File No. 150365	Committee Item No. <u>5</u>		
, no ito: <u>100000</u>	Board Item No		

### COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Land Use & Transportation	Date <u>July 20, 2015</u>
Board of Su	pervisors Meeting	Date
Cmte Boar	Motion Resolution Ordinance Legislative Digest Budget and Legislative An Youth Commission Report Introduction Form Department/Agency Cover MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commi Award Letter Application Public Correspondence	Letter and/or Report
OTHER	(Use back side if addition	al space is needed)
•		Date <u>July 16, 2015</u> Date

#### SUBSTITUTED 7/14/2015 ORDINANCE NO.

FILE NO. 150365

[Planning, Administrative Codes - Construction of Accessory Dwelling U	nits
--	------

Ordinance amending the Planning Code to allow the construction of Accessory
Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of
Board of Supervisors District 8; amending the Administrative Code to correct section
references; 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 directing the Clerk of
the Board of Supervisors to send a copy of this Ordinance to the California Department
of Housing and Community Development after adoption.

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

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

Deletions to Codes are in strikethrough italics Times New Roman font.

Board amendment additions are in double-underlined Arial font.

Board amendment deletions are in strikethrough Arial font.

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

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

Section 1. General and Environmental Findings.

- (a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 150365 and is incorporated herein by reference. The Board affirms that determination.
- (b) On July 16, 2015, the Planning Commission, in Resolution No.19418, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the

City's General Plan and the eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No.150365, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code amendment will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 19418 and the Board incorporates such reasons herein by reference. A copy of Planning Commission Resolution No. 19418 is on file with the Clerk of the Board of Supervisors in File No. 150365.

#### Section 2. Specific Findings.

- (a) San Francisco has long had a housing shortage. The housing market continues to be tight and housing costs are beyond the reach of many households.
- (b) Policy 1.5 of the City's 2014 Housing Element, which is a required element of the City's General Plan, states that adding new units in existing residential buildings represents a simple and cost-effective method of expanding the City's housing supply.
- (c) In Section 65852.150 of the California Government Code, the State Legislature finds and declares that adding an additional unit to existing single-family homes is a valuable form of housing in California. Permitting the creation of accessory dwelling units in existing residential buildings in established, already dense, and transit-rich neighborhoods will provide additional housing without changing the built character of these areas. It also will "green" San Francisco by efficiently using existing buildings and allowing more residents to live within walking distance of transit, shopping, and services.
- (d) Nothing in this ordinance is intended to change the personal obligations of property owners under existing private agreements.

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

SEC. 102. DEFINITIONS.

**Dwelling Unit, Accessory.** Also known as a Secondary Unit or In-Law Unit, is a Dwelling Unit added

to an existing residential property and constructed with a complete or partial waiver from the Zoning

Administrator of the density limits and/or the parking, rear yard, exposure, or open space standards of

this Code pursuant to the provisions of Sections 207(c)(4) and 307(i).

SEC. 207. DWELLING UNIT DENSITY LIMITS.

\* \* \* \*

#### (c) Exceptions to Dwelling Unit Density Limits.

(1) Affordable Units in Projects with 20 percent or more Affordable Units. For projects that are not located in any RH-1 or RH-2 zoning district, or are not seeking and receiving a density bonus under the provisions of California Government Code Section 65915, where 20 percent or more of the Dwelling Units on-site are "Affordable Units," the on-site Affordable Units shall not count towards the calculation of dwelling unit density. This Planning Code Section does not provide exceptions to any other Planning Code requirements such as height or bulk. For purposes of this Section 207, "Affordable Units" shall be defined as meeting (1) (A) the criteria of Section 406(b); (2) (B) the requirements of Section 415 et seq. for on-site units; or (3) (C) restricted units in a project using California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing and 4 percent tax credits under the Tax Credit Allocation Committee (TCAC). If a project sponsor proposes to provide "Affordable Units" that are not restricted by any other program, in order to receive the benefit of the additional density permitted under this Subsection (c)(1) or Subsection (c)(2), the project sponsor shall elect and the Planning Department and MOHCD shall be authorized to enforce,

restricting the units as affordable under Planning Code Section 415.6 up to a maximum of 20 percent of the units in the principal project. The project sponsor shall make such election through the procedures described in Section 415.5(g) including submitting an Affidavit of Compliance indicating the project sponsor's election to pursue the benefits of Subsection (c)(1) or (c)(2) and committing to 20% percent on-site units restricted under Section 415.6 prior to approval by the Planning Commission or Planning Department staff. If a project sponsor obtains the exemption from the density calculation for Affordable Units provided in this subsection, the exemption shall be recorded against the property. Any later request to decrease the number of Affordable Units shall require the project to go back to the Planning Commission or Planning Department, whichever entity approved the project as a whole.

(4) Accessory Dwelling Units.

(A) **Definition**. An "Accessory Dwelling Unit;" also known as a Secondary

Unit or In Law Unit, is defined in Section 102 for purposes of this Subsection 207(c)(4) as an additional Dwelling Unit that:

(i) is constructed entirely within the existing built envelope of an existing built envelope of an existing built envelope of an existing and authorized auxiliary structure on the same lot; and

(ii) will be constructed with a complete or partial waiver from the Zoning Administrator of the density limits and/or the parking, rear yard, exposure, or open space standards of this Code pursuant to the provisions of this Section 207(c)(4) and Section 307(l) of this Code.

As used in this Section 207, the term Accessory Dwelling Unit is separate and distinct from the term "dwelling units accessory to other uses" in Section 204.4.

(B) **Applicability.** The exceptions permitted by this Subsection 207(c)(4) shall apply only to:

10 existing dDwelling uDinits, two Accessory Dwelling Units are permitted.  (iii)(iv) Buildings Undergoing Seismic Retrofitting. For  Accessory Dwelling Units on lots covered by Subsection 207(c)(4)(B) (ii):  a. An Accessory Dwelling Unit shall not be permitted in any  RH-1 or RH-1(D) zoning district.  b. If allowed permitted by the Building Code, a building in  which an Accessory Dwelling Unit is constructed may be raised up to three additional feet in  height to create ground floor eviling heights suitable for residential use on lower floors. Such a  raise in height shall be:  1) exempt from the notification requirements of Sections  311 and 312 of this Code; and  2) permitted to expand a noncomplying structure, as  defined in Section 180(a)(2) of this Code and further regulated in Sections 172, 180 and 188, without  obtaining a variance for increasing the discrepancy between existing conditions on the lot and the  required standards of this Code.  (iv) (v) Pursuant to the provisions of Section 307(l) of this Code. If  Zoning Administrator may grant an Accessory Dwelling Unit may receive a complete or partial		
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1) exempt from the notification requirements of Sections 12 311 and 312 of this Code; and 13 2) permitted to expand a noncomplying structure, as 14 defined in Section 180(a)(2) of this Code and further regulated in Sections 172, 180 and 188, without 15 obtaining a variance for increasing the discrepancy between existing conditions on the lot and the 16 required standards of this Code. 17 (iv) (v) Pursuant to the provisions of Section 307(l) of this Code, the 18 Zoning Administrator may grant an Accessory Dwelling Unit may receive a complete or partial 19 waiver of the density limits and parking, rear yard, exposure, or open space standards of this 20 Code, from the Zoning Administrator; provided, hHowever, that if the existing building or any 21 existing dDwelling #Unit within the building is subject to the provisions of the San Francisco 22 Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative 23 Code), the property owner shall submit the following to the Department: 24 (AA) a. a proposed agreement demonstrating that the	8	which an Accessory Dwelling Unit is constructed may be raised up to three additional feet in
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16 required standards of this Code.  (iv) (v) Pursuant to the provisions of Section 307(I) of this Code (iv) (v) Pursuant to the provisions of Section 307(I) of this Code (iv) (v) Pursuant to the provisions of Section 307(I) of this Code (iv) (v) Pursuant to the provisions of Section 307(I) of this Code (iv) (v) Pursuant to the provisions of Section 307(I) of this Code (iv) (v) Pursuant to the provisions of Section 307(I) of this Code (iv) (iv) (v) Pursuant to the provisions of the San Francisco Code. It is a complete or partial value of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) Pursuant to the provisions of the San Francisco (iv) (iv) (iv) (iv) (iv) (iv) (iv) (iv)	14	defined in Section 180(a)(2) of this Code and further regulated in Sections 172, 180 and 188, without
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21 existing <u>aD</u> welling <u>aD</u> nit within the building is subject to the provisions of the San Francisco 22 Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative 23 Code), the property owner shall submit <u>the following</u> to the Department: 24 (AA) <u>a.</u> a proposed agreement demonstrating that the	19	waiver of the density limits and parking, rear yard, exposure, or open space standards of this
22 Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code), the property owner shall submit <u>the following</u> to the Department:  24 (AA) <u>a.</u> a proposed agreement demonstrating that the	20	Code. from the Zoning Administrator; provided, hHowever, that if the existing building or any
Code), the property owner shall submit <u>the following</u> to the Department.  (AA) <u>a.</u> a proposed agreement demonstrating that the	21	existing $d\underline{D}$ welling $u\underline{U}$ nit within the building is subject to the provisions of the San Francisco
24 (4.4) <u>a.</u> a proposed agreement demonstrating that the	22	Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative
	23	Code), the property owner shall submit the following to the Department:
25 Accessory Dwelling Unit(s) are not subject to the Costa Hawkins Rental Housing Act	24	(AA) <u>a.</u> a proposed agreement demonstrating that the
$\cdot$	25	Accessory Dwelling Unit(s) are not subject to the Costa Hawkins Rental Housing Act

 (California Civil Code Section 1954.50) because, under Section 1954.52(b), the owner has entered into this agreement with the City in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. ("Agreement") and

(BB) <u>b.</u> if the Planning Director determines necessary, an Affidavit containing information about the direct financial contribution or other form of assistance provided to the property owner. The property owner and the Planning Director (or his designee), on behalf of the City, will execute the Agreement, which shall be reviewed and approved by the City Attorney's Office. The Agreement shall be approved prior to the City's issuance of the First Construction Document <u>for the project</u>, as defined in Section 107A.13.1 of the San Francisco Building Code.

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

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

(I) Exceptions from Certain Specific Code Standards through Administrative Review for Accessory Dwelling Units <u>Constructed Pursuant to Section 207.4(c) of this Code</u> in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District boundaries, excluding any lot within 500 feet of Block 2623, Lots 116 through 154.

The Zoning Administrator may allow complete or partial relief from the density limits and from the parking, rear yard, exposure, or open space requirements of this Code when

Unit, as defined in Section 102 and meeting the requirements of Section 207(c)(4) 715.1 of this Code. The exposure requirements of Section 140 apply, except that subsection (a)(2) may be satisfied through windows facing an open area that is at least 15 feet in every horizontal direction that is not required to expand on subsequent floors. In considering any request for complete or partial relief from these Code requirements, the Zoning Administrator shall facilitate the construction of such Accessory Dwelling Units to the extent feasible and shall consider any criteria elsewhere in this Section 307 that he or she determines to be applicable.

Section 4. The Planning Code is hereby amended by revising the Zoning Control Tables in Sections 209.1, 209.2, and 209.4, to read as follows:

Table 209.1 ZONING CONTROL TABLE FOR RH DISTRICTS

Zoning Category	§ References	RH-1 (D)	RH-1	RH-1(S)	RH-2	RH-3
* * * *	* * * *	* * * *				
RESIDENTIAL	STANDARDS	S AND USE	S			
* * * *						
Residential Uses						
Residential Density, Dwelling Units	§ 207	One unit per lot	P up to one unit per lot. C up to one unit per 3,000 square feet of lot area	P up to two units per lot area, if the second unit is 600 sq. ft. or less C up to	P up to two units per lot. C up to one unit per l,500 square feet of lot area.	P up to three units per lot. C up to one unit per 1,000 square feet of lot area.

			with no more than three units per lot	one unit per 3,000 square feet of lot area, with no more than three units per lot		for every 275 square feet of lot area.
* * * *	****	* * * *	* * * *	* * * *	* * * *	* * * *

\* Not listed below.

- (1) P for Limited Commercial Uses per § 136.1(a) only; otherwise NP.
- (2) C required for 15 or more children.
- (3) C required for 7 or more persons.
- (4) C for 5 or fewer guest rooms or suites of rooms; NP for 6 or more guest rooms.
- (5) Use must be located on a parcel that contains a Hospital or a Post-Secondary Educational Institution, additional operating restrictions apply.
- (6) Must be located on a landmark site, and where the site is within a Height and Bulk District of 40 feet or less, and where a columbarium use has lawfully and continuously operated since the time of designation.
- (7) Construction of Accessory Dwelling Units may be permitted pursuant to Section 207(c)(4).

### Table 209.2 ZONING CONTROL TABLE FOR RM DISTRICTS

Zoning Category	§ Referenc	RM-1	RM-2	RM-3	RM-4
* * * *	***	* * * *			
RESIDENTIAL STA	NDARDS A	AND USES		,	
* * * *					
Residential Uses				Y	I
Residential Density, Dwelling Units <u>(8)</u>	§ 207	Up to one unit per 800 square feet of lot area.	Up to one unit per lot. 600 square feet of lot area.	Up to one unit per 400 square feet of lot area.	Up to one unit per 200 square feet of lot area.

1	1				
* * * *	****	* * * *	* * * *	***	****

- \* Not listed below.
- (1) P for Limited Commercial Uses per § 136.1(a) only; otherwise NP.
- (2) C required for 15 or more children.
- (3) C required for 7 or more persons.
- (4) C for 5 or fewer guest rooms or suites of rooms; NP for 6 or more guest rooms.
- (5) Use must be located on a parcel that contains a Hospital or a Post-Secondary Educational Institution, additional operating restrictions apply.
- (6) Must be located on a landmark site, and where the site is within a Height and Bulk District of 40 feet or less, and where a columbarium use has lawfully and continuously operated since the time of designation.
- (7) C required if Group Housing is affiliated with and operated by a Hospital or Institutional Educational Use as defined in Section 102.
- (8) Construction of Accessory Dwelling Units may be permitted pursuant to Section 207(c)(4).

### Table 209.3 ZONING CONTROL TABLE FOR RESIDENTIAL-COMMERCIAL DISTRICTS

Zoning Category	§ References	RC-3	RC-4
* * * *	* * * *	***	
RESIDENTIAL STA	NDARDS ANI	USES	
***		ı	
Residential Uses			AMARINE TO THE STATE OF THE STA
Residential Density, Dwelling Units <u>(7)</u>	§ 207	Up to one unit per 400 square feet of lot area	Up to one unit per 200 square feet of lot area. No density limits in the Van Ness SUD (§ 243)  C up to one unit per 1,000 square feet of lot area. for every 275 square feet of lot area.
* * * *	* * * *	* * * *	***

- \* Not listed below.
- (1) P for Limited Commercial Uses per § 136.1(a) only; otherwise NP.
- (2) C required for 15 or more children.

(3) C required for 7 or more persons.

(4) C for 5 or fewer guest rooms or suites of rooms; NP for 6 or more guest rooms.

(5) Use must be located on a parcel that contains a Hospital or a Post-Secondary

Educational Institution, additional operating restrictions apply.

(6) Must be located on a landmark site, and where the site is within a Height and Bulk District of 40 feet or less, and where a columbarium use has lawfully and continuously operated since the time of designation.

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

### Table 209.4 ZONING CONTROL TABLE FOR RTO DISTRICTS

Zoning Category	§ References	RTO	RTO-M
* * * *	* * * *	* * * *	
RESIDENTIAL STA	NDARDS AND	USES	
* * * *			
Residential Uses			
Residential Density, Dwelling Units <u>(7)</u>	§ 207	P up to one unit per 600 square feet of lot area. C above, per criteria of §207(a).	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each parcel, along with Residential Design Guidelines.
***	* * * *	***	* * * *

<sup>\*</sup> Not listed below.

- (1) C required if taller than 25 feet above roof, grade or height limit (depending on site) or if within 1000 feet of an R District and includes a parabolic antenna with a diameter in excess of three meters or a composite diameter of antennae in excess of six meters. See definition in 102 for more information.(2) Not required to be in an enclosed building.
- (3) Allowed to operate on an open lot, but C required if operated on open lot.
- (4) Construction of Accessory Dwelling Units may be permitted pursuant to Section 207(c) (4)

Section 5. The Planning Code is hereby amended by revising Sections 710, 712, 713, 715, 721, 726, 728, 731, 733 and 738, to read as follows:

### SEC. 710. NC-1 - NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT.

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

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

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

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

Housing development in new buildings is encouraged above the ground story in most districts. Existing residential units are protected by prohibitions of conversions above the

ground story and limitations on demolitions. <u>Accessory Dwelling Units are permitted on lots within</u> the boundaries of Board of Supervisors <u>District 8 pursuant to Subsection 207(c)(4) of this Code.</u>

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

* * * *	* * * *	* * * *	* * * *	* * * *			
		§	NC-1				
No.	Zoning Category	References	Control	s by Story			
		§ 790.118	1st	2nd	3rd+		
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *		
RESIDE	NTIAL STANDARDS AND U	JSES					
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *		
710.91	Dwelling Unit Density	§ 207	Generally, up to 1 unit per 800 sq.  ft. lot area #  § 207(c)				
* * * *	* * * *	* * * *	* * * *				

#### SPECIFIC PROVISIONS FOR NC-1 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
§§ 710, 710.91	<u>§ 207(c)(4)</u>	ACCESSORY DWELLING UNITS  Boundaries: Board of Supervisors District 8 extant on July 1, 2015.  Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be

constructed within an existing building zoned for residential use or within an existing and authorized auxiliary structure on the same lot.

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

NC-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods. NC-3 Districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes.

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

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

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

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

<u>Dwelling Units are permitted on lots within the boundaries of Board of Supervisors District 8 pursuant</u> to Subsection 207(c)(4) of this Code.

### Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3 ZONING CONTROL TABLE

****	* * * *	* * * *	* * * *  NC-3  Controls by Story			
		§				
No.	Zoning Category	References				
		§ 790.118	1st	2nd	3rd+	
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
RESIDE	ENTIAL STANDARDS AN	D USES				
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
	·		Generall	y, up to 1 u	nit per 600 sq.	
740.04	December 11 to 4 December 1	c 207	ft. lot are	a <u>#</u>	1	
712.91	Dwelling Unit Density	8 207	§ 207 § 207(c)			
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	

#### SPECIFIC PROVISIONS FOR NC-3 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
<u>§§ 712,</u> 712.91	§ 207(c)(4)	ACCESSORY DWELLING UNITS  Boundaries: Board of Supervisors District 8 extant on July 1, 2015.  Controls: An "Accessory Dwelling Unit," as defined in Section 102  and meeting the requirements of Section 207(c)(4), is permitted to be

constructed within an existing building zoned for residential use or within an existing and authorized auxiliary structure on the same lot.

#### SEC. 713. NC-S - NEIGHBORHOOD COMMERCIAL SHOPPING CENTER DISTRICT.

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

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

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

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

## Table 713. NEIGHBORHOOD COMMERCIAL SHOPPING CENTER DISTRICT NC-S ZONING CONTROL TABLE

* * * *	* * * *	* * * *	* * * *  NC-S  Controls by Story			
No.		§ .				
	Zoning Category	References				
		§ 790.118	1st	2nd	3rd+	
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
RESIDE	NTIAL STANDARDS AN	D USES	* * * *	* * * *	* * * *	
713.91	Dwelling Unit Density	§ <del>§</del> 207	Generall ft. lot are § 207(c)	ea <u>#</u>	nit per 800 sq.	
			* * * *			

#### SPECIFIC PROVISIONS FOR NC-S DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
<u>\$\$ 713,</u> 713.91	§ 207(c)(4)	ACCESSORY DWELLING UNITS  Boundaries: Board of Supervisors District 8 extant on July 1, 2015.  Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be

constructed within an existing building zoned for residential use or	
within an existing and authorized auxiliary structure on the same lot.	

SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

\* \* \* \*

# Table 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

\* \* \* \*

Article 7 Code Section	Other Code Section	Zoning Controls
§ 715 § 715.12 § 715.91 § 715.93 § 715.94	§	ACCESSORY DWELLING UNITS  Boundaries: Board of Supervisors District 8 extant on July 1, 2015. The  Castro Street NCD and on a lot within 1,750 feet of the District boundaries, excluding any lot within 500 feet of Block 2623, Lots 116 through 154.  Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4), is permitted to be constructed within an existing building zoned for residential use or within an existing and authorized auxiliary structure on the same lot.
* * * *	* * * *	* * * *

#### SEC. 721. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Upper Market Street Neighborhood Commercial District, on Market Street at Castro, is situated at the border of the Eureka Valley, Buena Vista, and Duboce Triangle neighborhoods. Upper Market Street is a multi-purpose commercial district that provides limited convenience goods to adjacent neighborhoods, but also serves as a shopping street

for a broader trade area. A large number of offices are located on Market Street within easy transit access to downtown. The width of Market Street and its use as a major arterial diminish the perception of the Upper Market Street District as a single commercial district. The street appears as a collection of dispersed centers of commercial activity, concentrated at the intersections of Market Street with secondary streets.

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

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

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

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

* * * *	* * * *	* * * *	* * * * Upper Market Street Controls by Story			
		§				
No.	Zoning Category	References				
		§ 790.118	1st	2nd	3rd+	
* * *	* * * *	* * * *	* * * *	* * * *	* * * *	
RESIDI	ENTIAL STANDARDS AN	ND USES	* * * *	* * * *	* * * *	
			Generall	y, up to 1 u	nit per 400 sq.	
721.91	Dwelling Unit Density	§∳ 207	ft. lot are § 207(c)			

### SPECIFIC PROVISIONS FOR UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL DISTRICT

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

		ACCESSORY DWELLING UNITS
		Boundaries: Board of Supervisors District 8 extant on July 1, 2015.
§§ 721,		Controls: An "Accessory Dwelling Unit," as defined in Section 102 and
<u>721.91</u>	§ 207(c)(4)	meeting the requirements of Section 207(c)(4,) is permitted to be
		constructed within an existing building zoned for residential use or
		within an existing and authorized auxiliary structure on the same lot.

#### SEC. 726. VALENCIA STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Valencia Street Commercial Transit District is located near the center of San Francisco in the Mission District. It lies along Valencia Street between 14th and Cesar Chavez (Army) Street, and includes a portion of 16th Street extending west toward Dolores Street. The commercial area provides a limited selection of convenience goods for the residents of sections of the Mission and Dolores Heights. Valencia Street also serves a wider trade area with its retail and wholesale home furnishings and appliance outlets. The commercial district also has several automobile-related businesses. Eating and drinking establishments contribute to the street's mixed-use character and activity in the evening hours. A number of upper-story professional and business offices are located in the district, some in converted residential units.

The Valencia Street District has a pattern of large lots and businesses, as well as a sizable number of upper-story residential units. Controls are designed to permit moderate-scale buildings and uses, protecting rear yards above the ground story and at residential levels. New neighborhood-serving commercial development is encouraged mainly at the ground story. While offices and general retail sales uses may locate at the second story of new buildings under certain circumstances, most commercial uses are prohibited above the second story. In order to protect the balance and variety of retail uses and the livability of

adjacent uses and areas, most eating and drinking and entertainment uses at the ground story are limited. Continuous retail frontage is promoted by prohibiting drive-up facilities, some automobile uses, and new nonretail commercial uses. Parking is not required, and any new parking is required to be set back or below ground. Active, pedestrian-oriented ground floor uses are required.

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

Table 726. VALENCIA STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

****	* * * *	****	* * * * Valencia Street Transit			
		§				
No.	Zoning Category	References	Controls by Story			
		§ 790.118	1st	2nd	3rd+	
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
RESIDI	ENTIAL STANDARDS AN	ID USES				
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
	·		No densi	ty limit #		
726.91	Dwelling Unit Density	§∳ 207	§ 207(c)			

	* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
- 1		0			l	

### SPECIFIC PROVISIONS FOR THE VALENCIA STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7	Other	
Code	Code	Zoning Controls
Section	Section	
* * * *	* * * *	* * * *
·		ACCESSORY DWELLING UNITS
00.506		Boundaries: Board of Supervisors District 8 as extant on July 1, 2015.
§§ 726,	ē	Controls: An "Accessory Dwelling Unit," as defined in Section 102 and
726.91	207(c)(4)	meeting the requirements of Section 207(c)(4), is permitted to be
		constructed within an existing building zoned for residential use or
•		within an existing and authorized auxiliary structure on the same lot.

#### SEC. 728. 24TH STREET - NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT.

The 24th Street – Noe Valley Neighborhood Commercial District is situated along 24th Street between Chattanooga and Diamond in the Noe Valley neighborhood of central San Francisco. This daytime-oriented, multi-purpose commercial district provides a mixture of convenience and comparison shopping goods and services to a predominantly local market area. It contains primarily retail sales and personal services at the street level, some office uses on the second story, and residential use almost exclusively on the third and upper stories.

The 24th Street – Noe Valley District controls are designed to allow for development that is compatible with the existing small-scale, mixed-use neighborhood commercial character and surrounding residential area. The small scale of new buildings and neighborhood-serving uses is encouraged and rear yard open space corridors at all levels are

protected. Most commercial uses are directed to the ground story and limited at the second story of new buildings. In order to maintain the variety and mix of retail sales and services along the commercial strip and to control the problems of traffic, congestion, noise and latenight activity, certain potentially troublesome commercial uses are regulated. Eating and drinking establishments require conditional use authorization, and ground-story entertainment and financial service uses are restricted to and at the ground story. Prohibitions on drive-up and most automobile uses help prevent additional traffic and parking congestion.

Housing development in new buildings is encouraged above the ground story. Existing housing units are protected by prohibitions on upper-story conversions and limitations on demolitions. <u>Accessory Dwelling Units are permitted within the district pursuant to Subsection</u>

207(c)(4) of this Code.

Table 728. 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

* * * *	* * * *	* * * *			
No.		§	24th Street – Noe Valley Controls by Story		
	Zoning Category	References			
		§ 790.118	1st	2nd	3rd+
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
RESID	ENTIAL STANDARDS A	ND USES			
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
			Generall	y, up to 1 u	nit per 600 sq.
728.91	Dwelling Unit Density	§ 207	ft. lot area <u>#</u> § 207(c)		
					1

### SPECIFIC PROVISIONS FOR THE 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
		ACCESSORY DWELLING UNITS
§§ 728,		Boundaries: Board of Supervisors District 8 as extant on July 1, 2015.
728.12 <u>,</u>	<u>&amp;</u>	Controls: An "Accessory Dwelling Unit," as defined in and meeting the
728.91	207(c)(4)	requirements of Section 207(c)(4), is permitted to be constructed within
		an existing building zoned for residential use or within an existing and
		authorized auxiliary structure on the same lot.

## SEC. 731. NCT-3 - MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

NCT-3 Districts are transit-oriented moderate- to high-density mixed-use neighborhoods of varying scale concentrated near transit services. The NCT-3 Districts are mixed use districts that support neighborhood-serving commercial uses on lower floors and housing above. These districts are well-served by public transit and aim to maximize residential and commercial opportunities on or near major transit services. The district's form can be either linear along transit-priority corridors, concentric around transit stations, or broader areas where transit services criss-cross the neighborhood. Housing density is limited not by lot area, but by the regulations on the built envelope of buildings, including height, bulk, setbacks, and lot coverage, and standards for residential uses, including open space and exposure, and urban design guidelines. Residential parking is not required and generally limited. Commercial establishments are discouraged or prohibited from building accessory off-street parking in order to preserve the pedestrian-oriented character of the district and prevent

attracting auto traffic. There are prohibitions on access (i.e. driveways, garage entries) to offstreet parking and loading on critical stretches of NC and transit streets to preserve and enhance the pedestrian-oriented character and transit function.

NCT-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods. NCT-3 Districts include some of the longest linear commercial streets in the City, some of which have continuous retail development for many blocks. Large-scale lots and buildings and wide streets distinguish the districts from smaller-scaled commercial streets, although the districts may include small as well as moderately scaled lots. Buildings may range in height, with height limits varying from four to eight stories.

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

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

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

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

### Table 731. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

***	* * * *	* * * *	* * * *			
		§	NCT-3			
No.	Zoning Category	References	Controls b	y Story		
		§ 790.118	1st	2nd	3rd+	
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
RESIDE	ENTIAL STANDARDS AND U	JSES				
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
731.91	Dwelling Unit Density	§ 207	envelope consetbacks, on and other and other Consequent applicable confitted for the General section of the General section applicable confit applicable con	ty restricte ontrols of hen space pplicable of codes, as wellesign guidelements a pral Plan, and Planning	d by physical eight, bulk, exposure controls of this vell as by lelines, nd area plans	
* * * *	* * * *	* * * *	* * * *			

#### SPECIFIC PROVISIONS FOR NCT-3 DISTRICTS

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
§§ 731,	\$ 207(-)(4)	ACCESSORY DWELLING UNITS
731.91	§ 207(c)(4)	Boundaries: Board of Supervisors District 8 extant on July 1, 2015.

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

# SEC. 733. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Upper Market Street Neighborhood Commercial Transit District is located on Market Street from Church to Noe Streets, and on side streets off Market. Upper Market Street is a multi-purpose commercial district that provides limited convenience goods to adjacent neighborhoods, but also serves as a shopping street for a broader trade area. A large number of offices are located on Market Street within easy transit access to downtown. The width of Market Street and its use as a major arterial diminish the perception of the Upper Market Street Transit District as a single commercial district. The street appears as a collection of dispersed centers of commercial activity, concentrated at the intersections of Market Street with secondary streets.

This district is well served by transit and is anchored by the Market Street subway (with stations at Church Street and Castro Street) and the F-Market historic streetcar line. All light-rail lines in the City traverse the district, including the F, J, K, L, M, and N, and additional key cross-town transit service crosses Market Street at Fillmore and Castro Streets. Additionally, Market Street is a primary bicycle corridor. Housing density is limited not by lot area, but by the regulations on the built envelope of buildings, including height, bulk, setbacks, and lot coverage, and standards for residential uses, including open space and exposure, and urban design guidelines. Residential parking is not required and generally limited. Commercial establishments are discouraged or prohibited from building accessory off-street parking in

order to preserve the pedestrian-oriented character of the district and prevent attracting auto traffic. There are prohibitions on access (i.e. driveways, garage entries) to off-street parking and loading on Market and Church Streets to preserve and enhance the pedestrian-oriented character and transit function.

The Upper Market Street district controls are designed to promote moderate-scale development which contributes to the definition of Market Street's design and character. They are also intended to preserve the existing mix of commercial uses and maintain the livability of the district and its surrounding residential areas. Large-lot and use development is reviewed for consistency with existing development patterns. Rear yards are protected at all levels. To promote mixed-use buildings, most commercial uses are permitted with some limitations above the second story. In order to maintain continuous retail frontage and preserve a balanced mix of commercial uses, ground-story neighborhood-serving uses are encouraged, and eating and drinking, entertainment, and financial service uses are limited. Ground floor-commercial space is required along Market and Church Streets. Most automobile and drive-up uses are prohibited or conditional.

Housing development in new buildings is encouraged above the second story. Existing upper-story residential units are protected by limitations on demolitions and upper-story conversions. <u>Accessory Dwelling Units are permitted within the district pursuant to Subsection</u>

207(c)(4) of this Code.

Table 733. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

***	* * * *	* * * *	* * * *	
No.	_	§	Upper Market Street Transit	
	Zoning Category	References	Controls by Story	

		§ 790.118	1st	2nd	3rd+
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
RESID	ENTIAL STANDARDS AND	O USES			
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
733.91	Dwelling Unit Density	§∳ 207	area. Den envelope setbacks, and other and other applicable applicable of the Ger	sity restrict controls of open space applicable Codes, as design gu elements neral Plan, the Planni	ey limit by lot ted by physical height, bulk, se, exposure controls of this well as by lidelines, and area plans and design ng Department.
* * * *	* * * *	* * * *	* * * *		

### SPECIFIC PROVISIONS FOR THE UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
		ACCESSORY DWELLING UNITS
		Boundaries: Board of Supervisors District 8 extant on July 1, 2015.
§§ 733,		Controls: An "Accessory Dwelling Unit," as defined in Section 102 and
<u>733.91</u>	§ 207(c)(4)	meeting the requirements of Section 207(c)(4), is permitted to be
		constructed within an existing building zoned for residential use or
		within an existing and authorized auxiliary structure on the same lot.

### SEC. 738. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

The Glen Park Neighborhood Commercial Transit (NCT) District lies primarily along Diamond Street from Chenery Street to Monterey Boulevard and Chenery Street from Thor Avenue to Castro Street and includes adjacent portions of Wilder Street, Bosworth Street, Joost Avenue and Monterey Boulevard. The district is mixed use, with predominantly two and three story buildings with neighborhood-serving commercial and retail uses on lower floors and housing or offices above. The area is well-served by both local and regional transit including the Glen Park BART station, Muni bus lines, and a Muni light rail stop (J-Church).

The Glen Park NCT is designed to protect and enhance the neighborhood's intimate scale, walkability and "village" atmosphere. Human-scaled buildings with neighborhood-serving uses such as specialty retail stores, restaurants, and local offices are encouraged. Buildings may range in height, with height limits allowing up to three and four stories depending on location. Rear yard corridors above the ground story and at residential levels are generally preserved.

Commercial uses are encouraged at the ground story. Retail frontages and pedestrian-oriented streets are protected by limiting curb cuts (i.e. driveways, garage entries) as well as requiring ground floor commercial uses on portions of Diamond and Chenery Streets. Housing development is encouraged above the ground story. Housing density is not controlled by the size of the lot but by dwelling unit standards, physical envelope controls and unit mix requirements. Given the area's location and accessibility to the transit network, accessory parking for residential and commercial uses is not required. Any new parking is required to be set back to support a pedestrian friendly streetscape. <u>Accessory Dwelling Units are permitted</u> within the district pursuant to Subsection 207(c)(4) of this Code.

## Table 738. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

* * * *	* * * *	* * * *	* * * * Glen Park Transit			
No.		§ .				
	Zoning Category	References	Control	s by Story		
		§ 790.118	1st	2nd	3rd+	
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
RESIDI	ENTIAL STANDARDS AN	ID USES				
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *	
738.91	Dwelling Unit Density	§∳ 207	No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department #  §§ 207(c), 207.6			
* * * *	* * * *	* * * *	* * * *		,	

### SPECIFIC PROVISIONS FOR THE GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT

Article 7 Code Section	Other Code Section	Zoning Controls
* * * *	* * * *	* * * *
§§ 738, 738.91	§ 207(c)(4)	ACCESSORY DWELLING UNITS  Boundaries: Board of Supervisors District 8 extant on July 1, 2015.

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

Section 6. The Administrative Code is hereby amended by revising Section 37.2, to read as follows:

CHAPTER 37: RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE SEC. 37.2. DEFINITIONS.

\* \* \* \*

(r) **Rental Units.** All residential dwelling units in the City and County of San Francisco together with the land and appurtenant buildings thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities.

Garage facilities, parking facilities, driveways, storage spaces, laundry rooms, decks, patios, or gardens on the same lot, or kitchen facilities or lobbies in single room occupancy (SRO) hotels, supplied in connection with the use or occupancy of a unit, may not be severed from the tenancy by the landlord without just cause as required by Section 37.9(a). Any severance, reduction or removal permitted under this Section 37.2(r) shall be offset by a corresponding reduction in rent. Either a landlord or a tenant may file a petition with the Rent Board to determine the amount of the rent reduction.

The term "rental units" shall not include:

\* \* \* \*

(4) Except as provided in Subsections (A), (B) and (C), dwelling units whose rents are controlled or regulated by any government unit, agency or authority, excepting those

unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development; provided, however, that units in unreinforced masonry buildings which have undergone seismic strengthening in accordance with Building Code Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the ordinance is not in conflict with the seismic strengthening bond program or with the program's loan agreements or with any regulations promulgated thereunder;

\* \* \* \*

(D) The term "rental units" shall include *In-Law Accessory Dwelling* Units constructed pursuant to Section 207(c)(4) 715.1 of the Planning Code and the Section 715 Zoning Control Table and that have received a complete or partial waiver of the density limits and/or the parking, rear yard, exposure, and or open space standards from the Zoning Administrator pursuant to Planning Code Section 307(l), provided that the building containing the *In-Law Accessory Dwelling* Unit(s) or any unit within the building is already subject to this Chapter.

\* \* \* \*

Section 7. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 8. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

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additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

Section 10. Directions to Clerk. The Clerk of the Board of Supervisors is hereby directed to submit a copy of this ordinance to the California Department of Housing and Community Development within 60 days following adoption pursuant to Section 65852.2(h) of the California Government Code.

APPROVED AS TO FORM:

J. HERRERA, City Attorney

Bv: eputy City Attorney

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# LEGISLATIVE DIGEST

(Substituted 7/14/2015)

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

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors District 8; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

# **Existing Law**

Planning Code Section 102 has definitions for various uses. Section 207(c) establishes exemptions to dwelling unit density limits for various types of projects. Subsection (c)(4) allows Accessory Dwelling Units (ADUs), also known as Secondary Units or In-Law Units, to be constructed within the built envelope of an existing building zoned for residential use or an authorized auxiliary structure on the same lot within the Castro Street Neighborhood Commercial District and surrounding area, and in a building undergoing mandatory seismic retrofitting under the Building Code. An ADU cannot be constructed using space from an existing Dwelling Unit.

Section 307 authorizes the Zoning Administrator to grant complete or partial waivers from the Planning Code's density, parking, rear yard, exposure or open space requirements to facilitate construction of an ADU and the Planning Department is required to establish a system for monitoring their affordability. If the ADU was constructed with a waiver of Planning Code requirements, it will be subject to the Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code) if the building containing the ADU or any unit within the building is already subject to the Rent Ordinance.

# Amendments to Current Law

Planning Code Section 102 is amended to add a definition for Accessory Dwelling Unit. Section 207(c)(4) is amended to allow ADUs to be constructed anywhere within the boundaries of Board of Supervisors District 8. For buildings undergoing mandatory seismic retrofitting, a noncomplying structure may be expanded without needing a variance and, if permitted by the Building Code, the building may be raised up to three feet to create heights suitable for residential use on lower floors. The increase in height for buildings undergoing mandatory seismic retrofitting is exempt from the notification requirements of Planning Code Sections 311 and 312. The Zoning Control Tables for zoning districts within the boundaries of District 8 are amended to refer to ADUs, and conforming technical amendments are made to Planning Code Section 307 and the Rent Ordinance.

# **Background Information**

San Francisco has long had a housing shortage. The housing market continues to be tight and housing costs are beyond the reach of many households. Policy I.5 of the City's 2014 Housing Element states that adding new units in existing residential buildings represents a simple and cost-effective method of expanding the City's housing supply. The State Legislation has also declared, in Section 65852.150 of the California Government Code, that second units in existing residential buildings are a valuable form of housing in California.

Permitting the creation of Accessory Dwelling Units in additional areas of the City that are already dense and transit rich will provide additional housing without changing the built character of these neighborhoods. It also "greens" San Francisco by efficiently using existing buildings and allowing more residents to live within walking distance of transit, shopping, and services.

n:\legana\as2015\1500617\01030054.doc

July 16, 2015

Ms. Angela Calvillo, Clerk Honorable Supervisor Scott Wiener Board of Supervisors City and County of San Francisco City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: 415.558.6377

Re:

Transmittal of Planning Department Case Number 2015.005464PCA: Construction of Accessory Dwelling Units in Supervisor District 8 Board File No. 150365

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Supervisor Wiener,

On July 16, 2015, the San Francisco Planning Commission conducted duly noticed public hearing at a regularly scheduled meeting to consider the proposed amendments to the Planning Code introduced by Supervisors Wiener. At the hearing, the Planning Commission recommended approval with modification of this Ordinance.

The proposed amendments is covered as an Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report under Case No. 2015-005350ENV, pursuant to California Environmental Quality Act(CEQA) Guidelines Section 15164.

Please find attached documents relating to the actions by 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:

Andrea Ausberry, Assistant Clerk, Land Use and Economic Development Committee of the Board of Supervisors

Judith Boyajian, City Attorney

Andres Power, Legislative aid to Supervisor Scott Wiener

# Planning Commission Resolution No. 19418 Planning & Administrative Code Text Change

**HEARING DATE: JULY 16, 2015** 

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

Reception: 415.558.6378

Fax:

Project Name: Construction of Accessory Dwelling Units in

**Supervisorial District Eight** 

Case Number:2015-005464PCA [Board File No. 15-0365]Initiated by:Supervisor Weiner Introduced June 2, 2015Staff Contact:Kimia Haddadan, Legislative Affairs

Kimia Haddadan, Legislative Affairs Kimia.haddadan@sfgov.org , 415-575-9068

Reviewed by: Aaron Starr, Manager Legislative Affairs

aaron.starr@sfgov.org, 415-558-6362

Recommendation: Recommend Approval with Modification

415.558.6409

Planning Information: 415.558.6377

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO ALLOW THE CONSTRUCTION OF ACCESSORY DWELLING UNITS (ALSO KNOWN AS SECONDARY OR IN-LAW UNITS) WITHIN THE BOUNDARIES OF BOARD OF SUPERVISORS DISTRICT 8; AMENDING THE ADMINISTRATIVE CODE TO CORRECT SECTION REFERENCES; 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 DIRECTING THE CLERK OF THE BOARD OF SUPERVISORS TO SEND A COPY OF THIS ORDINANCE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AFTER ADOPTION.

WHEREAS, on Jun 2, 2015, Supervisor Wiener introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 150365, which would amend the Planning Code to allow accessory dwelling units in residential buildings within the boundaries of District 8; and,

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 16, 2015; and,

WHEREAS, the proposed Ordinance is covered as an Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report under Case No. 2015-005350ENV, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164.

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

CASE NO. 2015-005464PCA Construction of Accessory Dwelling Units in Supervisorial District 8

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

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

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

- 1. Create consistency in number of ADUs allowed per lot across different geographies so that the controls for ADUs in District 8 be modified to align with District 3 controls: For buildings with 4 units or less only one ADU per lot would be allowed, and for buildings with more than four units, density controls would not apply.
- 2. Expand the eligible geography within District 8 to include the buffer areas around the associated Supervisor's residences.
- 3. Prohibit conversion of retail on the ground floor to ADUs.

#### **FINDINGS**

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

- 1. Allowing ADUs within existing residential buildings is a pragmatic infill strategy to create more housing. This strategy is crucial for San Francisco's housing market in multiple aspects. First, adding apartments to existing, older housing stock complements the current housing development trends in San Francisco, which primarily occurs on lots that are significantly underdeveloped or vacant. Second, this existing housing stock provides limited available rental housing to the market as many of these buildings are also under rent control where the turnover rate of units for rental is generally low. Lastly, this infill strategy would create more apartments in the areas of the city that are already built-out without changing the neighborhood character, increasing building heights or altering the built form. Such small-scale residential infill could create additional homes for existing and future San Franciscans spread throughout the city.
- 2. ADUs are usually located on the ground floor in space that was previously used for parking or storage, and as a result typically have lower ceilings heights. These units will also likely have less light exposure due to smaller windows or windows facing smaller open areas, and side entrances due to location of the unit on the lot. Such subordinate characteristics of ADUs result in lower rents compared to the rental rates of a unit in a newly developed building. Further, the lower rents would accommodate populations that are not adequately being served by the market: younger households, small families, senior and elderly individuals and so forth. Estimated rents for ADUs in District 3 or 8 would provide more rental housing affordable to these households earning 130% to 145% AMI.

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CASE NO. 2015-005464PCA Construction of Accessory Dwelling Units in Supervisorial District 8

- 3. The proposed Ordinances would allow ADUs throughout Districts 8; a right step to the right direction of small scale infill housing. Expanding the geographies where ADUs are allowed can potentially provide thousands of units in areas of the city that currently have very low available rental housing on the market.
- 4. Staff finds that the density controls for ADUs in seismic retrofit buildings are further aligned with the City's overall policy towards density controls. In many areas of the City, a combination of form and unit type related requirements (height, bulk, rear yard, open space, and bedroom count requirements) control the number of units allowed per lot as opposed to a certain square footage per unit. Similarly, the ADU controls in buildings undergoing seismic retrofitting establish form and unit size related requirements in mid to large size buildings (five or more units): that the ADU should stay within the existing built envelope, and it should not take space from existing units. The proposed Ordinance in District 3 already reflects this strategy for buildings with 5 or more units. For smaller buildings (4 or less units) however, recognizing the smaller scale and character of these buildings and the neighborhoods, it would only allow one ADU. Staff supports these controls and recommends that District 8 ADU control also be modified to adopt the more balanced density control strategies.
- **5. General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the Objectives and Policies of the General Plan:

#### **OBJECTIVE 1**

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

#### POLICY 1.5

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

The proposed Ordinance would allow Accessory Dwelling units within the boundaries of District 8. San Francisco is in deer need for more housing due to high demand pressures. Allowing ADUs within the existing residential buildings is an infill housing strategy and would provide one housing option among many options needed for San Francisco. This change in land use controls is not part of a community planning effort led by the Planning Department. However, the Commission listened to the public comment and considered the outreach completed by the Board Member and finds that there is sufficient community support and potential to achieve goals in the public interest of the neighborhood, to warrant the undertaking of this change in this these areas;

# **OBJECTIVE 7**

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

#### POLICY 7.7

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

SAN FRANCISCO
PLANNING DEPARTMENT

CASE NO. 2015-005464PCA
Construction of Accessory Dwelling Units in
Supervisorial District 8

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

- 1. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:
  - 1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

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

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character. The new units would be built within the existing building envelope and therefore would impose minimal impact on the existing housing and neighborhood character.

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

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing and aims to create units affordable to middle income households. The ordinance would, if adopted, increase the number of rent-controlled units in San Francisco.

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

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

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

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

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

CASE NO. 2015-005464PCA Construction of Accessory Dwelling Units in Supervisorial District 8

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

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have a negative impact on the City's Landmarks and historic buildings as the new units would be added under the guidance of local law and policy protecting historic resources, when appropriate. Further, the additional income that may be gained by the property owner may enable the property owner to pursue a higher standard of maintenance for the building.

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

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

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

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

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 16, 2015.

Jonas P. Ionin Commission Secretary

AYES: Fong, Antonini, Richards, Johnston,

NOES: Wu, Moore

ABSENT: Hillis

ADOPTED:

# **Executive Summary**Planning and Administrative Code Text Change

**HEARING DATE: JULY 16, 2015** 

Project Name: Construction of Accessory Dwelling Units in Supervisorial

**Districts Three and Eight** 

Case Number: 2015-005464PCA [Board File No. 15-0365] & 2015-007459PCA

[Board File No. 15-0585]

Initiated by: Supervisor Weiner and Supervisor Christenson / Introduced

June 2, 2015

Staff Contact: Kimia Haddadan, Legislative Affairs

Kimia.haddadan@sfgov.org, 415-575-9068

Reviewed by: Aaron Starr, Manager Legislative Affairs

aaron.starr@sfgov.org, 415-558-6362

Recommendation: Recommend Approval with Modification

#### PLANNING & ADMINISTRATIVE CODE AMENDMENTS

The two proposed Ordinances would amend the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors Districts 3, and District 8 excluding any lot within 500 feet of Block 2623 Lots 116 through 154; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

#### The Way It Is Now:

- 1. Currently, San Francisco allows new ADUs in and within 1,750 feet of the Castro NCD, and also in buildings that are undergoing voluntary or mandatory seismic retrofitting, subject to the following conditions:
  - ADUs can only be built within the existing built envelope and cannot use space from an existing unit.
  - ADUs are exempt from certain provisions of the Planning Code such as rear yard, open space, partial exposure, and parking through an administrative waiver.
  - If the original building is subject to rent control, the AUD(s) would also be subject to the rent control.

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Planning Information: 415.558.6377

- Executive Summary Hearing Date: July 16, 2015
  - For AUDs in buildings undergoing a seismic retrofit, buildings with four or fewer units are permitted to have one ADU and buildings with 5 or more are permitted to have an unlimited number of ADUs.
  - For ADUs in or within 1,750 feet of the Castro NC District, buildings of 10 units or less can add one ADU, and buildings with 11 or more units can add up to two ADUs.
  - 2. In zoning districts with density controls in District 3, new ADUs are not permitted.
  - 3. The Definition of an ADU is located in Section 207.
  - 4. When adding an ADU in buildings undergoing seismic retrofitting, the building can be raised three feet to create the height suitable for residential use.

#### The Way It Would Be:

- 1. ADUs would be permitted throughout District 8 subject to the same controls listed above; depending on whether or not it was a seismic retrofit building.
- 2. ADUs would be permitted throughout District 3 subject to the same controls for ADUs in seismic retrofit buildings.
- 3. The definition of an ADUs would be moved to Section 102 of the Planning Code
- 4. For ADUs in buildings undergoing seismic retrofitting, it would be clarified that in cases of raising the building for a maximum of three feet: a) notification requirements of Section 311 and 312 would not apply, and b) a variance is not required if expanding a noncomplying structure.

Exhibit A shows the areas affected by the two Proposed Ordinances.

#### **BACKGROUND**

In his State of the City speech in January 2014, Mayor Lee acknowledged a housing shortage and established a seven point plan for housing, one of which focuses on building "more affordable housing, faster". In the midst of this crisis for housing affordable to low or middle income households, a variety of housing policies are needed to achieve the City's housing goals.

ADUs within existing residential buildings have been an idea promoted by the State and employed by many local jurisdictions<sup>1</sup> in California to meet affordable housing needs. Academic research and published reports have identified the benefits of ADUs for more than two decades. The California Department of Housing and Community Development identifies multiple potential benefits that ADUs can offer to communities, including: an important source of affordable housing, easing a rental housing deficit, maximizing limited land resources and

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PLANNING DEPARTMENT
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 $<sup>^{\</sup>rm 1}$  Examples are Santa Cruz, Berkeley, Los Angeles, San Luis Obispo.

existing infrastructure, and assisting low and moderate-income homeowners with supplemental income<sup>2</sup>.

#### What is an Accessory Dwelling Unit?

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

In 2014, Ordinance 0049-14 created a definition in the Planning Code for an ADU. This definition aligns with the concept of an ADU described above, with a specific restriction that an ADU is a unit added within the existing <u>built envelope</u> as it existed three years prior to application of building permit for the ADU.

#### San Francisco's Policy for Adding Dwelling Units in Existing Residential Buildings

Many residential properties in the city include fewer units than the zoning controls already allow (Exhibit B). Property owners of these lots can simply apply for a permit to add a unit. Since these units are added to an existing building, it is likely that they were created as an infill of an existing unused space: smaller in size, subordinate location on the lot, potential lower ceiling. Also, in late 2000s after many years of community planning, the City rezoned large areas of the City as a result of the Eastern Neighborhoods, Market Octavia, and Balboa Area Plans. These efforts removed numerical density limits that restrict the number of units per lot in these districts. Instead, the number of units is controlled through height, FAR, and open space, rear yard, and exposure requirements. In the absence of traditional density limits, property owners are now able to add units to the existing buildings as long as other Planning Code requirements are met. Many of these units seek variances from some Planning Code requirements such as open space, rear yard, and exposure. In the past five years, only about 300 units were added through one-unit additions.

The City has also allowed the addition of new units beyond density limits. In 1978, the City created a new zoning district, RH-1(S), to allow secondary units limited to 600 square feet in single-family homes; however, only about 40 parcels fall under this zoning category. More than three decades later, the City expanded on this effort. First was the legalization of illegal units: units built without the benefit of permit and may be in excess of density limits. The Asian Law Caucus carried out a report on such units in the Excelsior Neighborhood in San Francisco. This report suggested that "secondary units are home to tens of thousands of San Francisco residents", while acknowledging the uncertainty of this statement due to the hidden nature of the units as

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<sup>&</sup>lt;sup>2</sup> California Department of Housing and Community Development, Memorandum for Planning Directors and Interested Parties, August 6, 2003; <a href="http://www.hcd.ca.gov/hpd/hpd">http://www.hcd.ca.gov/hpd/hpd</a> memo ab1866.pdf retrieved on January 29, 2014.

illegal units<sup>3</sup>. As a response to this issue, Supervisor Chu sponsored an ordinance (Ordinance 0043-14) that created a path for owners to legalize existing units built without permits beyond the density limits. Since the start of this voluntary program in May 2014, the City has received over 200 permit applications for the legalization program. Also in 2014, two other new programs related to ADUs were adopted. Ordinance 0049-14 allowed new ADUs in the Castro District over the existing density limit, followed by Ordinance 003-15 that expanded this provision to buildings undergoing voluntary or mandatory seismic retrofitting (Exhibit B).

These Ordinances signify a turning point in the City's housing policy towards ADUs, a major change from previously requiring removal of illegal units to allowing additional units beyond the established density.

#### **ISSUES AND CONCERNS**

#### **ADUs: An Infill Housing Strategy**

Allowing ADUs within existing residential buildings is a pragmatic infill strategy to create more housing. This strategy is crucial for San Francisco's housing market in multiple aspects. First, adding apartments to existing, older housing stock complements the current housing development trends in San Francisco, which primarily occurs on lots that are significantly underdeveloped or vacant. ADUs would allow more efficient use of land within our existing housing stock as the majority of the city's residential properties are already developed and are unlikely to be redeveloped in near or long-term future. Second, this existing housing stock provides limited available rental housing to the market as many of these buildings are also under rent control where the turnover rate of units for rental is generally low. Exhibit C shows the concentration of rental listings in the past year4 indicating low volumes of units available on the market for rent in most of the city except for areas in, SoMa, lower Nob Hill, or parts of the Mission. New ADUs would provide more rental units on the market in these areas with low availability. Lastly, this infill strategy would create more apartments in the areas of the city that are already built-out without changing the neighborhood character, increasing building heights or altering the built form. Such small-scale residential infill could create additional homes for existing and future San Franciscans spread throughout the city.

The proposed Ordinances would allow ADUs throughout Districts 3 and 8; a right step to the right direction of small scale infill housing. Expanding the geographies where ADUs are allowed can potentially provide thousands of units in areas of the city that currently have very low available rental housing on the market.

#### **ADUs: Middle Income Housing**

Despite the boom in development with about 7,000 units currently under construction, the city's rental market remains the most expensive in the nation. Trulia, an online real estate service,

<sup>&</sup>lt;sup>3</sup> Asian Law Caucus, Our Hidden Communities: Secondary unit households in the Excelsior Neighborhood of San Francisco, March 22, 2013.

 $<sup>^4\,</sup>$  Data scraping from Padmapper from January to June 2015

publishes a trend report that puts San Francisco rents as the highest in the nation, easily out pricing New York<sup>5</sup>. Trulia also published a map of median asking rents in recent listings by neighborhoods, which ranges up to about \$3,750 per bedroom<sup>6</sup>. The median rent price for a 1 bedroom apartment in San Francisco has been reported as high as \$3,500 by Zumper.<sup>7</sup> Within District 8 the median price for a 1 bedroom ranges from \$2,810 in Glen Park to \$3,650 in the Castro. In District 3, the median rent for a one bedroom ranges from \$3,040 in North Beach to \$3,995 in financial district. However, the rental listings on this website primarily rely on units in new development projects which are different than what an ADU would look like.

ADUs are usually located on the street level, potentially behind the garage, or a side entrance, possibly low ceiling heights or less light exposure. Looking at Craigslist rental listings for comparable units to an ADU indicates a lower average of \$2,600 for such units in District 3 and \$2,700 in District 8.8 Staff estimates that a one bedroom ADU created as a result of the two proposed Ordinances would rent between \$2,600 to \$2900 rent for a new one-bedroom apartment. Assuming that rent is affordable to a household if they are spending less than 30% of their gross income, such apartment would be affordable to a two-person household with a combined income of between \$104K to \$116K equivalent to 130% to 145% of AMI<sup>9</sup>, <sup>10</sup>. For San Francisco, this income level represents middle-income households who are today, more than ever, feeling the pressure to leave the city for lower-rental markets in the Bay Area; therefore ADUs can serve this section of the population who are currently poorly served by the new development.

#### **Density Limits Waivers**

Similar to previous Ordinances allowing ADUs, the proposed Ordinances allow waivers from density limits. Ordinance 0049-14, allowing ADUs in the Castro, provided waivers from density for one ADU in buildings of 10 units or less and for two ADUs in buildings of more than 10 units. The proposed Ordinance for District 8 expands the same proposal to all parcels within District 8. The proposed Ordinance for District 3, however, allows waivers from density for one ADU in buildings of four units or less, and a complete waiver from density in buildings of five units or more. This proposal aligns with the ADU controls in buildings undergoing seismic retrofitting

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<sup>&</sup>lt;sup>5</sup> Kolko, Jed; Chief Economist; Trulia trends, January 8th, 2015 Retrieved from <a href="http://www.trulia.com/trends/category/price-rent-monitors/">http://www.trulia.com/trends/category/price-rent-monitors/</a> on January 8, 2015.

<sup>&</sup>lt;sup>6</sup> Trulia, San Francisco Real Estate Overview, Retrieved at <a href="http://www.trulia.com/real">http://www.trulia.com/real</a> estate/San Francisco-California/ on January 27, 2015

<sup>&</sup>lt;sup>7</sup> Zumper National Rent Report: June 2015, Retrieved from <a href="https://www.zumper.com/blog/2015/06/zumper-national-rent-report-june-2015/">https://www.zumper.com/blog/2015/06/zumper-national-rent-report-june-2015/</a> July 1st, 2015.

<sup>&</sup>lt;sup>8</sup> These averages are based on a limited pool of listing pulled at one time from Craigslist.

<sup>&</sup>lt;sup>9</sup> Area Median Income (AMI) is the dollar amount where half the population earns less and half earns more.

<sup>&</sup>lt;sup>10</sup> San Francisco Mayor's Office of Housing, *Maximum Rent by Unit Type:* 2015, <a href="http://www.sf-moh.org/modules/showdocument.aspx?documentid=8829">http://www.sf-moh.org/modules/showdocument.aspx?documentid=8829</a>

where a complete waiver from density limits is allowed. The seismic retrofit program applies only to buildings of five units or more.

The Planning Code imposes density limits in many areas of the city through either an absolute maximum number of units per parcel (RH 1, RH-2, and RH-3) or limits based on the size of the lot (RM-1-, RM-2, RM-3, etc). Waivers from density in these areas cannot currently be obtained through any mechanism. However, removing density limits has been a strategy implemented in San Francisco. In certain areas of city (most of the mixed use districts in the Mission, SoMA, Potrero Hill, etc), the Planning Code does not maintain density limits through such variables. Instead the number of units per lot is controlled by height, bulk, rear yard, open space, and bedroom count requirements.

Ordinance 003-15, allowing ADUs in buildings undergoing seismic retrofitting, struck a balance in the City's policy towards density, in that under certain conditions the density limits on a lot is removed. Those conditions include: 1) if new units are added within the existing built envelope without taking space from existing units, and 2) if the buildings is mid to large scale (5 or more units).

#### **Feasibility of ADUs**

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

Based on these challenges, unit additions are not very common in San Francisco, despite the already existing vast potential for adding units within existing buildings throughout the city. Over 37,000 parcels<sup>11</sup> can add at least on unit within the allowable density in residential buildings in San Francisco (Exhibit D). However, the Department receives unit additions permits for only a very small fraction of that each year. Since 2014 when the two ADU programs were established, only three applications have been received: two ADUs in the Castro and one in a seismic retrofit program.

To encourage more ADUs, the Department has recently published an ADU handbook developed by a consultant. It is the Department's hope that this handbook will help guide and encourage homeowners that may have the ability to add an ADU to their building, but have been discouraged in the past to do so. This handbook includes six prototypes of adding a unit to an existing building and summarizes the City regulations that govern such permits. The Department will publish this handbook in the coming weeks. This handbook also includes costs analysis for adding a unit to a building. It found that on average an ADU could cost from \$150,000 to

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<sup>&</sup>lt;sup>11</sup> This number includes that are density controlled lots that are underbuilt by at least one unit to a maximum of five units, as well as residential lots without density controls throughout the city; it does not include the ADUs allowed beyond the density limits per the new Ordinances since 2014.

\$200,000. While this cost could make adding a unit financially infeasible to many, it indicates that with some investment a property owner could add a unit to their building that would pay for itself within about five years.

Given many factors contributing to the feasibility of an ADU, it is uncertain how many ADUs could potentially result from the two proposed Ordinances. Despite this, staff used a methodology to approximate such a number in Exhibit E. ADUs resulting from these two Ordinances or any unit additions throughout the city would be added incrementally and spread out in different residential blocks.

#### **Application of Rent Control Regulations**

San Francisco Residential Rent Stabilization and Arbitration Ordinance<sup>12</sup> (Rent Control Law) regulates the existing housing stock in San Francisco, establishing rent increase constraints for rental units in residential buildings built prior to 1979. The Rent Control Law also protects the tenants residing in these units against no-fault evictions, restricting evictions of these tenants to only fourteen specified just causes. Similar to the previous ADU Ordinances, the two proposed Ordinances require that any new ADU constructed in a building with units currently subject to rent control would also be subject to rent control. Given that most of the buildings in these districts eligible for adding ADUs were all built before 1979 it is safe to assume that the overwhelming majority<sup>13</sup> of these buildings are subject to the Rent Control law.

This change would create the opportunity to increase the approximately 170,000 units currently protected under Rent Control<sup>14</sup>. It would apply the annual rent increase limits to these units at a regulated reasonable rate-helping to ensure tenants won't become priced out of their unit during an economic upturn. The rent stabilization strategy of the City's rent control law limits the amount that the rent can be increased in rent-controlled units, stabilizing rental prices for the tenants of such units, especially during economic booms like the one we are currently in.

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

#### **Quality of Life Regulations**

The Building, Fire, Housing, and Planning Codes all regulate quality of life standards in housing units in order to ensure habitability of residential units. While earthquake and fire safety

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<sup>&</sup>lt;sup>12</sup> Chapter 37 of the Administrative Code

<sup>&</sup>lt;sup>13</sup> Condominiums and tenancy in Common buildings are ownership units and not subject to the Rent Control Ordinance.

<sup>&</sup>lt;sup>14</sup> San Francisco Rent Board. http://www.sfrb.org/index.aspx?page=940 Retrieved on 2/1/14.

measures along with access to light and air standards represent the minimum life and safety standards, Planning Code requirements regarding open space, exposure, and parking define the quality of life beyond minimum habitation standards. Historically, applications for adding a unit in areas that are already allowed sought variance from some of the Planning Code requirements such as open space, rear yard, exposure, and parking. The two recent Ordinances that allowed ADUs in the Castro or buildings undergoing seismic retrofitting provided a streamlined waiver process from these requirements under the condition that the unit is within the existing built envelope. Similarly, the proposed Ordinances allow the Zoning Administrator (ZA) to waive open space, rear yard, and parking requirements for these ADUs in District 3 or 8. Other City policies such as street trees and provision of bicycle parking remain applicable to these units. Below is a summary discussion of how such provision would facilitate ADUs without compromising the quality of life for ADUs.

**Rear Yard-** The existing rear yard in a building where an ADU is added would remain unchanged. In cases where the existing buildings are already non-conforming to the rear yard requirements, this Ordinance would allow the new units to also be exempt from complying with the rear yard requirements as well. These buildings were built prior to establishment of rear yard requirements and any added unit would offer similar quality of life levels as the existing units in the building.

**Exposure-** Exposure requirements contribute significantly to quality of life as they regulate light and air into residential space. While the Building Code regulates the size of windows, the Planning Code regulates the size and quality of the open area to which the windows face. In existing buildings built prior to the Planning Code exposure requirements, it is usually infeasible to provide a code compliant open area for exposure purposes. Allowing flexibility in the size of the open area would not harm livability of ADUs and may be critical to ensuring these units are built. The two most recent ADU ordinances allowed such open area to be 15' by 15'.

**Parking-** The provision to waive parking requirements would facilitate ADUs in two ways: First, it would allow removing an existing required parking space to provide space for an ADU. Second, if two or more ADUs are proposed on a lot, the parking requirement can also be waived. It is important to note that currently, the Planning Code does not require parking space if only one unit is being added to an existing building.

In a typical new construction project, an average cost of a podium parking spot has been reported nearly \$30,000 per space<sup>15</sup>. In the case of new ADUs, while this cost can be lower due to the existing structure, maintaining a parking requirement for these units would still likely render new ADUs as infeasible. Given the goal of streamlining and facilitating earthquake resilience in this Ordinance, parking waivers are appropriate and necessary. San Francisco has advanced a transit first policy that aligns with providing housing without off-street parking.

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<sup>&</sup>lt;sup>15</sup> Seifel Consulsting Inc, Inclusionary Housing Financial Analysis, December 2012, Report prepared for San Francisco Mayor's Office of Housing, page 15.

#### 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 proposed modifications are as follows:

- 1. Create consistency in number of ADUs allowed per lot across different geographies.
- 2. Expand the eligible geography within District 8 to include the buffer areas around the associated Supervisor's residences.

#### BASIS FOR RECOMMENDATION

The Department supports the recommendations of these two Ordinances. San Francisco and the Bay Area region is in dire need for more housing given the significant increase in number of jobs in the region. ADUs represent one housing strategy among many that the City is promoting to facilitate a variety of housing options. Allowing ADUs represent a small-scale infill housing strategy that complements current development. This strategy would create potential to add new homes to properties that otherwise would not have any development potential, efficiently using unoccupied space in existing buildings as a resource to provide more housing.

ADUs are usually located on the ground floor in space that was previously used for parking or storage, and as a result typically have lower ceilings heights. These units will also likely have less light exposure due to smaller windows or windows facing smaller open areas, and side entrances due to location of the unit on the lot. Such subordinate characteristics of ADUs result in lower rents compared to the rental rates of a unit in a newly developed building. Further, the lower rents would accommodate populations that are not adequately being served by the market: younger households, small families, senior and elderly individuals and so forth. Estimated rents for ADUs in District 3 or 8 would provide more rental housing affordable to these households earning 130% to 145% AMI.

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

1. Create consistency in number of ADUs allowed per lot across different geographies—Staff recommends that the controls for ADUs in District 8 be modified to align with District 3 controls: For buildings with 4 units or less only one ADU per lot would be allowed, and for buildings with more than four units, density controls would not apply. As proposed, the controls for ADUs in District 8 differ from ADUs in District 3 in terms of number of ADUs allowed per lot. The same difference exists in the existing regulations for ADUs in buildings undergoing seismic retrofitting compared to ADUs in the Castro. Staff finds that the density controls for ADUs in seismic retrofit buildings are further aligned with the City's overall policy towards density controls. In many areas of the City, a combination of form and unit type related requirements (height, bulk, rear yard, open space, and bedroom count requirements) control the number of units allowed per lot as opposed to a certain square footage per unit. Similarly, the ADU controls in buildings

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undergoing seismic retrofitting establish form and unit size related requirements in mid to large size buildings (five or more units): that the ADU should stay within the existing built envelope, and it should not take space from existing units. The proposed Ordinance in District 3 already reflects this strategy for buildings with 5 or more units. For smaller buildings (4 or less units) however, recognizing the smaller scale and character of these buildings and the neighborhoods, it would only allow one ADU. Staff supports these controls and recommends that District 8 ADU control also be modified to adopt the more balanced density control strategies.

2. Expand the eligible geography within District 8 to incorporate the buffer areas around the associated Supervisor's residences currently excluded from the program. The proposed Ordinance in District 8 excludes properties within a 500' buffer around the residence of Supervisor Wiener sponsoring the legislation. These areas were excluded due to the California Political Reform Act that precludes the ability of officials to participate in decisions that affect their financial interests. Staff finds that applying the ADU controls to the entirety of the district would serve the broader public interest. Expanding the ADU controls to include this area would enable application of the proposed provisions fairly and consistently throughout the District.

#### **ENVIRONMENTAL REVIEW**

The proposed ordinance is covered as an Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report under Case No. 2015-005350ENV, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164.

#### **PUBLIC COMMENT**

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

**RECOMMENDATION:** Recommendation of Approval with Modification

#### **Attachments:**

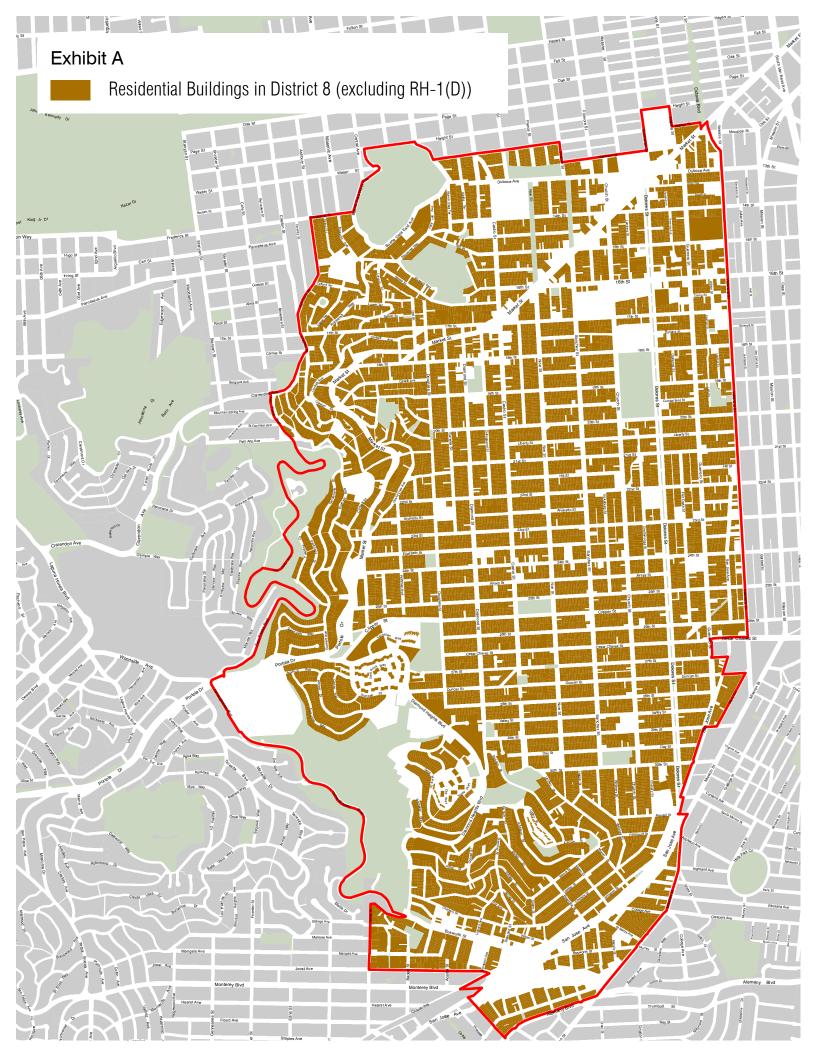
Exhibit A: Affected Properties in the two Proposed Ordinances

Exhibit B: Areas where ADUs are already allowed Exhibit C: Concentration of Rental Listings in 2015

Exhibit D: Potential number of new ADUs

Exhibit E: Draft Planning Commission Resolution for BF No. 15-0365
Exhibit F: Draft Planning Commission Resolution for BF No. 15-0385
Exhibit G: Draft Ordinance [Board of Supervisors File No. 15-0365]
Exhibit H: Draft Ordinance [Board of Supervisors File No. 15-0585]

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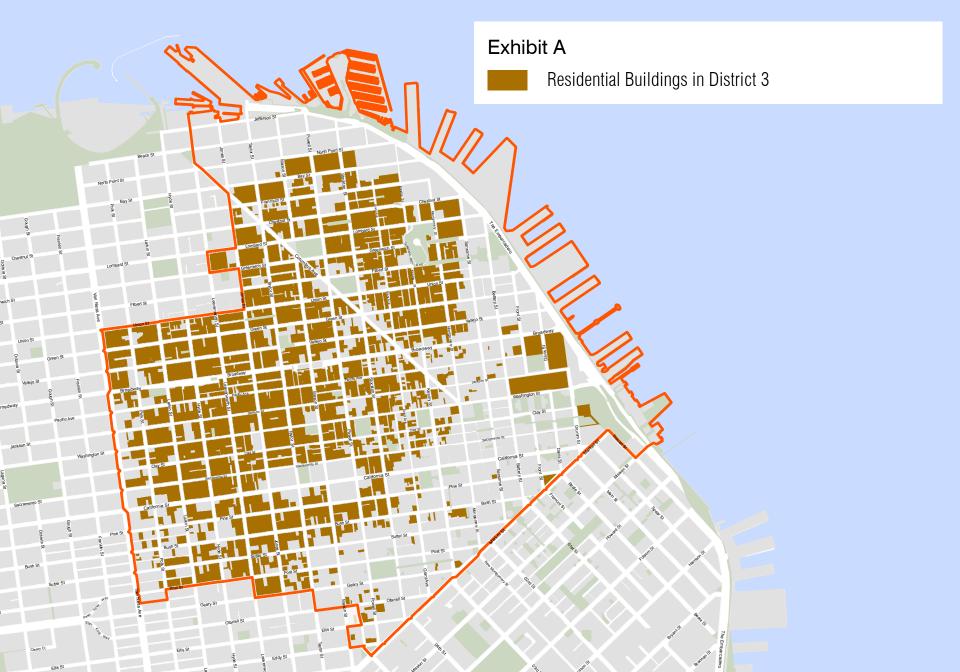
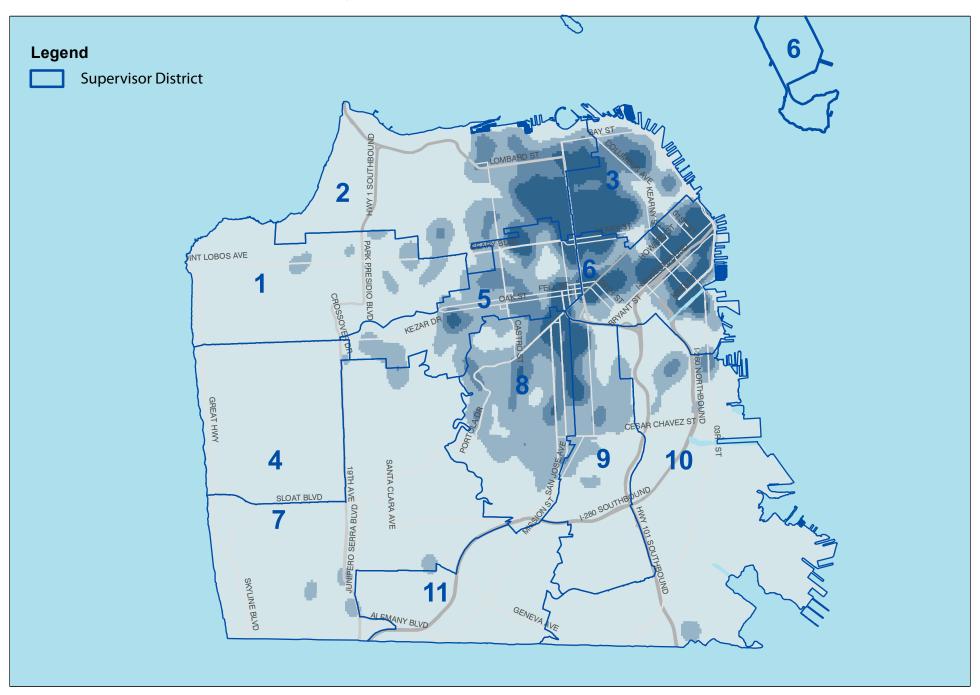


Exhibit C: Concentration of Rental Listings from January to June 2015 (Source: Padmapper)



2,750 5,500 11,000 Feet

Printed: 8 July, 2015

# **Exhibit D- Potential number of new ADUS**

Total Number of Parcels in <u>District 3</u>	5,780
Number of non-residential parcels	-1,350
Number of parcels that may create ADUs under other ordinances <sup>1</sup>	-570
Number of parcels with condominiums <sup>2</sup>	-390
Estimate number of remaining parcels with no garages <sup>3</sup>	-1,300
Estimate Number of Potential ADU Parcels in District 3	2,170
Approximate number of remaining 4 or less units buildings	1,224
Approximate number of remaining five or more unit buildings <sup>4</sup>	946
Theoretical Maximum Potential of ADUs in District 3 (1,224 + 946*2)	3,116
Estimate Number of Potential New ADUs in District 3 (3,116 x 0.25 = 779)	779

<sup>&</sup>lt;sup>1</sup> ADUs allowed in buildings undergoing seismic retrofitting <sup>2</sup> Due to the ownership structure for condominiums in a building, staff anticipates that such buildings would not add ADUs.

<sup>&</sup>lt;sup>3</sup> Based on field survey in the Castro Area in 2014

<sup>&</sup>lt;sup>4</sup> Based on past trends it is anticipated that buildings of five or more units would on average add a maximum of two ADUs.

Total Number of Parcels in <u>District 8</u>	16,700
Number of non-residential parcels	-540
Number of parcels that may create ADUs under other ordinances <sup>5</sup>	-3,800
Number of parcels with condominiums	-1,560
Estimate number of remaining parcels with no garages	-3,870
Estimate Number of Potential ADU Parcels in District 8	6,930
Approximate number of remaining 10 or less unit buildings	6,750
Approximate number of remaining 11 or more unit buildings <sup>6</sup>	
Theoretical Maximum Potential of ADUs in District 8 (6,750 + 180*2)	7,110
Estimate Number of Potential New ADUs in District 8 (7,110 x 0.25 = 1,77.5)	1,778

<sup>&</sup>lt;sup>5</sup> ADUs allowed in buildings undergoing seismic retrofitting, or the Castro area.
<sup>6</sup> Based on past trends it is anticipated that buildings of five or more units would on average add a maximum of two ADUs.

# Addendum 2 to Environmental Impact Report

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Addendum Date:

July 14, 2015

Case No.:

2015-005350ENV

Project Title:

BOS 150365 - Accessory Dwelling Units

BOS 150585 - Accessory Dwelling Units

EIR:

San Francisco 2004 and 2009 Housing Element, 2007.1275E

SCL No. 2008102033, certified March 24, 2011, re-certified April 24, 2014

Project Sponsor:

San Francisco Board of Supervisors

Sponsor Contact

Kimia Haddadan, (415) 558-9068

Lead Agency:

San Francisco Planning Department

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#### REMARKS

The purpose of this Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report (EIR) is to substantiate the Planning Department's determination that no supplemental environmental review is required for the proposed legislation, as the environmental effects of amending the locations in which an Accessory Dwelling Unit ("ADU") may be created has been adequately analyzed pursuant to the California Environmental Quality Act ("CEQA") in a Final Environmental Impact Report ("2004 and 2009 Housing Element Final EIR" or "Final EIR") previously prepared for the 2004 and 2009 Housing Elements. Nor would the proposed project result in new or heightened environmental impacts than those analyzed in the Final EIR. This memorandum describes the proposed ADU legislation, analyzes the project in context of the 2004 and 2009 Housing Element Final EIR, and summarizes the potential environmental effects that may occur as a result of implementing the proposed project.

#### Background

The 2009 Housing Element was adopted by the San Francisco Board of Supervisors ("Board") as the Housing Element of the San Francisco General Plan on June 21, 2011. However, pursuant to the San Francisco Superior Court's direction in San Franciscans for Livable Neighborhoods v City and County of San Francisco (San Francisco Superior Court Case No. 513-077), the San Francisco Planning Department ("Planning Department" or "Department") recirculated for public review a revised Chapter VII Alternatives of the Final EIR (Revised EIR) on December 18, 2013. The public hearing on the Revised EIR occurred before the San Francisco Planning Commission

("Planning Commission") on January 23, 2014. The public comment period ran from December 18, 2013 through February 18, 2014 (the original close of the public comment period was February 3, 2014, but was extended to February 18, 2014 in response to requests from the public and the Planning Commissioners). The Responses to Comments document for the Revised EIR was issued on April 10, 2014. These documents together comprise the 2004 and 2009 Housing Element Final EIR. On April 24, 2014 the Planning Commission held a noticed hearing to consider certification of the 2004 and 2009 Housing Element Final EIR. The Planning Commission found that the 2004 and 2009 Housing Element Final EIR reflects the independent judgment and analysis of the City and County of San Francisco's ("City"), is adequate, accurate and objective, and it complies with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. Thus, a Final Environmental Impact Report for the 2004 and 2009 Housing Elements (File No. 2007.1275E) was certified by the Planning Commission on April 24, 2014. On June 17, 2014, the Board denied an appeal of the certification and re-adopted the 2009 Housing Element with minor revisions. On January 22, 2015, in response to the proposed 2014 Housing Element, the Planning Department prepared Addendum 1 to 2004 and 2009 Housing Element Final EIR. Addendum 1 was certified by the Planning Commission on February 5, 2015 and adopted by the Board on April 26, 2015. This Addendum 2 applies only to implement the proposed ADU legislation.

# PROPOSED REVISIONS TO PROJECT

# Background and Legislative Applicability

The Housing Element is a component of the City's General Plan that establishes the City's overall housing policies. State Housing Element law (California *Government Code* Section 65583) requires local jurisdictions to adequately plan for and address the housing needs of all segments of its population in order to attain the region's share of projected state-wide housing goals. This law requires local governments to plan for their existing and projected housing needs by facilitating the improvement and development of housing and removing constraints on development opportunities.

As discussed in the City's Housing Element, housing density standards in San Francisco have been traditionally set in terms of numbers of dwelling units in proportion to the size of the building lot. For the various zoning districts of the City, the San Francisco *Planning Code* limits the number of dwelling units permitted on a given lot. In a Residential House, Two Family (RH-2) district, for example, two dwelling units are principally permitted per lot, and one dwelling unit is permitted per 1,500 square feet of lot area with conditional use authorization. The 2004 and 2009 Housing Elements discussed the need to increase housing stock through policies that promote intensification of density on developed lots. As described in Table 1, the following policies and associated implementation measures, the creation of ADUs and were analyzed in the Final EIR:

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Table 1: 2004 and 2009 Housing Element Policies and Implementation Measures that Promote Increased Density-Related Development Standards for the Creation of ADUs

Policies & Implementation Measures	2004 Housing Element	2009 Housing Element	2014 Housing Element
Policies	Policy 1.8 – Allow secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower income households.	Policy 1.5 – Consider secondary units in community plans where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.  Policy 1.6 – Consider greater flexibility in the number and size of units within established building envelopes in community plan areas, especially if it can increase the number of affordable units in multi-	Policy 1.5 – Consider secondary units in community planning processes where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.
Implementation	Implementation	family structures.	Implementation
Implementation Measures	Implementation Measure 1.8.1 – The Board has introduced Planning Code amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit. Measure 1.8.3 –	Implementation Measure 13 – When considering legalization of secondary units within a community planning process, Planning should develop design controls that illustrate how secondary units can be developed to be sensitive to the surrounding neighborhood, to ensure	Implementation Measure 13 – When considering legalization of secondary units within a community planning process, Planning should develop design controls that illustrate how secondary units can be developed to be sensitive to the surrounding

Case No. 2015-005350ENV

Addendum to Environmental Impact Report

	righborhood character maintained.	neighborhood, to ensure neighborhood character is maintained.
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The Planning Department engaged in a community planning process to develop a number of Area Plans to guide future development within specific areas of the City. These plans have been incorporated into the City's General Plan. The Final EIR found that implementation of the 2009 Housing Element would promote neighborhood and area plans as part of the planning process, such as that found in 2009 Housing Element Policy 1.5. In addition, the Final EIR determined that implementation of the 2004 and 2009 Housing Elements would not result an adverse effect on the application of General Plan policies and plans, and would not lead to inconsistencies with adopted Area Plans. Table 2 lists the Areas Plans located completely or partially within the boundaries of the project area.

Table 2: Area Plans within Project Area by District

Area Plans in District 3	Area Plans in District 8
Chinatown	Glen Park
Downtown	Market & Octavia
Northeast Waterfront	Mission

#### **Accessory Dwelling Unit Program**

# **Project Description**

Legislation was introduced to the San Francisco Board of Supervisors by Supervisor Wiener on April 14, 2015 (BOS File No. 150365)¹ and Supervisor Christensen on June 2, 2015 (BOS File No. 150585), that would amend San Francisco *Planning Code* Sections 102, 207, 209, 210, 307, 714, 722, 723, 732, 810, 811, and 812 to allow the construction of ADUs within the boundaries of Supervisorial District 8 ("District 8") and Supervisorial District 3 ("District 3"), collectively known as the project area. ADUs, also referred to as Secondary Dwelling Units or In-Law Units, are defined in Section 207(c)(4)(A) of the *Planning Code* as additional dwelling units constructed entirely within the existing built envelope of a building or authorized auxiliary structure (the "building envelope") zoned for residential uses, and may be constructed with a complete or

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<sup>1</sup> BOS 150365 was originally introduced on April 14, 2015. The proposed legislation language was substituted and reintroduced on June 2, 2015.

partial waiver from the Zoning Administrator for density limits and parking, rear yard, exposure, and open space standards in the *Planning Code*.

In 2004 the Board passed legislation allowing the creation of ADUs on lots in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District's boundaries (excluding lots within 500 feet of Assessor's Block 2623, Lots 116 through 154) under Board File No. 13103.<sup>2</sup> The proposed ordinance would remove the requirement that creation of an ADU within the boundaries of District 8 is restricted to lots in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District's boundaries. Proposed amendments to Section 207 of the *Planning Code* would authorize ADUs, as defined in Section 207(c)(4)(A) of the *Planning Code*, throughout District 8 (excluding any lot within 500 feet of Assessor's Block 2623, Lots 116 through 154) and District 3. The development of ADUs in Districts 3 and 8 beyond the density limits within the project area would be subject to the following conditions:

- New units must be constructed within the existing building envelope; no building expansion would be allowed.
- New units cannot be created using space from existing dwelling units; however, existing required parking spaces can be removed to provide space to create an ADU.
- In District 3, one ADU would be permitted in buildings with four existing dwelling units or fewer; more than one ADU would be permitted in buildings with five or more units.
- In District 8, one ADU would be permitted in buildings with 10 existing dwelling units or fewer; two ADUs would be permitted in buildings with 11 or more units.
- If the existing building or any dwelling unit therein is subject to the San Francisco Rent Stabilization and Arbitration Ordinance ("Rent Ordinance"), the new ADU would be subject to the Rent Ordinance.
- The proposed legislation would not apply to buildings on lots zones RH-1(D) (Residential Housing One Family, Detached Dwellings).

Pursuant to Section 207(c)(4)(C)(iii) of the *Planning Code*, ADUs may be created in buildings implementing seismic retrofits, and the height of those building may be raised up to three feet in order to provide adequate ceiling height for residential uses on the ground floor. The proposed legislation would clarify that the height increase is permitted within a noncomplying structure without requiring a variance from the Zoning Administrator and is exempt from the notification requirements in Sections 311 and 312 of the *Planning Code*.

In addition, the proposed legislation would define Accessory Dwelling Units in Section 102 of the *Planning Code*, amend incorrect cross references in Section 37.2 of the *Administrative Code*, affirm environmental findings, and adopt findings of consistency with the General Plan and the eight priority policies of Section 101.1 of the *Planning Code*.

The Planning Department is recommending the following modification to the legislation:<sup>3</sup>

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<sup>2</sup> San Francisco Planning Department, Certificate of Determination: Exclusion/exemption from Environmental Review. Case No. 2013.1674E for Board of Supervisors File No. 131063, Addition of Dwelling Units in the Castro NCD and Surrounding Areas. February 25, 2014, The document, and all other documents herein, is available for review at 1650 Mission Street, Suite 400 as part of Case No. 2015-005350ENV.

<sup>3</sup> San Francisco Planning Department, Executive Summary: Planning and Administrative Code Text Change, Construction of

- (1) Modify the controls for ADUs in District 8 to align with controls for ADUs in District 3 so that for buildings with 4 units or less only one ADU per lot would be allowed, and for buildings with more than four units, density controls would not apply.
- (2) Permit lots within 500 feet of Assessor's Block 2623 (Lots 116 through 154) to participate in the proposed ordinance.

For the purposes of this environmental review, the Planning Department assumes the approval of these modifications.

# Anticipated Development of ADUs

It is uncertain how many ADUs could potentially result from implementation of the proposed legislation. However, the Planning Department identified the following factors, which may contribute to the overall feasibility of creating an ADU.

#### Past Trends

As previously discussed, the Board approved the creation of ADUs under the Additional Dwelling Units in Castro Ordinance ("Castro ADU Ordinance". The ordinance provided for the development of ADUs beyond the density limits of the project area under similar conditions as those in the proposed legislation:

- The new units can only be built within the existing building envelope (no building expansion).
- Existing required parking spaces can be removed to provide space to create ADUs.
- For buildings of 10 units or less only one ADU would be allowed; for buildings with more than 10 units, two new ADUs would be allowed.
- The new units, if on a lot where the original building is subject to the Rent Ordinance, would also be subject to the Rent Ordinance.
- The development of new units cannot be created using space from an existing unit.
- ADUs created under the legislation cannot be greater than 750 square feet.

The Planning Department has received two permit applications since the Additional Dwelling Units in Castro Ordinance was enacted.

In addition to the Additional Dwelling Units in the Castro Ordinance, the Board passed the Exceptions from Dwelling Unit Density Limits for Buildings Undergoing Seismic Retrofitting Ordinance ("Seismic Retrofit Ordinance", Board File No. 140954). This ordinance permits the creation of ADUs beyond existing density limits in buildings undergoing mandatory or voluntary seismic retrofitting. The condition under which new ADUs may be created under the Seismic Retrofit Ordinance varies slightly from the Castro ADU Ordinance:

 New units must be built within the existing building envelope, except a building may be raised up to 3 feet in order to accommodate adequate ceiling heights for residential uses.<sup>4</sup>

Accessory Dwelling Units in Supervisorial District Three and Eight, Kimia Haddadan, Hearing Date July 16, 2015.

4 This provision does not permit a building to be raised above the established height limit, nor does it exempt the project from

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• There is no limit on the number of new units that may be added.

The Planning Department has received one permit application for the creation of an ADU under the Seismic Retrofit Ordinance.

In 2008, through the Market-Octavia and Eastern Neighborhoods community planning processes, parts of the City were rezoned to Residential, Transit Oriented ("RTO") and Residential, Transit Oriented-Mission Neighborhood ('RTO-M"). The RTO zoning district removed density limits on residential parcels, and therefore allowed existing residential buildings to add new units to their existing building as long as other *Planning Code* requirements (open space, parking, rear yard, and exposure) were fulfilled. There are about 1,120 RTO and 1,110 RTO-M parcels in the City, for a total of approximately 2,230 parcels. Since 2008, 15 RTO-and RTO-M-zoned parcels with existing buildings on them have added secondary dwelling units, 8 of which were added within the existing building envelope.

# **Development Constraints**

In order to determine the likely number of new units that would be constructed under the proposed ordinance, the Planning Department identified which constraints would limit the development of ADU units. Constraints on the creation of new ADUs fall under three general categories: ownership, costs, and opportunity spaces.

Ownership. Residential buildings which would be under common ownership, such as condominiums or tenancies in commons ("TIC"), are unlikely to convert space to an ADU. Construction of an ADU requires the conversion of unused space to a new unit. Unused spaces that are currently used as common areas with multiple owners may be less likely to be developed into an ADU as it would require consensus among multiple owners. While the City does not maintain a comprehensive database of the number of TICs, there are approximately 1,950 parcels (390 in District 3 and 1,560 in District 8) with condominium units on them. As parcels with condominium units would not likely develop an ADU, the Planning Department subtracted those parcels from the total number of parcels that could take advantage of the proposed legislation. The subtraction of all parcels with condominiums would still result in an over estimate of the number of new units that are likely to be created, as it does not take into account existing TICs, which would face similar constraints as condominiums.

Costs. Construction of new units may prove costly to property owners, further limiting the number of new units created by the proposed legislation. The Planning Department estimates it would cost approximately \$150000-\$200,000 to develop an ADU,<sup>5</sup> excluding any excavation, foundation, or façade work. For example, if excavation is necessary to convert the space to an ADU, the cost of such conversion could increase by approximately \$100 per square foot of plan

CEQA.

5 San Francisco Planning Department, Executive Summary: Planning and Administrative Code Text Change, Construction of Accessory Dwelling Units in Supervisorial District Three and Eight, Kimia Haddadan, Hearing Date July 16, 2015. The document, and all other documents herein, is available for review at 1650 Mission Street, Suite 400 as part of Case No. 2015-005350ENV.

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area. In some cases, San Francisco *Building Code* requirements would also increase the cost of conversion. For example, if an ADU was created in a building located in an area where ambient noise exceeds 75 decibels (dBA<sup>7</sup>) the property owner would be required to implement noise attenuation measures to shield new residents from street noise.

Opportunity Spaces. Pre-existing factors such as site layout and building design may affect the total number of units developed on a potential site under the proposed legislation. A new ADUs may not expand the dimensions of the building in which the unit is added, and may not be created by removing space from existing dwelling units. These factors constrain the space available to build an ADU to only a few options, including parking garages, storage space, and attics. The City does not maintain a database indicating the existence of such spaces in its residential building stock. However, parking garages appear to be the most feasible and likely type of space that could accommodate ADUs. Based on sample survey research<sup>8</sup> the Planning Department conducted for the Addition of Dwelling Units in Castro Ordinance<sup>9</sup>, the Department estimated that approximately 5,170 parcels (1,300 parcels in District 3 and 3,870 parcels in District 8) in the project area do not have garage spaces. Therefore, it is unlikely those buildings would have sufficient space to create an ADU.

#### Theoretical Maximum Number of ADUs

There are approximately 22,480 parcels within the project area (5,780 parcels in District 3 and 16,700 parcels in District 8). Of these parcels, roughly 208 parcels (69 in District 3 and 139 in District 8) are zoned Public Use. The Planning Department estimates an additional 1,682 parcels (1,281 in District 3 and 401 in District 8) do not currently contain residential units. Therefore, the legislation does not apply to approximately 1,890 parcels within the project area. 4,370 of parcels (570 in District 3 and 3,800 in District 8) may already create ADUs under the Additional Dwelling Units in the Castro and Seismic Retrofit ordinances. The remaining approximately 16,220 residential parcels in the project area represent the theoretical maximum number of parcels that could take advantage of the proposed legislation without consideration of physical or economic constraints.

Based on the development constraints and factors discussed above, the Planning Department estimates that 9,100 parcels (2,170 parcels in District 3 and 6,930 parcels in District 8) have the physical space available to accommodate ADUs, are not under common ownership, and the cost of adding an ADU would not be prohibitive. Of those 9,100 parcels:

<sup>6</sup> San Francisco Planning Department, Accessory Dwelling Unit Guide, July 2015.

<sup>7</sup> A-weighted sound levels (dBA) is the method for measuring environmental noise to reflect that human hearing is less sensitive to low sound frequencies.

<sup>8</sup> The Department conducted a sample survey of the Castro ADU project area to estimate the number of buildings that have a garage space. The Department surveyed seven blocks (462 parcels) within the project area (or about 15 percent of the project area). Blocks were chosen at random, and then refined to include a variety of zoning districts. Parcels were visually surveyed to determine the presence of a garage space that could potentially be converted into an ADU.

<sup>9</sup> San Francisco Planning Department, Executive Summary: Planning and Administrative Code Text Change, Addition of Dwelling Units in the Castro, Kimia Haddadan, Hearing Date March 6, 2014.

- District 3: 1,224 parcels are estimated to have buildings with four or fewer residential units and each parcel could add one ADU. The remaining 946 parcels would have buildings with five or more residential units and could add an unlimited number of ADUs. Based on the development constraints discussed above, including the proposed condition that would restrict creation of ADUs to within the existing building envelope, the Planning Department estimates lots in District 3 developed with buildings with five or more residential dwelling units would likely only add two ADUs under the proposed ordinance. Thus, the Department anticipates a maximum of approximately 3,116 ADUs could be created on those parcels.
- **District 8:** 180 parcels are expected to have eleven or more unit buildings, and could potentially add two ADUs, for an anticipated total of 360 parcels; the remaining 6,750 parcels could only each add one ADU. Therefore, the Department anticipates a maximum of approximately 7,110 ADUs could be created on those parcels.

Based on the above, the Planning Department estimates that a theoretical maximum number of approximately 10,226 units could potentially be created in the project area under the ordinance as proposed. While past trends indicate a very limited number of property owners would create an ADU under the proposed legislation, the Department conservatively assumes 25 percent of parcels would take advantage of the legislation and build an ADU. The Department assumes a conservative estimate due to the *Planning Code* waivers the proposed legislation would permit in order to facilitate the expeditious development of ADUs in the project area. Although the 25 percent estimate is higher than historical trends, a conservative measure allows for an analysis of the likely greatest extend of development that could result from implementation of the proposed legislation. In addition, a highly conservative estimate would allow for any unintended variance between the estimates and the actual number of property owners that might add ADUs under the proposed legislation. Therefore, by applying this factor to the theoretical maximum number of potential ADUs in the project area (approximately 10,226 units), the Planning Department estimates the proposed legislation could result in the creation of approximately 2,557 ADUs (779 in District 3 and 1,778 in District 8) across the project area.

Tables 3 and 4 illustrate how the Planning Department generated an estimate number of potential ADUs that could be created as a result of the implementation of the proposed legislation. However, should the Board adopt the Planning Department's recommendations, additional ADUs could be created in District 8 as a result of implementation of the proposed legislation.

<sup>10</sup> Twenty-five percent of 10,226 units is approximately 2,556.5 new ADUs. However, the Department is using 2,557 for conservative purposes. This number of new ADUs represents the total maximum number the Department anticipates would be ever constructed as a result of this legislation.

Table 3: Anticipated Development Volume of ADUs in District 3

Total Number of Parcels in District	5,780
Number of non-residential parcels	-1,350
Number of parcels that may create ADUs under other ordinances	-570
Number of parcels with condominiums	-390
Estimate number of remaining parcels with no garages	-1,300
Estimate Number of Potential ADU Parcels in District 3	2,170
Approximate number of remaining 4 or less units buildings	1,224
Approximate number of remaining five or more unit buildings	946
Theoretical Maximum Potential of ADUs in District 3 (1,224 + 946*2)	3,116
Estimate Number of Potential New ADUs in District 3 (3,116 x 0.25 = 779)	779

Table 4: Anticipated Development of ADUs in District 8

Total Number of Parcels in District	16,700
Number of non-residential parcels	-540
Number of parcels that may create ADUs under other ordinances	-3,800
Number of parcels with condominiums	-1,560
Estimate number of remaining parcels with no garages	-3,870
Estimate Number of Potential ADU Parcels in District 8	6,930

Approximate number of remaining 10 or less unit buildings	6,750
Approximate number of remaining 11 or more unit buildings	180
Theoretical Maximum Potential of ADUs in District 8 (6,750 + 180*2)	7,110
Estimate Number of Potential New ADUs in District 8 (7,110 x 0.25 = 1,777.5)	1,778

The estimated 2,557 potential new ADUs is based on a conservative analysis of the potential development that could occur as a result of the proposed ordinance and likely over estimates the number of units, as discussed in the Past Trends and Development Constraints sections.

In addition to the cost, ownership, and opportunity space constraints previously discussed, general constraints on housing production would limit the number of new ADUs created under the proposed legislation. These factors may include the availability of financing, location and ownership of lots, the real estate market, regional housing market, regional economy and job market, labor pool, entitlement permit process, personal preference, and neighborhood opposition.

The Final EIR evaluated the City's ability to meet the Regional Housing Needs Assessment ("RHNA") under existing zoning. The analysis included a review of additional housing units that could be provided on undeveloped and underdeveloped parcels (e.g. "soft sites"), on parcels where zoning controls were recently changed, on parcels where rezoning efforts were already underway at the time of the analysis, and residential development projects in the pipeline at the time the analysis. The Final EIR found that approximately 149,330 additional residential dwelling units could be provided on these sites under existing zoning controls.

In addition to the analysis of housing capacity under zoning, the Final EIR also considered projected household growth in the City and used these projections as the basis for the analysis of growth-related impacts. The Final EIR used ABAG projections for the period of 2009-2025 and found that an additional 39,568 households would be added to the City by the year 2025.

Although the Final EIR identified residential development capacity based on existing zoning, the analysis did not associate potential development with any specific sites within the City. Thus, this Addendum reasonably assumes the new ADUs that could be created due to implementation of the proposed legislation would be within overall Housing Element projections. While any growth enabled by the proposed legislation would occur on sites other than those discussed in the Final EIR, the total number of residential units would be within the amount projected and analyzed in the Final EIR.

For these reasons, the proposed project would not result in growth beyond that analyzed in the Final EIR with Addendum 1. Therefore, new ADUs created as a result of implementation of the proposed legislation, including additional units that could be developed in District 8 should the

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Board adopt the Planning Department's recommendations, would be adequately covered under the Final EIR and Addendum 1.

# **Project Approvals**

On July 16, 2015, the Planning Department will present the legislation to the Planning Commission. The Planning Commission will make a recommendation to the Board. Then the legislation would be heard before the Land Use Committee of the Board, followed by a hearing before the full Board. If the full Board votes in favor of the proposed legislation, the Mayor may sign it into law. The Mayor's approval of the proposed ordinance would constitute the Approval Action pursuant to Chapter 31 of the *Administrative Code*.

# Setting

#### **Project Location**

The proposed legislation authorizes the creation of ADUs, subject to the conditions outlined above, in Supervisorial Districts 3 and 8. District 3, located in the northeast corner of the City's boundaries, encompasses approximately 1,211 acres and is characterized by primarily residential buildings with ground-floor commercial uses. District 8, located in the roughly the middle of the City's boundaries, encompasses approximately 2,250 acres, and is characterized by primarily residential development with some commercial and mixed-use development along neighborhood commercial corridors. A map of each district can be found in the Appendix section.

Collectively, the project area is about 3,461 acres, with a residential density of approximately 35 units per acre in District 3 and 18 units per acre in District 8, and includes a diverse range of zoning designations. Table 5 delineates the zoning districts within the project area by each District.

Table 5: Existing Zoning Districts in Project Area

Zoning Districts	District 3	District 8
(24th-NOE NCD): 24th Street-Noe Valley Neighborhood Commercial District		✓
(Broadway NCD): Broadway Neighborhood Commercial District	✓	
(Castro NCD): Castro Neighborhood Commercial District		
(C-2): Community Business District	✓	
(C-3-G): Downtown General Commercial	✓	
(C-3-O): Downtown Office District	✓	
(C-3-R): Downtown Retail	✓	-

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(CCB): Chinatown Community Business District	✓	
(CR/NC): Chinatown Residential/Neighborhood Commercial District	<b>√</b>	
(CVR): Chinatown Visitor Retail District	<b>√</b>	
(NC-1): Neighborhood Commercial Cluster District	<b>V</b>	
(NC-2): Small-Scale Neighborhood Commercial District		✓
(NC-3): Moderate-Scale Neighborhood Commercial District		1
(North Beach NCD): North beach Neighborhood Commercial District	✓	
(P): Public Use	✓	
(Pacific Ave. NCD): Pacific Avenue Neighborhood Commercial District	1	
(Polk NCD): Polk Street Neighborhood Commercial District	<b>√</b>	
(RC-3): Residential-Commercial, Medium Density	<b>*</b>	
(RC-4): Residential-Commercial, High Density	1	
(RH-1): Residential House, One-Family	<b>√</b>	✓
(RH-1(D)): Residential, House, One-Family Detached		✓
(RH-1(S)): Residential House, One-Family with Minor Second Unit		<b>√</b>
(RH-2): Residential House, Two-Family	1	✓
(RH-3): Residential House, Three-Family	✓	<b>√</b>
(RM-1): Residential, Mixed, Low Density	<b>√</b>	<b>✓</b>
(RM-2): Residential, Mixed, Moderate Density	<b>√</b>	✓
(RM-3): Residential, Mixed, Medium Density	<b>√</b>	
(RM-4): Residential, Mixed, High Density	<b>✓</b>	<b>√</b>
(RSD): Residential Service District		✓
(RTO): Residential Transit-Oriented		<b>√</b>
(Upper Market NCD): Upper Market Neighborhood Commercial District		✓

# Analysis of Potential Environmental Effects

Section 31.19(c)(1) of the San Francisco *Administrative Code* states that a modified project must be reevaluated and that, "if, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefor shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter." CEQA Guidelines Section

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15164 provides for the use of an addendum to document the basis of a lead agency's decision not to require a Subsequent or Supplemental EIR for a change to a project that has been analyzed in a certified EIR. The lead agency's decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent EIR, as provided in CEQA Guidelines Section 15162, are not present.

The 2004 and 2009 Housing Elements, were the subject of an EIR, originally certified by the Planning Commission on March 24, 2011 and adopted by the Board of Supervisors on June 21, 2011. The Planning Department recirculated a revised Chapter VII Alternatives for the Final EIR ("Revised EIR") on December 18, 2013 for public review. Subsequently, the Planning Commission certified the 2004 and 2009 Housing Element Final EIR on April 24, 2014. On June 17, 2014, the Board denied an appeal of the certification and re-adopted the 2009 Housing Element. An Addendum 1 to the Final EIR was prepared in response to the 2014 Housing Element. Addendum 1 was certified by the Planning Commission on February 2, 2015 and adopted by the Board on April 26, 2015. The Final EIR now also covers the 2014 Housing Element, which is the current Housing Element for the San Francisco General Plan.

The 2004 and 2009 Housing Element Final EIR analyzed potential impacts in the environmental areas of: Land Use and Land Use Planning, Aesthetics, Population and Housing, Cultural and Paleontological Resources, Transportation and Circulation, Noise, Air Quality, Greenhouse Gas Emissions, Wind and Shadow, Recreation, Utilities and Service Systems, Public Services, Biological Resources, Geology and Soils, Hydrology and Water Quality, Hazards and Hazardous Materials, Mineral and Energy Resources, Agricultural and Forest Resources. The Final EIR identified less-than-significant impacts in the following topics:

- Land Use and Land Use Planning
- Aesthetics
- Population and Housing
- Cultural and Paleontological Resources
- Air Quality
- Greenhouse Gas Emissions
- Wind and Shadow
- Recreation

- Utilities and Service Systems
- Public Services
- Biological Resources
- Geology and Soils
- Hydrology and Water Quality
- Hazards and Hazardous Materials
- Mineral and Energy Resources
- Agricultural and Forest Resources

The Final EIR determined that the effects of encouraging new residential development along streets with noise levels above 75 dBA Day-Night Average Sound Level (Ldn¹¹) can be avoided

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<sup>11</sup> The Day-Night Level (Ldn) is the rating system used to measure A-weighted (dBA) equivalent continuous sound exposure level for a 24 hour period. The measurement accounts for the change in noise sensitivity that occurs during typical hours of sleep (10:00

or reduced to a less-than-significant level with mitigation, and a mitigation measure addressing the issue was incorporated into the adopted Housing Element as an implementation measure. The Final EIR also found that adoption of the 2004 or 2009 Housing Element would potentially result in significant environmental effects on the transit network that could not be mitigated to a less-than-significant level with implementation of feasible mitigation measures.

There have been revisions to the *Planning Code*, General Plan and other city policies and regulations since the certification of the Final EIR. However, those changes are independent from this addendum to the 2004 and 2009 Housing Element, and have either been determined to not be a project as defined under CEQA or have undergone separate environmental impact analysis, pursuant to CEQA. These revisions have not substantially changed the circumstances under which the 2004 and 2009 Housing Elements were prepared. Nor has new information emerged that would significantly alter the analysis or conclusions reached within the Final EIR.

Moreover, the 2014 Housing Element,<sup>12</sup> which was evaluated as an addendum to the 2004 and 2009 Housing Element Final EIR, continued most of the 2009 Housing Element policies, introducing only minor changes. The changes found in Addendum 1 were primarily revisions to the regulatory environment and were not expected to affect the severity of impacts discussed in the Final EIR.

2004 Housing Element Policy 1.8 and its associated Implementation Measures, 1.8.1 and 1.8.3, promote the provision of ADUs in the City. Policies and implementation measures that promote the creation of ADUs can also be found in the 2009 Housing Element (Policy 1.5 and Implementation Measure 13) and the 2014 Housing Element (Policy 1.5 and Implementation measure 13). The proposed legislation would specify the conditions under which these policies and implementation measures would be established. As such the proposed legislation would result in similar development activities as described in the 2004, 2009, and 2014 Housing Elements. Therefore, potential effects for the modified project with respect to aesthetics, cultural and paleontological resources, greenhouse gas emissions, wind and shadow, recreation, utilities and service systems, public services, biological resources, geology and soils, hydrology and water quality, hazards and hazardous materials, mineral and energy resources, and agricultural and forest resources would remain similar to the project as analyzed in the Final EIR and Addendum 1, and would not change the findings of less-than-significant impact for these topics.

#### Changes to Housing Projections

The population and housing projections analyzed in the Final EIR were updated in the 2014 Housing Element. As noted in the 2014 Housing Element, the 2012 American Community Survey estimated San Francisco's population to be about 807,755. The Association of Bay Area Governments ("ABAG") projects continued population growth to 981,800 by 2030 or an overall

increase of about 174,045 people who will need to be housed over the next 18 years. In comparison, the population projection included in the 2009 Housing Element Final EIR for 2030 is 934,800. Household growth, an approximation of the demand for housing, currently indicates a need for approximately 72,530 new units by 2030 in order to accommodate projected population and household growth. Changes to the population and housing projections did not affect the calculated 7-year share of regional housing need. Therefore, the revised projections did not change the RHNA determination analyzed in the Final EIR.

# Land Use and Land Use Planning

The Final EIR determined that implementation of the 2004 and 2009 Housing Elements would result in less-than-significant impacts with respect to the existing land use character and would not conflict with applicable land use plans, policies, or regulations. The Final EIR found that implementation of the 2004 and 2009 Housing Elements would not change existing allowable land uses, thereby ensuring the policies and programs contained therein would not physically divide an established community. The 2004 and 2009 Housing Elements, as discussed in the Final EIR, would not change policies established in local plans and would encourage development that is consistent with the goals and objectives provided for in those documents. The Final EIR also found that the 2004 and 2009 Housing Elements contain policies and implementation measures that promote the preservation of neighborhood character, such as the conservation of existing housing stock. Moreover, incremental increases in density in residential areas were found, as noted in the Final EIR, not to result in a substantial change in existing land use character. Therefore, the Final EIR determined that implementation of the 2004 and 2009 Housing Elements would not result in substantial impacts to land use and land use planning.

Addendum 1, found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. In addition, as noted in Addendum 1, the 2014 Housing Element does not include any zoning changes, nor does it require zoning changes by state law in order to meet the RHNA. Therefore, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to land use and land use planning.

#### Modified Project

The proposed project would place conditions on the creation of new ADUs that would restrict the introduction of new land uses that could affect the established land use character. This is because the potential 2,557 new units (approximately 779 units in District 3 and 1,778 units in District 8) must be created on existing residentially developed lots. In addition, new ADUs would be limited to the existing building envelope, thus implementation of the proposed legislation would not result in construction of new buildings or increase the height or bulk of

existing buildings; limiting any disruption or division to the established development pattern within the project area. The potential new units would be distributed throughout the 3,461-acre project area (1,211 acres in District 3 and 2,250 acres in District 8), resulting in an incremental intensification of residential density in the project area. Moreover, new units would be subject to the City's established plans, such as the Urban Design Element of the General Plan. Therefore, the proposed project would not change or alter any of the Final EIRs findings with respect to land use and land use planning. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to land use and land use planning.

# Population and Housing

The Final EIR found that the 2004 Housing Element contains policies and implementation measures that promote increased density in certain areas of the City and the creation of secondary dwelling units, with the express intention of increasing the number of residential units that could be provided on parcels. The Final EIR notes that residential development would take place regardless of the implementation of 2004 Housing Element policies. Rather, Housing Element policies are developed to accommodate projected housing needs by providing guidance on where development should take place and what measures can be used to increase housing affordability.

The Final EIR also found that the City had the capacity to meet 2009-2014 RHNA goals, and 2009 Housing Element policies and implementation measures designed to encourage housing growth, as projected by ABAG, could be employed to stimulate residential development where it can best be accommodated. As such, the Final EIR found that the 2009 Housing Element would not induce a substantial amount of population growth not otherwise anticipated by the ABAG regional projections, and impacts on population growth under the 2009 Housing Element would be less-than-significant.

Therefore, the Final EIR found that implementation of the 2004 and 2009 Housing Elements would result in less-than-significant population and housing impacts.

Addendum 1 found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. As noted in Addendum 1, the 2014 Housing Element included an updated calculation of the City's regional housing need. However, Addendum 1 found that any new development that could result from implementation of the 2014 Housing Element would be subject to applicable federal, state and local regulations, including project-specific CEQA review. Moreover, the 2014 Housing Element would not result in population increases or residential growth. This is because, as discussed above, Housing Element policies are designed to guide projected growth with a focus on affordability. Addendum 1 also found that the 2014 Housing

Element does not include any zoning changes, nor are any zoning changes required by state law in order to meet the RHNA.

As with the 2004 and 2009 Housing Elements, Addendum 1 found that the 2014 Housing Element would guide new residential development in the City with a focus on housing affordability. In addition, Addendum 1 determined that the implementation of the five new policies (Policies 5.5, 5.6, 6.3, and 6.4) and three new implementation measures (Implementation measures 19, 38b, and 64), including those that could result in more affordable housing, would not result in adverse physical impacts on the environment.

For these reasons, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to population and housing.

# Modified Project

Population growth. The proposed project would result in an incremental population increase in the project area. For the 22 census tracts within District 3, the average number of persons per household is 1.8. For the 27 census tracts within District 8, the average number of persons per household is 2.1. ADU's created under the proposed legislation would likely average around two persons per household, due to the anticipated smaller size of new units, as noted in the 2009 Housing Element Final EIR. Therefore, it is anticipated that approximately two people would likely occupy each unit. Based on the estimated 779 potential new ADUs that could be created throughout District 3 and 7,110 new ADUs throughout District 8, the proposed legislation would result in a population increase of approximately 1,558 people in District 3 and 3,556 people in District 8. This increase represents a small proportion of growth already projected for the City, and given the new units would be dispersed throughout the project area, it would be undetectable to most people. In addition, the proposed project would increase the number of new residential units within the building envelope of developed lots, and could not be created using existing residential space. Moreover, the provision that new ADUs created in buildings subject to the Rent Ordinance would also be subject to the Rent Ordinance is in accordance with the 2009 Housing Element's aim to increase housing affordability throughout the City. As such, the creation of new ADUs would promote the preservation of the existing stock, and would not result in the demand for additional housing typically predicated by the displacement of housing units or people.

Residential Density. The proposed project would result in additional residential density. Currently, the project area has an average density of about 35 units per acre in District 3 and 18 units per acre in District 8. The addition of approximately 779 units in District 3 and 1,778 units in District 8 (the estimated number of potential ADUs that would be created under the proposed legislation) would result in an increase in density of roughly .6 units per acre in District 3 and .8 units per acres in District 8. Therefore, the proposed legislation would result in a small,

incremental increase in housing density; particularly given the rate of development of ADUs under previously enacted legislation, as discussed in the Past Trends section.

As with the 2004, 2009, and 2014 Housing Elements, the proposed project would not change population and housing projections. Rather, the proposed legislation would influence the location and type of residential development that would be constructed to meet projected demand. Therefore the proposed project would not change the analysis or conclusions reached in the Final EIR and would have less-than-significant population and housing impacts.

# Transportation

The Final EIR found that the 2004 and 2009 Housing Elements would affect the transportation and circulation network through the implementation of policies that: (1) increase residential density; (2) address off-street vehicle parking requirements for new development; and (3) direct growth to certain areas of the City.

The Final EIR found that the 2004 Housing Element includes policies and implementation measures that promote an increase in residential density within individual development projects, within specific areas of the city, through density bonuses for projects that reduce on-site parking and/or provide senior and affordable housing, and through the development of secondary dwelling units. The Final EIR also found that the 2009 Housing Element generally promotes an increase in residential density through policies that support additional affordable housing and through creation of secondary units undertaken as part of the community planning process. The Final EIR found that an overall doubling of residential density can lower car ownership and vehicles miles traveled ("VMT") by approximately 16 percent. In addition, the Final EIR found that future residential development provided for within existing building envelopes could shrink the demand for new residential buildings, thereby reducing the incremental increase in temporary traffic and parking demand associated with new construction projects.

The Final EIR found that 2004 and 2009 Housing Element policies that address off-street vehicle parking requirements for new development would result in an incremental reduction in new parking spaces. As noted in the Final EIR, these policies would make driving a less attractive option, thereby reducing VMT and promoting the use of bicycle, public transit, and pedestrian options and generally providing for greater efficiency of the overall traffic system. The Final EIR found that 2004 Housing Element Implementation Measure 1.8.3 commits the Planning Department to reviewing parking requirements for secondary dwelling units. However, as discussed in the Final EIR, the City does not consider changes to parking conditions to be an environmental impact under CEQA as parking supply does not constitute a permanent physical environmental feature.

Regarding 2004 and 2009 Housing Element policies that would direct growth to certain areas of the City, the Final EIR found that such policies could place stress on already congested or underserved areas, but could also create opportunities for new development to access underutilized alternative transportation options. For example, the Final EIR notes that policies in the 2004 and 2009 Housing Elements which encouraged development near transit-rich areas would result in a mode shift towards public transportation. The Final EIR found that these policies would help reduce overall VTM on the road network, as these policies encourage growth in areas well served by public transportation, bicycle and pedestrian options. However, additional public transportation riders could potentially result in an exceedance of the San Francisco Municipal Railway's ("Muni") capacity utilization standard of 85 percent. Though mode shifts from driving to alternative means of transportation is consistent with the City' Transit First Policy, the Final EIR found that Muni may not have the means to expand its transportation network to accommodate the addition ridership that could result from implementation of the 2004 and 2009 Housing Elements. Therefore, while the Final EIR found that the 2004 and 2009 Housing Elements could reduce the burden on the City's roadways, by potentially increasing transit ridership above Muni's capacity threshold, implementation of the 2009 Housing Element would result in a potentially significant impact on the City's transit system.

Overall, the Final EIR found that the 2004 and 2009 Housing Elements would have a less-than-significant impact on citywide pedestrian and bicycle facilities. This is because the 2004 and 2009 Housing Element policies would not adversely affect overall operations of pedestrian or bicycle facilities and would instead direct growth in areas already well served by modes other than auto, including pedestrian and bicycle facilities. Similarly, the Final EIR also found that 2004 and 2009 Housing Element policies would have a less-than-significant impact on citywide curb loading areas. This is because 2004 and 2009 Housing Element policies were determined to not adversely affect overall loading operations. The Final EIR also concluded that 2004 and 2009 Housing Element policies would have a less-than-significant impact on citywide emergency vehicle access since they would not hinder emergency access and would also have a less-than-significant construction-related transportation impacts.

Regarding potential impact on the public transportation system due to 2004 and 2009 Housing Elements, the Final EIR determined there are two potential methods for mitigating impacts to the transportation and circulation network: (1) the City would need to implement transportation plans and programs that would reduce congestion and decrease transit travel times; and (2) the San Francisco Municipal Transportation Authority ("SFMTA") would need to increase capacity by providing more buses. At the time of the preparation of the Final EIR, the certainty of either of these mitigation measures could not be established, therefore the Final EIR concluded that the impact of the implementation of the 2009 Housing Element on transit would remain significant and unavoidable.

Housing growth projected for the 2014 Housing Element planning period would occur regardless of the implementation 2014 Housing Element policies. Thus, implementation of the 2014 Housing Element would not generate new trips. In addition, Addendum 1 found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock.

As such, Addendum 1 found that pedestrian, bicycle, loading, construction, emergency access, and traffic-related impacts identified in the Final EIR would continue to be less-than-significant under the implementation of the 2014 Housing Element. Addendum 1 also found that because the 2014 Housing Element continues policies included in the 2009 Housing Element, transit-related impacts under the 2014 Housing Element would remain significant and unavoidable.

# Modified Project

The ADUs that could be created as a result of implementation of the proposed legislation are not expected to exceed the housing growth already analyzed in the Final EIR and Addendum 1. However, the following discussion is provided for informational purposes.

In order to evaluate whether the proposed project would result in an adverse environmental impact on traffic conditions within the project area the Planning Department used the San Francisco Transportation Impact Analysis Guidelines for Environmental Review (the "Transportation Guidelines").

Using the conservative development scenario described in the Anticipated Development of ADUs section, the Department determined that implementation of the proposed legislation would not result in transportation-related impacts. The following summarizes the findings of a Transportation Memorandum prepared in support of this determination.<sup>13</sup>

Trip Generation. The Transportation Impacts Memorandum found that the estimated 2,557 new Accessory Dwelling Units would result in approximately 7,526 new vehicle trips per day, of which roughly 1,302 would be during the p.m. peak hour, based on the calculation methodology included in the Transportation Guidelines. These trips would occur throughout the approximately 3,461-acre project area that is comprised of District 3 (1,211 acres) and District 8 (2,250 acres). As such, it is not possible to predict the precise direction of travel or determined the exact roadway networks that would be utilized by these trips. However, in its analysis of level of service (LOS) impacts, the Planning Department generally considered whether the 523 p.m. peak-hour auto trips inbound to the project site from the greater downtown area could result in a LOS impact.

The 5.4-mile project area consists of both signalized and unsignalized, mostly stop-sign controlled intersections. Development under the ordinance would be distributed throughout the project area at a low intensity since the majority of parcels would only be allowed one additional unit, and the remainder only two. For this reason, local unsignalized intersections are not likely to be affected.

A higher concentration of new vehicle trips could occur at major (signalized) intersections in the project area, such as:

- Filbert/Columbus
- Columbus/Mason

- Market/Kearny/Third
- Market/Church/14th

<sup>&</sup>lt;sup>13</sup>San Francisco Planning Department, Board File No. 15365 and 15085 – Transportation Impacts, Lana Russell-Hurd.

- Union/Columbus
- Columbus/Green/Stockton
- Vallejo/Stockton
- Broadway/Columbus
- Broadway/Sansome
- Washington/Sansome15th Street/ Market Street/ Sanchez Street
- Sutter/Kearny

- 16th/Guerrero
- 25th/Church
- Cesar Chavez/Church
- Guerrero/20th
- Randall/Mission
- Randall/ San Jose

These are the 17 study intersections within Supervisor District 3 and 8 that were analyzed in the Transit Effectiveness Project ("TEP") Environmental Impact Report, also known as the Muni Forward EIR. To support its determination, the Planning Department compared potential project-related impacts with impacts identified under Muni Forward. Muni Forward was used for this analysis as the Muni Forward EIR provides a city-wide transportation analysis based on the projected housing growth used for the 2004 and 2009 Housing Element Final EIR and used a 2035 planning horizon, which provides a more conservative analysis of the proposed project's potential transportation-related impacts.

Based on the Muni Forward EIR, five of the seventeen intersections in the project area are operating at LOS D, E, or F during the existing p.m. peak hour condition. However, development under the proposed legislation is likely to occur gradually, as homeowners are able to finance and implement the necessary improvements. Also, development would be dispersed with the majority of parcels qualifying for only one unit. Thus, it is likely that these improvements would occur over a period of years, and the incremental increase in traffic would fit within the average annual growth accounted for in the traffic model. Intersections within the project area could experience an increase in vehicular activity as a result of the proposed project; however, it would not be above levels that are common and generally accepted in urban areas. Therefore, it is unlikely that the traffic generated by the new development under the ordinance would result in significant effects on existing traffic conditions at local intersections.

An analysis of cumulative 2035 conditions finds that eight of the seventeen intersections would operate at LOS D, E, or F in the cumulative year 2035 condition. However, vehicle trips generated by new development under this ordinance would not result in significant effects on cumulative traffic conditions as the trips would be dispersed across the road network. The change in traffic in the project area as a result of the ordinance would be undetectable to most drivers.

As noted in the Final EIR, the creation of new residential units within the existing building envelope could decrease the amount of new residential development construction required to meet projected housing demand. As such, the creation of ADUs is not anticipated to substantially increase construction-related impacts to the transportation network.

*Transit.* The creation of additional units under the proposed legislation would result in approximately 6,220 daily transit trips, roughly 1,076 of which would occur during the p.m. peak hour. Of the estimated 1,076 p.m. peak-hour transit trips, about 430 would be inbound trips to the project area from the greater downtown area.

Transit service within the study area is provided by the Muni. Analysis of transit impacts focuses on the increase in transit patronage across "screenlines" during the p.m. peak hour. Four screenlines have been established in the City to analyze potential impacts of projects on Muni service. The project area encompasses two Muni screenlines in the Northeast and Southeast, and of those screenlines, only the Mission corridor was found to exceed the 85 percent capacity utilization standard within the project area.

Given that the 430 p.m. peak hour inbound transit trips would be dispersed among several different transit lines within the northeast and southeast Muni screenlines, it is unlikely that any one particular line or corridor would be overly burdened as a result of development under the ordinance. The peak-hour capacity utilization would not be substantially increased and the impact from this project on Muni screenlines would be less-than-significant.

While the Final EIR determined that a capacity utilization of 85 percent or greater on Muni could result in a potentially significant effect, for the purposes of transit planning and operations, a capacity utilization of 85 percent or slightly higher could represent desirable operating conditions since it reflects efficient resource allocation of transit service. Typically, if development projects have a transit impact on the screenlines or corridors, the developer would be expected to contribute their share of the provision of additional service. However, as a public transit agency, the SFMTA has an ongoing responsibility of monitoring and increasing or decreasing citywide transit service to meet their service goals and in response to City and transit system service needs. In addition, Muni Forward proposes improvements to the these lines (and other throughout the City), including new routes and route extensions, more service on busy routes and elimination or consolidation of certain routes or route segments with low ridership.

**Pedestrians.** The proposed project would result in approximately 4,654 daily pedestrian trips, about 805 of which would occur during the p.m. peak hour. Given that these trips would be dispersed throughout a 5.4-square-mile project area, that existing pedestrian facilities have not been identified as deficient, no pedestrian impacts would occur as a result of ADUs created under the proposed legislation.

**Bicycles.** The proposed project would result in approximately 947 daily and 164 p.m. peak-hour 'other' person trips. 'Other' person trips include taxi, motorcycle, and other means, including trips made by bicycle. The project area is currently served by bike lanes and the following bike routes:

- Route 2
- Route 5
- Route 10
- Route 11

- Route 16
- Route 17
- Route 25
- Route 30

- Route 40
- Route 44
- Route 45
- Route 47
- Route 49
- Route 50

- Route 55
- Route 60
- Route 210
- Route 310
- Route 350
- Route 749

Given that bicycle trips would be dispersed throughout a 5.4-square-mile project area, and that the project area is well served by bicycle facilities on the bicycle network, no impacts related to bicycle trips would result from the proposed legislation.

Loading. Loading demand for one- or two-unit residential dwellings is zero loading spaces per day. This is because residential land uses do not have a high loading demand with key demand being related to deliveries (e.g. Federal Express, United Parcel Service, etc.) and move-in/move-out activities. The new ADUs would be dispersed throughout the project area in existing residential neighborhoods where such deliveries and move-in/move-out activities currently occur. The incidental additional loading activities related to units developed under the proposed legislation would have no impact.

Construction. Construction-related impacts are generally not considered to be significant due to their temporary and limited duration and are assessed on a case-by-case basis for projects requiring CEQA review. The individual projects that could be developed under the proposed legislation would largely involve interior construction which can largely be staged within the project site, thus reducing the potential for temporary encroachment into the public right-of-way. Furthermore, the restriction on expansion of the building envelope would limit excavation and foundation work to incidental work required around existing utility infrastructure or seismic retrofitting; thereby limiting hauling and/or large truck trips.

For any project, including development under the proposed ordinance, construction contractors are required to meet the City's Regulations for Working in San Francisco Streets, (the "Blue Book"), and are required to meet with Muni, SFMTA Sustainable Streets, and other responsible City agencies to determine feasible traffic management measures to reduce traffic congestion during construction of the project and other nearby projects. The construction management plan addresses issues of circulation, safety, parking and others, and is reviewed by the Transportation Advisory Staff Committee ("TASC") an interdepartmental committee, including the San Francisco Police Department ("SFPD"), San Francisco Public Works ("SFPW"), Planning Department, and San Francisco Fire Department ("SFFD"), and SFMTA Muni Operations. As a result, ADUs created as a result of the proposed legislation would not result in construction-related impacts.

Parking. Parking conditions are not static, as parking supply and demand varies from day to day, from day to night, from month to month, etc. Hence, the availability of parking spaces (or lack thereof) is not a permanent physical condition, but changes over time as people change their modes and patterns of travel. While parking conditions change over time, a substantial deficit in

parking caused by a project that creates hazardous conditions or significant delays to traffic, transit, bicycles or pedestrians could adversely affect the physical environment. Whether a deficit in parking creates such conditions will depend on the magnitude of the shortfall and the ability of drivers to change travel patterns or switch to other travel modes. If a substantial deficit in parking caused by a project creates hazardous conditions or significant delays in travel, such a condition could also result in secondary physical environmental impacts (e.g., air quality or noise impacts cause by congestion), depending on the project and its setting.

The absence of a ready supply of parking spaces, combined with available alternatives to auto travel (e.g., transit service, taxis, bicycles or travel by foot) and a relatively dense pattern of urban development, induces many drivers to seek and find alternative parking facilities, shift to other modes of travel, or change their overall travel habits. Any such resulting shifts to transit service or other modes (walking and biking), would be in keeping with the City's "Transit First" policy and numerous San Francisco General Plan Polices, including those in the Transportation Element. The City's Transit First Policy, established in the City's Charter Article 8A, Section 8A.115, provides that "parking policies for areas well served by public transit shall be designed to encourage travel by public transportation and alternative transportation."

The secondary effects of drivers searching for parking is typically offset by a reduction in vehicle trips due to others who are aware of constrained parking conditions in a given area, and thus choose to reach their destination by other modes (i.e. walking, biking, transit, taxi). If this occurs, any secondary environmental impacts that may result from a shortfall in parking in the vicinity of the project area would be minor, as well as in the associated air quality, noise and pedestrian safety effects.

According to the Transportation Guidelines, parking demand is about one parking space per studio or one-bedroom residential unit and about 1.5 spaces per unit with two or more bedrooms. However, the proposed legislation would allow for an administrative variance from off-street parking requirements and many of the units would be constructed in the place of existing garages, further reducing the off-street parking supply.

There are three off-street paid parking facilities in the project area, and three just outside the project area boundary:

#### District 3

- 123 O'Farrell Street (Ellis O'Farrell Garage) 950 spaces
- 250 Clay Street (Golden Gateway Garage) 1,095 spaces
- 735 Vallejo Street (North Beach Garage) 203 spaces
- 1399 Bush Street (Polk-Bush Garage) 129 spaces
- 733 Kearny Street (Portsmouth Square Garage) 504 spaces
- 433 Kearny Street (St. Mary's Square Garage) 414 spaces
- 444 Stockton Street (Sutter-Stockton Garage) 1,865 spaces
- 333 Post Street (Union Square Garage) 985 spaces
- 766 Vallejo Street (Vallejo Street Garage) 163 spaces

#### 1/4 Mile Outside District 3 Boundaries

833 Mission Street (Fifth & Mission/Yerba Buena Garage) – 2,585 spaces

#### District 8

- 4116 18th Street (18th and Collinwood) 28 spaces
- 457 Castro Street (Castro Theater) 20 spaces
- 2254 Market Street (Sullivan Funeral Home) 30 spaces
- 2175 Market Street (Market Street 76 Station) 12 spaces
- 2144 Market Street (Paradise Parking) 19 spaces
- 2110 Market Street (Home Restaurant) 13 spaces
- 4061 24<sup>th</sup> Street (24<sup>th</sup> St. and Noe Lot) 16 spaces

#### 1/4 Mile Outside District 8 Boundaries

- 42 Hoff Street (16th & Hoff Garage) 98 spaces
- 1 Lilac Street (Lilac/24<sup>th</sup> St. Lot) 18 spaces

However, these parking facilities are public and associated with businesses and are not likely to provide a longer-term parking solution for area residents. An on-street parking supply and utilization survey was conducted as part of the 2001 Market Street Transportation Impact Study. That survey indicated that free parking in the area was on average about 85 to 90 percent utilized during the weekday midday and evening periods and 90 to 100 utilized during the Saturday midday period. Given these circumstances, parking availability for existing and new residents is likely to be very constrained. However, new demand for parking would be widely dispersed throughout the project area, and would be incremental compared with existing demand. Unmet parking demand is not considered an impact unless it creates a hazardous condition, such as vehicles queuing across driveways where potential conflicts with pedestrians could occur. Since ADU construction under the legislation would be constructed intermittently over a large geographical area it is not likely that the proposed legislation would result in a substantial parking deficit and create hazardous conditions or significant delays affecting traffic, transit, bicycles or pedestrians. Therefore, the increased parking demand associated with the new development under the ordinance would not be considered significant.

Implementation of the proposed project could result in the development of up to approximately 2,557 new ADUs, which is a conservative estimate of potential new units. Given that the proposed legislation would limit the creation of ADUs to the existing building envelopes of residentially-zoned parcels, among other restrictions, it is anticipated that any development resulting from the proposed legislation would be dispersed throughout the 5.4-square-mile project area. Thus vehicle, transit, pedestrian, bicycle and other impacts would be dispersed.

Given that the capacity of local signalized intersections is high and a vehicle trips would be dispersed, the proposed project would not create a volume of trips that could reduce intersection LOS to LOS D, LOS E or LOS F or contribute significantly to a LOS F conditions.

In addition, existing transit capacity is adequate on some local lines and over capacity on others; however, planned Muni Forward improvements would reduce capacity utilization on key lines. Further, the transit trips associated with development under the ordinance would be dispersed and would not result in a volume of trips that could result in a significant impact or a significant contribution to an existing or future impact.

Moreover, adequate facilities exist to accommodate pedestrian and bicycle trips and incidental loading operations throughout the project area. The transit, pedestrian and bicycle environment would be further enhanced through the implementation of the Polk Streetscape Project, Better Market Street project, Safer Market Street project, and Better Streets Plan. Finally, while off-street parking would be constrained, no hazardous conditions would result from limited parking availability.

For these reasons, the proposed project would not change or alter the Final EIR findings with respect to transportation and circulation impacts and would not require new mitigation measures. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to the transportation and circulation network.

#### Noise

The Final EIR determined that implementation of the 2004 and 2009 Housing Elements would result in a significant impact with respect to exposure of persons to or generation of noise levels in excess of established standards, such as the City's General Plan, local noise ordinances, and noise standards set by other federal, state, and local agencies. The Final EIR found that future growth within the City could be located in areas with noise levels above 60 Ldn, which is the maximum satisfactory exterior noise level for residential areas pursuant to the Environmental Protection Element of the City's General Plan. Although, interior noise levels are typically addressed during the project-specific design review process though mandatory compliance with City's Noise Ordinance (Article 29 of the San Francisco *Police Code*) and Title 24 California Code of Regulations requirements. However, some areas of the City are especially noisy. Thus, the Final EIR Mitigation Measure M-NO-1, which is included in this Addendum in the Mitigation Measures section, was developed to reduce the 2009 Housing Element's impact on noise sensitive receptors to a less-than-significant level.

The Final EIR found that the 2004 and 2009 Housing Elements contain policies and implementation measures that discourage demolition through the preservation of existing housing stock. These policies would offset other policies contained within the 2004 and 2009 Housing Elements that would direct new construction to areas of the City with existing ambient noise in excess of established standards and incrementally increase average construction

durations in the project vicinity. In addition, the Final EIR noted that interior noise levels and construction-related activities would be subject to federal, state and local regulations. Thus the Final EIR found that adherence to these regulations, including the Noise Ordinance, would result in a less-than-significant impacts with respect to a substantial temporary, periodic, or permanent increase in ambient noise levels and groundborne noise and vibration.

Addendum 1, found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. Thus any new development that could result from implementation of the 2014 Housing Element would be subject to the federal, state, and local noise controls discussed in the Final EIR. In addition, Addendum 1 determined that the implementation of the five new policies (Policies 5.5, 5.6, 6.3, and 6.4) and three new implementation measures (Implementation measures 19, 38b, and 64), proposed in the 2014 Housing Element would not result in adverse physical impacts on the environment with respect to noise. Therefore, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to noise.

#### **Modified Project**

As discussed in the Final EIR, construction for the creation of new residential units would be required to comply with all applicable noise regulations, including Title 24 of the California Code of Regulations, which establishes uniform noise insulation standards for residential projects. The Department of Building Inspection ("DBI") would review the final building plans for proposed ADUs on a project-by-project basis to ensure that the building wall, window and ceiling assemblies meet State of California sound transmission requirements.

Construction-related activities resulting from the creation of ADUs would temporarily generate noise and possibly vibrations that could be considered an annoyance by occupants of nearby properties. However, as discussed above, construction noise is regulated by the San Francisco Noise Ordinance. For these reasons, and due to the temporary and intermittent nature of this impact, construction noise would not be significant.

Therefore, while the proposed project would result in the introduction of new sensitive receptors in the project area, it would neither increase the severity of the noise impacts evaluated under the Final EIR or result in new or substantially different effects. As such, the proposed project would not change or alter the Final EIR findings with respect to noise impacts and would not require new mitigation measures. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to noise.

# Air Quality

The growth factors used in the Final EIR are based on the same growth projections used in the Bay Area 2005 Ozone Strategy ("BAOS"), the most recent regional air quality plan available at the time of the Final EIR analysis. In addition, the Final EIR used the BAOS's Transportation Control Measures ("TCM") to evaluate the 2004 and 2009 Housing Elements. Thus the Final EIR found that the 2009 Housing Element would not conflict with applicable air quality plans.

The Final EIR found those policies within the 2004 and 2009 Housing Elements which discourage the demolition of existing housing stock and, subsequently, the construction of new housing; which would reduce air quality impacts. However, any new construction would be required to comply with the City's Construction Dust Ordinance (Article 22B of the *Health Code*), which would address any air quality impacts resulting from construction-related activities. Therefore, the Final EIR found that the 2004 and 2009 Housing Elements would not violate air quality standards or contribute substantially to an existing or projected air quality violation.

Additional housing development along transit corridors could increase some pollutants, including, PM<sub>2.5</sub> NO<sub>2</sub>, and TACs, on some roadways within San Francisco. However, increased density and associated shifts from vehicle trips to alternative modes of transportation (such as transit, bicycling, and walking) could reduce overall expected growth of vehicle trips and VMT, as discussed in the Transportation and Circulation section. Overall, future growth will continue to contribute some additional air pollutant emissions, albeit less than would be expected from a Housing Element without policies encouraging increased density and housing that is supportive of alternative modes of transportation. Therefore, the Final EIR also found that the 2004 and 2009 Housing Elements would have a less-than-significant impact with respect to exposing sensitive receptors to substantial pollutants.

In addition, the 2004 and 2009 Housing Elements would not result in a cumulatively considerable net increase in air quality standards established for non-attainment criteria pollutants. Therefore, the Final EIR determined that implementation of the 2004 and 2009 Housing Elements would result in less-than-significant impacts with respect to air quality.

Addendum 1, found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. Thus any new development that could result from implementation of the 2014 Housing Element would be subject to the federal, state, and local air quality controls discussed in the Final EIR. In addition, Addendum 1 noted that on December 8, 2014 the Board approved amendments to the City's *Building Code and Health Code* in order to establish the Enhanced Ventilation Required for Urban Infill Sensitive Use Development procedures, also known as Article 38 of the *Health Code*. As discussed in Addendum 1, implementation of the 2014 Housing Element could result in residential development occurring within areas with existing elevated levels of toxic air contaminants, potentially exposing residents to existing elevated levels of TACs, PM2.5, and NO2. These areas, which are known as the Air Quality Exposure Zone ("AQZ"), can be found within the project area. The AQZ is defined in Article 38 of City's

Health Code as areas where, based on modeling of known air pollutant risks, exceed public health protective standards. In addition to mapping these areas, Article 38 prescribes measures for protecting sensitive receptors, such as residential tenants, seniors, and children, from exposure. For the purpose of shielding residential units from the impact of exposure to cumulative PM2.5 concentration, cumulative excess cancer risk, and other health vulnerability influences (i.e. freeways), Article 38 provides that new residential dwellings in the AQZ must include enhanced ventilation systems. Therefore, Addendum 1 found that mandatory compliance with this regulation would reduce potential impacts to sensitive receptors with respect to air pollutants. Addendum 1 also found that the implementation of the five new policies (Policies 5.5, 5.6, 6.3, and 6.4) and three new implementation measures (Implementation measures 19, 38b, and 64), proposed in the 2014 Housing Element would not result in adverse physical impacts on the environment with respect to air quality. Therefore, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to air quality.

# **Modified Project**

Although the proposed project would increase the number of sensitive receptors located in the AQZ, the development of those units would be subject to the requirements of Article 38. Moreover, new construction would be required to comply with existing federal, state, and local regulations, including the Construction Dust Ordinance (Article 22B of the *Health Code*), which would reduce potential impacts to a less-than-significant level.

Therefore, the proposed project would not change or alter the Final EIR findings with respect to air quality impacts and would not require new mitigation measures. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to air quality.

#### Conclusion

Based on the foregoing, it is concluded that the analyses conducted and the conclusions reached in the final EIR certified on April 24, 2014 remain valid. The proposed revisions to the project would not cause new significant impacts not identified in the EIR, and no new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the proposed project that would cause significant environmental impacts to which the project would contribute considerably, and no new information has become available that shows that the project would cause significant environmental impacts. Therefore, no supplemental environmental review is required beyond this addendum.

Date of Determination:

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

Sarah Jones

Environmental Review Officer

cc: San Francisco Board of Supervisors

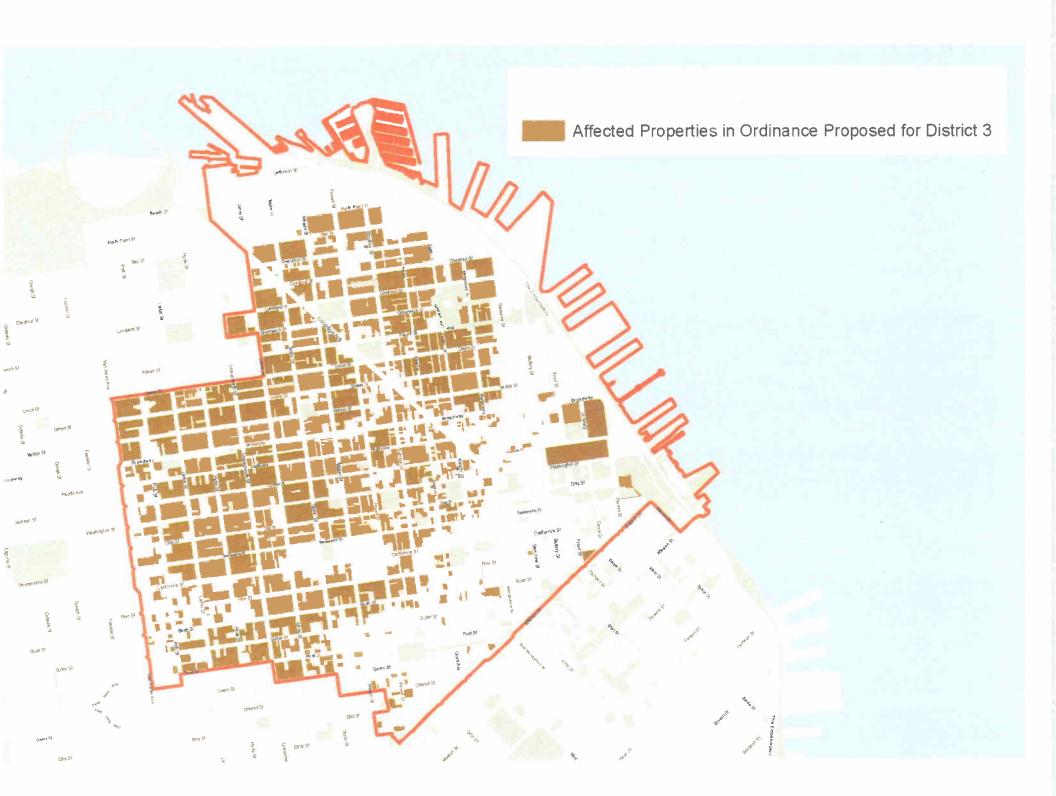
Kimia Haddadan

Bulletin Board / Master Decision File

Distribution List

# APPENDIX – DISTRICT 3 AND DISTRICT 8 BOUNDARIES AND DISTRIBUTION OF RESIDENTIAL PARCELS

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Member, Board of Supervisors
District 10



City and County of San Francisco

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DATE:

July 15, 2015

TO:

Angela Calvillo

Clerk of the Board of Supervisors

FROM:

Supervisor Malia Cohen

Chairperson

RE:

Land Use and Transportation Committee

COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on July 21, 2015, as a Committee Report:

150365 - [Planning, Administrative Codes - Construction of Accessory Dwelling Units]

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors District 8; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

This matter will be heard in the Land Use and Transportation Committee on July 20, 2015, at 1:30 p.m.

Sincerely,

Malia Cohen

Member, Board of Supervisors

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#### **BOARD of SUPERVISORS**



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

# MEMORANDUM

TO:

Olson Lee, Director, Mayor's Office of Housing & Community Development

Delene Wolf, Executive Director, Rent Board

FROM:

Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee, Board

of Supervisors

DATE:

June 29, 2015

SUBJECT:

SUBSTITUTE - LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following substitute legislation, introduced by Supervisor Wiener on June 2 2015:

File No. 150365

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors District 8; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Sophie Hayward, Mayor's Office of Housing Eugene Flannery, Mayor's Office of Housing

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June 29, 2015

File No. 150365

Sarah Jones Environmental Review Officer Planning Department 1650 Mission Street, 4<sup>th</sup> Floor San Francisco, CA 94103

Dear Ms. Jones:

On June 2, 2015, Supervisor Wiener introduced the following substitute legislation:

File No. 150365

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors District 8; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk

Attachment

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

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June 29, 2015

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

Dear Commissioners:

On June 2, 2015, Supervisor Wiener introduced the following substitute legislation:

File No. 150365

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors District 8; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

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

John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Manager
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning



# **Introduction Form**

By a Member of the Board of Supervisors or the Mayor

Time stamp

I here	by submit the following item for introduction (select only one):	or meeting date		
	1. For reference to Committee.			
	An ordinance, resolution, motion, or charter amendment.			
	2. Request for next printed agenda without reference to Committee.			
	3. Request for hearing on a subject matter at Committee.			
	4. Request for letter beginning "Supervisor	inquires"		
	5. City Attorney request.			
	6. Call File No. from Committee.			
	7. Budget Analyst request (attach written motion).			
$\boxtimes$	8. Substitute Legislation File No. 150365			
	9. Request for Closed Session (attach written motion).			
	10. Board to Sit as A Committee of the Whole.			
	11. Question(s) submitted for Mayoral Appearance before the BOS on	***************************************		
Pleas	be check the appropriate boxes. The proposed legislation should be forwarded to the following Small Business Commission Youth Commission Ethics Commission			
	☐ Planning Commission ☐ Building Inspection Commission	1		
Note:	For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative			
Sponso	or(s):			
Super	visor Wiener			
Subje	et:			
Planni	ing, Administrative Codes - Construction of Accessory Dwelling Units			
The te	ext is listed below or attached:			
O 1'				

Ordinance amending the Planning Code to allow the construction of Accessory Dwelling Units (also known as Secondary or In-Law Units) within the boundaries of Board of Supervisors District 8; amending the Administrative Code to correct section references; 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 directing the Clerk of the Board of Supervisors to send a copy of this ordinance to the California Department of Housing and Community Development after adoption.

Signature c ponsoring Supervisor:

Scot. Wirner

For Clerk's Use Only: