



# SAN FRANCISCO PLANNING DEPARTMENT

June 23, 2017

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Sheehy  
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: 2017-003880PCAMAP  
Corona Heights Large Residence Special Use District  
Board File No. 170296  
Planning Commission Recommendation: Approval with Modification**

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

Dear Ms. Calvillo and Supervisor Sheehy,

On June 22, 2017, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance that would amend Planning Code & Sectional Maps SU06 & SU07 of the Zoning Map to create the Corona Heights Large Residence Special Use District, introduced by Supervisor Sheehy. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Modify language to clarify the intent of the applicable sections.
  - a. The Commission recommends the following language be modified from the Ordinance as introduced in Sec. 249.77(d)(1)-(3):

(1) **Development of Vacant Property.** Residential development on a vacant parcel that will result in total gross floor area exceeding 3,000 square feet;

(2) **Expansion of Large Existing Development.** Residential development on a developed parcel that will result in total gross floor area in excess of 3,000 square feet if that expansion results in more than a 75% increase in gross square feet of development on the parcel (as it existed at any time in the last 5 years prior to application), and does not increase the number of legal dwelling units on the parcel. The total gross square footage calculation shall also include all development performed on the parcel within the last five years; and a cumulative increase in gross floor area, including all development performed on the parcel in the preceding five years of:

*(A) more than 75% without increasing the existing legal unit count as it existed five years prior; or*

*(B) more than 100% if increasing the existing legal unit count.*

(3) **Expansion of Large Existing Development Plus Additional Dwelling Units.** Residential development on a developed parcel that will result in total gross floor area in excess 3,000 gross square feet, if that expansion results in more than a 100% increase in gross square feet of development, and increases the existing legal unit count on the parcel.:

~~(3)~~(4) Residential development, either as an addition to an existing building or as a new building, that results in less than 45% rear yard depth.

- b. The Commission recommends the following language be modified from the Ordinance as introduced in Sec. 249.77(e)(3):

(3) The proposed project complies with the Department's Residential Design Guidelines. is compatible with existing development.

- Add the provision regarding through lots that existed in the interim legislation as Sec. 249.77(f):

(f) In acting on any application for a Conditional Use Authorization where an additional new residential unit is proposed on a through lot on which there is already an existing building on the opposite street frontage, the Planning Commission shall only grant such authorization upon finding that it would be infeasible to add a unit to the already developed street frontage of the lot.

- Include a provision in the Corona Heights Large Residence SUD controls that indicates that they will sunset once the Department's proposed Residential Expansion Threshold controls are adopted.
- Consider the different zoning districts and their allowable density, along with the individual lot size, when determining the threshold for requiring a Conditional Use authorization with both development on vacant parcels and expansion of developed parcels.

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

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

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

Sincerely,



Aaron D. Starr  
Manage of Legislative Affairs

cc:

Robb Kapla, Deputy City Attorney

Bill Barnes, Aide to Supervisor Sheehy

Alisa Somera, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution

Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 19950 HEARING DATE JUNE 22, 2017

1650 Mission St.  
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CA 94103-2479

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*Project Name:* Corona Heights Large Residence Special Use District  
*Case Number:* 2017-003880PCAMAP [Board File No. 170296]  
*Initiated by:* Supervisor Sheehy / Introduced March 21, 2017 /  
Reintroduced April 24, 2017  
*Staff Contact:* Audrey Butkus, Legislative Affairs  
audrey.butkus@sfgov.org, 415-575-9129  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362  
*Recommendation:* **Recommend Approval with Modifications**

**RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE & SECTIONAL MAPS SU06 & SU07 OF THE ZONING MAP TO CREATE THE CORONA HEIGHTS LARGE RESIDENCE SPECIAL USE DISTRICT (THE AREA WITHIN A PERIMETER ESTABLISHED BY MARKET STREET, CLAYTON STREET, ASHBURY STREET, CLIFFORD TERRACE, ROOSEVELT WAY, MUSEUM WAY, THE EASTERN PROPERTY LINE OF PARCEL 2620/063, THE EASTERN PROPERTY LINE OF PARCEL 2619/001A, AND DOUGLASS STREET; AND IN ADDITION PARCELS FRONTING STATES STREET), TO PROMOTE AND ENHANCE NEIGHBORHOOD CHARACTER AND AFFORDABILITY BY REQUIRING CONDITIONAL USE AUTHORIZATION FOR LARGE RESIDENTIAL DEVELOPMENTS IN THE DISTRICT.; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.**

WHEREAS, on April 24, 2017, Supervisor Sheehy introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 170296, which would amend the Planning Code & Sectional Maps SU06 & SU07 of the Zoning Map to create the Corona Heights Large Residence Special Use District (the area within a perimeter established by Market Street, Clayton Street, Ashbury Street, Clifford Terrace, Roosevelt Way, Museum Way, the eastern property line of parcel 2620/063, the eastern property line of parcel 2619/001A, and Douglass Street; and in addition parcels fronting States Street), to promote and enhance neighborhood character and affordability by requiring Conditional Use authorization for large residential developments in the district;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 22, 2017; and,

WHEREAS, 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; and

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

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

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

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve with modification** the proposed ordinance. The Commission's proposed modifications are as follows:

1. Modify language to clarify the intent of the applicable sections.
  - a. The Commission recommends the following language be modified from the Ordinance as introduced in Sec. 249.77(d)(1)-(3):

(1) Development of Vacant Property. Residential development on a vacant parcel that will result in total gross floor area exceeding 3,000 square feet;

(2) Expansion of Large Existing Development. Residential development on a developed parcel that will result in total gross floor area in excess of 3,000 square feet *if that expansion results in more than a 75% increase in gross square feet of development on the parcel (as it existed at any time in the last 5 years prior to application), and does not increase the number of legal dwelling units on the parcel. The total gross square footage calculation shall also include all development performed on the parcel within the last five years; and a cumulative increase in gross floor area, including all development performed on the parcel in the preceding five years of;*

~~(A) more than 75% without increasing the existing legal unit count as it existed five years prior; or~~

~~(B) more than 100% if increasing the existing legal unit count.~~

(3) Expansion of Large Existing Development Plus Additional Dwelling Units. Residential development on a developed parcel that will result in total gross floor area in excess 3,000 gross square feet, *if that expansion results in more than a 100% increase in gross square feet of development, and increases the existing legal unit count on the parcel.;*

~~(3)(4)~~ Residential development, either as an addition to an existing building or as a new building, that results in less than 45% rear yard depth.

- b. The Commission recommends the following language be modified from the Ordinance as introduced in Sec. 249.77(e)(3):

(3) The proposed project complies with the Department's Residential Design Guidelines. is compatible with existing development.

2. Add the provision regarding through lots that existed in the interim legislation as Sec. 249.77(f):

(f) In acting on any application for a Conditional Use Authorization where an additional new residential unit is proposed on a through lot on which there is already an existing building on the opposite street frontage, the Planning Commission shall only grant such authorization upon finding that it would be infeasible to add a unit to the already developed street frontage of the lot.

3. Include a provision in the Corona Heights Large Residence SUD controls that indicates that they will sunset once the Department's proposed Residential Expansion Threshold controls are adopted.
4. Consider the different zoning districts and their allowable density, along with the individual lot size, when determining the threshold for requiring a Conditional Use authorization with both development on vacant parcels and expansion of developed parcels.

## FINDINGS

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

1. The Commission finds that proposed Ordinance helps to ensure that the Corona Heights Neighborhood's character is preserved, while also allowing for the successful production of additional housing and is in line with the City's Housing Element objective to retain existing housing units and promote safety and maintenance standards, without jeopardizing affordability.
1. **General Plan Compliance.** The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

### GENERAL PLAN PRIORITIES

The General Plan seeks ensure that the qualities that make San Francisco unique are preserved and enhanced while also serving as the embodiment of the community's vision for the future of San Francisco. As a whole, the General Plan's goals are to: create and maintain the economic, social, cultural, and esthetic values that establish the desirable quality and unique character of the city; improve the city as a place for healthful, safe, and satisfying living by providing adequate open spaces, community facilities and affordable housing of a high standard; ensuring commerce and industry are able to thrive; coordinating the varied patterns of land use with circulation routes and facilities that are required for the efficient movement of people and goods; and reflecting the growth and development of the city with the surrounding region.

*The proposed Corona Heights Large Residence SUD helps to maintain a balance between preserving neighborhood character while also not impeding on the development of future housing. This proposed Ordinance ensures that the addition of units to existing residential buildings are not hampered and are composed of a moderate and appropriate size for the neighborhood's existing structures and lot sizes. The proposed Ordinance additionally regulates large, single-family homes from maximizing their lot coverage, or expanding to a degree which would degrade the existing neighborhood housing composition without careful consideration through a Conditional Use Authorization.*

## HOUSING ELEMENT

### OBJECTIVE 1

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

**Policy 1.1**

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

*The City of San Francisco is facing ever-growing housing demands and a rising need to encourage and facilitate more housing options for residents. It has become increasingly important to encourage the development of residential lots to their fullest density; however this must be conducted in a precise and careful manner which also protects the existing neighborhood character that enhances the quality of living for residents. One strategy is building new residential units in existing residential buildings, more commonly referred to as Accessory Dwelling Units or ADU's. Much of the city's existing housing stock has the capacity to legally include an additional housing unit, sometimes within the existing building envelope. The added unit can help subsidize homeowner's mortgage by creating rental apartment, or can enable multi-generational households; an older homeowner could move to the ADU while his or her children live in the main home. Additionally, concerns about the seismic sustainability of soft-story structures can be mitigated through the addition of a dwelling unit. The proposed Corona Heights Large Residence SUD will encourage the building of additional residential units, especially ADU's through the provision which states that an expansion of a building may increase its total floor area by up to 100% if the building is adding an additional dwelling unit, without requiring a Conditional Use Authorization.*

**OBJECTIVE 11**

RECOGNIZE THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

**Policy 11.3**

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

*The proposed Corona Heights Large Residence SUD ensures that development can continue to occur in the neighborhood, while also respecting the existing neighborhood character. Prior to the adoption of the interim controls regarding large residences for this neighborhood, the neighborhood had been experiencing an influx of development proposals that would result in significantly larger and bulkier single-family residences than the existing housing stock. The Corona Heights Neighborhood became especially vulnerable to this type of development as the majority of the neighborhood is comprised of smaller residential buildings located on larger and/or through lots. These controls focus on encouraging density and increasing unit count, rather than expanding small, single-family homes to uncharacteristically large single-family homes.*

**Policy 11.5**

Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

*Positioned to the south and west of Corona Heights Park and north of Market Street, the Corona Heights Neighborhood is comprised largely of RH-1 and RH-2 zoned parcels and is almost exclusively residential. Additionally, the majority of homes are smaller than the lot size would allow. The proposed Corona Heights Large Residence SUD would ensure that the existing neighborhood character is preserved while encouraging density at an appropriate scale through the ordinance's expansion thresholds.*

## URBAN DESIGN ELEMENT

### OBJECTIVE 3

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

#### Policy 3.6

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

*The proposed Corona Heights Large Residence SUD focuses on ensuring that development of vacant parcels and expansion of developed parcels is conducted in a manner that respect the current density and bulk of the neighborhood by requiring a Conditional Use Authorization for projects that propose significant expansion or large new construction.*

2. **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 protect the economic diversity of the Corona Heights Neighborhood by ensuring that large, single-family projects are constructed in harmony with the existing smaller residences of the neighborhood, and in doing so additionally protect the neighborhood's character.*

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

*The proposed Ordinance would encourage the retention of the City's affordable housing stock by controlling potential conversions to larger, less affordable housing, and would encourage the development of additional housing stock by allowing for expansions of up to 100% gross floor area if the project adds a dwelling unit. The addition of moderately sized units would generate housing that is smaller in scale and more affordable.*

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.*

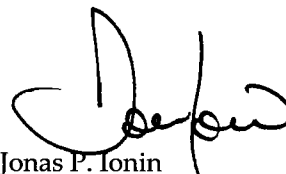
8. That our parks and open space and their access to sunlight and vistas be protected from development;

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

3. **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 recommends that the Board ADOPT WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 22, 2017.



Jonas P. Ionin  
Commission Secretary

AYES: Hillis, Fong, Koppel, Melgar, Moore

NOES:           None

ABSENT:       Richards, Johnson

ADOPTED:     June 22, 2017



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary

### Planning Code Text & Zoning Map Amendment

HEARING DATE: JUNE 22, 2017

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

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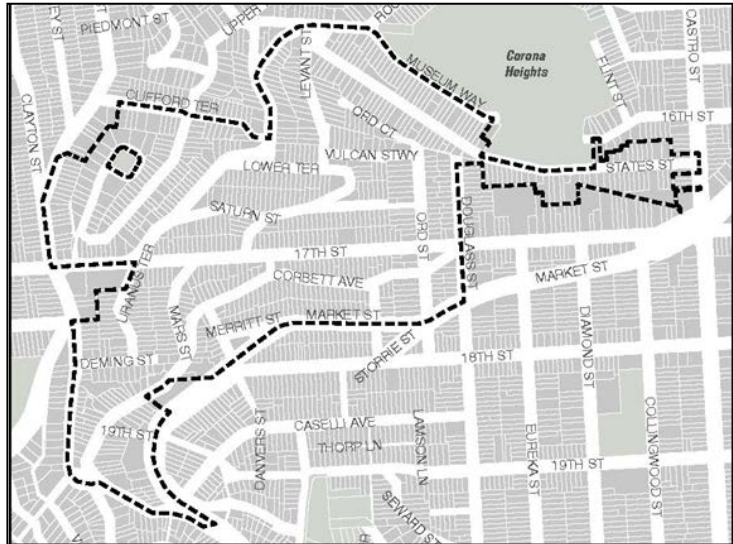
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*Project Name:* **Corona Heights Large Residence Special Use District**  
*Case Number:* **2017-003880PCAMAP [Board File No. 170296]**  
*Initiated by:* **Supervisor Sheehy / Introduced March 21, 2017 /  
Reintroduced April 24, 2017**  
*Staff Contact:* **Audrey Butkus, Legislative Affairs  
audrey.butkus@sfgov.org, 415-575-9129**  
*Reviewed by:* **Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362**  
*Recommendation:* **Recommend Approval with Modifications**

#### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code & Sectional Maps SU06 & SU07 of the Zoning Map to create the Corona Heights Large Residence Special Use District (the area within a perimeter established by Market Street, Clayton Street, Ashbury Street, Clifford Terrace, Roosevelt Way, Museum Way, the eastern property line of parcel 2620/063, the eastern property line of parcel 2619/001A, and Douglass Street; and in addition parcels fronting States Street), to promote and enhance neighborhood character and affordability by requiring Conditional Use authorization for large residential developments in the district.



Proposed Corona Heights SUD boundaries.

#### The Way It Is Now:

1. There is no residential use size limit within RH-1, RH-2 or RH-3 zoning districts.
2. Projects in RH-1 zoning districts have a 25% rear yard requirement. Project in RH-2 and RH-3 zoning districts have a 45% rear yard requirement that can be decreased through rear yard averaging up to 25% or 15 feet, whichever is greater.

#### The Way It Would Be:

1. Residential developments within the subject area that are zoned RH-1, RH-2 or RH-3 would require Conditional Use authorization if the following residential use size limits are exceeded:
  - a. Residential development on a vacant parcel that will result in total gross floor area exceeding 3,000 square feet;

- b. Residential development on a developed parcel that will result in total gross floor area in excess of 3,000 square feet and a cumulative increase in gross floor area, including all development performed on the parcel in the preceding five years, of:
  - i. More than 75% without increasing the existing legal unit count as it existed five years prior; or
  - ii. More than 100% if increasing the existing legal unit count.
2. Residential development that results in less than 45% rear yard depth in RH-1, RH-2, and RH-3 zoning districts would require CU authorization.

## **BACKGROUND**

On March 10, 2015 the Board of Supervisors adopted interim controls that established the Corona Heights Large Residence SUD [Board File No. 150192]. The Resolution imposed interim zoning controls for an 18-month period for parcels in the RH-1, RH-2, and RH-3 zoning districts within the proposed Corona Heights SUD<sup>1</sup> requiring Conditional Use authorization for:

1. Any residential development on a vacant parcel that will result in total residential square footage exceeding 3,000 gross square feet;
2. Any new residential development on a developed parcel that will increase the existing gross square footage in excess of 3,000 square feet and by more than 75% without increasing the existing legal unit count, or more than 100% if increasing the existing legal unit count;
3. Any residential development that results in greater than 55% total lot coverage.

The SUD was established due to the trend of small homes being demolished or added on to in a way that maximized lot coverage, and dramatically increased the size of the home without increasing the unit count. The interim controls were put in place with the intention of conducting further research and eventually establishing permanent controls for the Corona Heights SUD. These interim controls expired on March 21, 2017 and could not be extended, necessitating the creation of permanent controls for the Corona Heights Large Residence SUD. If the proposed permanent controls are adopted, the policy would apply retroactively, to any application filed after March 21, 2017.

On the following page is a chart that shows a side-by-side comparison between the existing zoning, the interim controls and the proposed SUD.

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<sup>1</sup> The interim controls and the proposed SUD have similar boundaries, the only difference being the proposed SUD includes properties that face onto States Street and the interim controls did not.

BEFORE INTERIM CONTROLS	INTERIM CONTROLS	PROPOSED PERMANENT CONTROLS
<p>RH-1 properties permitted to cover up to 75% of lot without seeking Variance or CUA.</p>	<p>For all RH-1, RH-2 &amp; RH-3 properties, CUA is required for any residential development (addition or new construction) if the construction results in greater than 55% total lot coverage. (Lot coverage is interpreted to mean how much of the lot the building covers, not how far the building extends into the lot.)</p>	<p>For all RH-1, RH-2 &amp; RH-3 properties, CUA is required for any residential development (addition or new construction) if the construction results in less than 45% rear yard depth.</p>
<p>RH-2 &amp; RH-3 properties permitted to cover up to 55% of lot based on average depths of adjacent buildings (no less than 25% or 15 feet, whichever is greater) without seeking Variance or CUA.</p>		
<p>All properties allowed to encroach onto required rear yard setback if a Rear Yard Variance is obtained.</p>	<p>PC shall only grant a CUA allowing more than 55% lot coverage upon finding unique or exceptional lot constraints that would make development infeasible without exceeding 55% total lot coverage. For through lots on which there is already an existing building on the opposite street frontage, the PC shall only grant a CUA upon finding that it would be infeasible to add a unit to the already developed street frontage of the lot.</p>	<p>When acting on a CUA application, PC shall also make the determination based on whether the project meets at least one of the following: (1) Promotes housing affordability by increasing housing supply, (2) Maintains affordability of existing housing unit, (3) Project is compatible with existing development.</p>
<p>No requirements for CUA of any property based on the size of a proposed addition.</p>	<p>CUA is required for any residential development that will result in total sqft exceeding 3,000 gsf on the parcel for vacant parcels; and for any residential development that will increase the total existing gsf on a developed parcel in excess of 3,000sqft and by (a) more than 75% without increasing existing legal unit count or (b) more than 100% if increasing existing legal unit count.</p>	<p><i>Same as interim controls, with the following exceptions in bold:</i></p> <p>CUA is required for any residential development that will result in total sqft exceeding 3,000 gsf on the parcel for vacant parcels; and for any residential development that will increase the total existing gsf on a developed parcel in excess of 3,000sqft <b>and a cumulative increase in GFA, including all development performed on the parcel in the preceding 5 years of either (a) more than 75% without increasing existing legal unit count as it existed five years prior or (b) more than 100% if increasing existing legal unit count.</b></p>

## **ISSUES AND CONSIDERATIONS**

### **Corona Heights Neighborhood**

Positioned to the south and west of Corona Heights Park and north of Market Street, the Corona Heights Neighborhood is comprised largely of RH-1 and RH-2 zoned parcels and is almost exclusively residential. Prior to the adoption of the interim controls regarding large residences for this neighborhood, the neighborhood had been experiencing an influx of development proposals that would result in significantly larger and bulkier single-family residences than the existing housing stock. The Corona Heights Neighborhood became especially vulnerable to this type of development as the majority of the neighborhood is comprised of smaller residential buildings located on larger and/or through lots. As a result, interim controls were put in place for an 18-month period, with the intention of conducting further research and bringing forth permanent controls for the neighborhood.

### **San Francisco's Housing Shortage**

The City of San Francisco is facing ever-growing housing demands and a rising need to encourage and facilitate more housing options for residents. It has become increasingly important to encourage the development of residential lots to their fullest density; however this must be conducted in a precise and careful manner which also protects the existing neighborhood character that enhances the quality of living for residents. One strategy is building new residential units in existing residential buildings, more commonly referred to as Accessory Dwelling Units or ADU's. Much of the city's existing housing stock has the capacity to legally include an additional housing unit, sometimes within the existing building envelope. The added unit can help subsidize a homeowner's mortgage by creating a rental apartment, or can enable multi-generational households; an older homeowner could move to the ADU while his or her children live in the main home. Additionally, concerns about the seismic sustainability of soft-story structures can be mitigated through the addition of a dwelling unit.

### **Residential Expansion Threshold (RET)**

The Planning Department gave an informational presentation to the Planning Commission on June 1, 2017 in which they outlined general guidelines for the proposed Residential Expansion Threshold (RET) controls. The RET would replace the Planning Code's "tantamount to demolition" controls in Planning Code Section 317 with a square-footage threshold that, if exceeded, would require additional review. The intention behind the RET is to provide more effective ways to preserve the City's affordable, smaller-sized housing units, encourage applicants to fully utilize allowable density, and to help preserve neighborhood character. In this way, the proposed Ordinance and the RET have very similar goals. The Department expects to have a draft ordinance for the RET in the coming months.

### **Existing Residences Over 3,000sqft**

Sec. 249.77(d)(2) as proposed, outlines the conditions under which a CU authorization shall be required for development on vacant and previously developed parcels. For vacant parcels, a CU authorization shall be required when the proposed development will result a building size over 3,000sqft. For expansions of developed parcels, a CU authorization shall be required when the expansion will result in a total gross floor area of more than 3,000 gross square feet, if that expansion also results in more than a 75 percent increase in gross square feet of development on the parcel (as it existed at any time in the last 5 years prior to application), and does not increase the number of legal dwelling units on the parcel. The total gross square footage calculation shall also include all development performed on the parcel within the last five years. If a proposed expansion on a developed parcel that will result in a total gross floor area of more than 3,000sqft will increase the unit count, a CU authorization shall be required if that expansion results in more than a 100 percent increase in gross square feet of development.

Two scenarios are described below to assist in illustrating these proposed provisions in regards to expansion on developed parcels:

**Scenario A:** A Single-Family home has been 3,005sqft for more than 5 years. An application is filed to expand the kitchen by 150sqft. The building has not increased its size by more than 75% in the last 5 years, and the proposed 150sqft expansion would also not increase the building size by more than 75%, therefore a CU authorization would not be required.

**Scenario B:** A Single-Family home is 3,005sqft. Three years ago the home expanded from 1,500sqft to 3,005sqft, an expansion of over 75% of its gross square footage. An application is filed to expand the kitchen by 150sqft. Since the building has expanded to be over 3,000sqft and increased its building size in the last 5 years by more than 75%, this application to expand the kitchen by 150sqft would require a CU authorization.

### **General Plan Compliance**

The General Plan seeks ensure that the qualities that make San Francisco unique are preserved and enhanced while also serving as the embodiment of the community's vision for the future of San Francisco. As a whole, the General Plan's goals are to: create and maintain the economic, social, cultural, and esthetic values that establish the desirable quality and unique character of the city; improve the city as a place for healthful, safe, and satisfying living by providing adequate open spaces, community facilities and affordable housing of a high standard; ensuring commerce and industry are able to thrive; coordinating the varied patterns of land use with circulation routes and facilities that are required for the efficient movement of people and goods; and reflecting the growth and development of the city with the surrounding region.

The proposed Corona Heights Large Residence SUD helps to maintain a balance between preserving neighborhood character while also not impeding on the development of future housing. This proposed Ordinance ensures that the addition of units to existing residential buildings are not hampered and are composed of a moderate and appropriate size for the neighborhood's existing structures and lot sizes. The proposed Ordinance additionally ensures that large, single-family homes seeking to maximize their lot coverage or expanding to a degree which would degrade the existing neighborhood housing composition are not approved without careful consideration through a CU authorization.

### **IMPLEMENTATION**

The Department determined that this Ordinance will impact our current implementation procedures; however the proposed changes can be implemented without increasing permit costs or review time.

### **REQUIRED COMMISSION ACTION**

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

### **RECOMMENDATION**

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

1. Modify language to clarify the intent of the applicable sections.
  - a. Staff recommends the following language be modified from the Ordinance as introduced in Sec. 249.77(d)(1)-(3):

(1) **Development of Vacant Property.** Residential development on a vacant parcel that will result in total gross floor area exceeding 3,000 square feet;

(2) **Expansion of Large Existing Development.** Residential development on a developed parcel that will result in total gross floor area in excess of 3,000 square feet if that expansion results in more than a 75% increase in gross square feet of development on the parcel (as it existed at any time in the last 5 years prior to application), and does not increase the number of legal dwelling units on the parcel. The total gross square footage calculation shall also include all development performed on the parcel within the last five years; and a cumulative increase in gross floor area, including all development performed on the parcel in the preceding five years of:

~~(A) more than 75% without increasing the existing legal unit count as it existed five years prior; or~~

~~(B) more than 100% if increasing the existing legal unit count.~~

**(3) Expansion of Large Existing Development Plus Additional Dwelling Units.** Residential development on a developed parcel that will result in total gross floor area in excess 3,000 gross square feet, if that expansion results in more than a 100% increase in gross square feet of development, and increases the existing legal unit count on the parcel.:

~~(3)(4)~~ Residential development, either as an addition to an existing building or as a new building, that results in less than 45% rear yard depth.

- b. Staff recommends the following language be modified from the Ordinance as introduced in Sec. 249.77(e)(3):

**(3) The proposed project complies with the Department's Residential Design Guidelines. is compatible with existing development.**

2. Add the provision regarding through lots that existed in the interim legislation as Sec. 249.77(f):

**(f) In acting on any application for a Conditional Use Authorization where an additional new residential unit is proposed on a through lot on which there is already an existing building on the opposite street frontage, the Planning Commission shall only grant such authorization upon finding that it would be infeasible to add a unit to the already developed street frontage of the lot.**

3. Include a provision in the Corona Heights Large Residence SUD controls that indicates that they will sunset once the Department's proposed Residential Expansion Threshold controls are adopted.

## BASIS FOR RECOMMENDATION

The Department supports the proposed Ordinance to establish permanent controls for large residences in Corona Heights. The proposal ensures that the neighborhood's character is preserved, while also still allowing for the successful production of additional housing, which is in line with the City's Housing Element objective to retain existing housing units and promote safety and maintenance standards, without jeopardizing affordability.

**Recommendation 1: Clarify language in Sec. 249.77(d)(1)-(3) and Sec. 249.77(e)(3).** Staff finds that Sec. 249.77(d)(1)-(3), is difficult to understand and could be written more clearly. To avoid confusion, staff recommends clarifying the language and dividing the listed controls into four sections, creating Sec.



249.77(d)(1)-(4). Similarly, Sec. 249.77(e)(3) uses the term “compatible” which is vague and can easily be misinterpreted depending on an individual’s understanding. Instead, the Department recommends the word “compatible” be replaced with stating that the proposed project should be compliant with the Department’s Residential Design Guidelines. These guidelines provide a detailed blueprint that recommends the appropriate standards for compatibility based on the specific conditions of the surrounding area.

**Recommendation 2: Add the provision regarding through lots that existed in the interim controls.** Once of the largest differences between the interim controls and the proposed permanent controls is in how maximum lot coverage is calculated. In the interim controls, any proposed development that would result in greater than 55% lot coverage required a Conditional Use Authorization. In the proposed permanent controls, any development that would result in less than a 45% rear yard requires a Conditional Use Authorization. This modification was made in order to be more consistent with how RH buildings are already regulated. The Department has determined that the difference in implementation will be minimal, however due to this change in controls, a section regarding “through lots” which existed in the interim controls was omitted from the proposed permanent controls. The reason is because rear yard setback controls account for through lots, whereas total lot coverage does not account for through lot development in the same manner.

After concern from the neighborhood regarding the omission of the through lot provision in the proposed permanent controls, the Department determined that adding this provision would ensure that the SUD’s intention on through lot development was clear, and would guarantee that certain outlier scenarios of through lot coverage would still be subject to the intent of the ordinance.

**Recommendation 3: Replace the Corona Heights Large Residence SUD with the general RH Districts large residence controls when they are approved.** As outlined in the Issues and Considerations section, the Department is in the process of drafting legislation that would establish large residence controls for RH districts in the coming months. The controls as they are currently outlined have parallel goals and would be similar to those in the proposed Corona Heights Large Residence SUD. It is the City’s goal to establish policies that are consistent, efficient, and easy to understand; therefore, it would be in the City’s best interest of good public policy to replace the Corona Heights Large Residence SUD controls with the RH district controls once they are in place.

## **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**

The Department has received public comment on this item both in support and in opposition. The Department has received 20 written letters in support, and 1 written letter in opposition which you will find attached as Exhibit C. Additionally, staff has received several phone calls in opposition, due to the concern in how this may affect development rights and property values in the neighborhood. One caller also expressed opposition due to the opinion that the proposed ordinance was an overreach of government. The 20 written letters in support of the proposed ordinance cite that the interim controls put in place in 2015 assisted in ensuring that neighborhood character was preserved, and also cited specific examples of projects that were modified in scale due to the interim controls. Several letters in support also inquired about the ability to expand the SUD boundary to include other neighboring parcels due to current development or planned development of large homes in their immediate area.

<b>RECOMMENDATION:</b> <b>Recommendation of Approval with Modification</b>
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**Attachments:**

- Exhibit A:        Draft Planning Commission Resolution
- Exhibit B:        Written Public Comment Received as of June 14, 2017
- Exhibit C:        Enlarged Map of Proposed Corona Heights Large Residence SUD Boundary
- Exhibit D:        Board of Supervisors File No. 170296