 Residential Hotel rooms to Tourist Hotel rooms; waiving development impact fees and requirements for the conversion of the 38 rooms; providing that the conversion of the 38 rooms shall occur simultaneously with the application of the Residential Hotel Unit Conversion and Demolition Ordinance to 27 Group Housing rooms at 412-422 Hayes Street and seven Group Housing Rooms at 319-321 Ivy Street, Assessor's Parcel Block No. 0808, Lot No. 007; providing that the Department of Building Inspection shall issue certificates of use to reflect the changes in use of all the aforementioned properties and waiving associated fees; providing that the Ordinance is conditioned on enactment of the ordinance approving settlement of claims in Hotel Des Arts, LLC v. City and County of San Francisco et al.; 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 making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Myrna Melgar – Aye
Supervisor Chyanne Chen – Aye
Supervisor Bilal Mahmood – Aye

Cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Brad Russi, Deputy City Attorney