1	[Planning, <u>Administrative</u> , Subdivision Codes; Zoning Map - Density Exception in Residential Districts]							
2	·							
3	Ordinance amending the Planning Code to rezone all Residential, One Family (RH-1)							
4	zoning districts, except for Residential. One Family, Detached (RH-1(D)) districts, to							
5	Residential, Two Family (RH-2) zoning districts; to rezone the RH-1(D) districts to a new							
6	class of residential district called Residential, Two Family, Detached (RH-2(D)) districts							
7	and to provide a density limit exception to permit up to four dwelling units per lot, and							
8	up to six dwelling units per lot in Corner Lots, in all RH (Residential, House) zoning							
9	districts, subject to certain requirements, including among others the replacement of							
10	protected units; amending the Administrative Code to require new dwelling units							
11	constructed pursuant to the density limit exception to be subject to the rent increase							
12	<u>limitations of the Rent Ordinance;</u> amending the Subdivision Code to authorize a							
13	subdivider that is constructing new dwelling units pursuant to the density exception to							
14	submit an application for condominium conversion or a condominium map that							
15	includes the existing dwelling units and the new dwelling units that constitute the							
16	project; affirming the Planning Department's determination under the California							
17	Environmental Quality Act; and making findings of consistency with the General Plan							
18	and the eight priority policies of Planning Code, Section 101.1, and findings of public							
19	necessity, convenience, and welfare under Planning Code, Section 302.							
20	NOTE: Unchanged Code text and uncodified text are in plain Arial font.							
21	Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font.							
22	Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font.							
23	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.							
24	cascodiono oi parto oi tasico.							
25	Be it ordained by the People of the City and County of San Francisco:							

Section 1. CEQA and Land Use 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. 220446 and is incorporated herein by reference. The Board affirms this determination.
- (b) On November 18, 2021, the Planning Commission, in Resolution No. 21031, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and 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. 220446, and is incorporated herein by reference.
- (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 21031, and the Board adopts such reasons as its own. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File No. 220446 and is incorporated herein by reference.

Section 2. Background and Findings.

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

- (b) This crisis of housing affordability and availability is particularly severe in San Francisco. It is characterized by dramatic increases in rent and home sale prices over recent years and historic rates of underproduction of new housing units across income levels, particularly in the City's western neighborhoods and RH (Residential, House) zoning districts.
- (c) According to the Planning Department's 2020 Housing Inventory, the cost of housing in San Francisco has increased dramatically since the Great Recession of 2008-2009, with the median sale price for a two-bedroom house more than tripling from 2011 to 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to 2020 alone, even in the face of the COVID-19 pandemic. The median rental price for a two-bedroom apartment saw similar although slightly smaller increases, nearly doubling from \$2,570 to \$4,500 per month, from 2011 to 2019, before declining in 2020 due to the pandemic.
- (d) These housing cost trends come after decades of underproduction of housing in San Francisco, with only 600 net new units on average added per year from 1960 to 1990, compared with 37,000 per year in the Bay Area as a whole, and fewer than 1,000 net new units on average per year in San Francisco in the 1990s, before increasing to an average of roughly 2,500 per year from 2000 to 2019, according to the Planning Department's 2019 Housing Affordability Strategies Report.
- (e) The City's Chief Economist has estimated that approximately 5,000 new marketrate housing units per year would be required to keep housing prices in San Francisco constant with inflation generally, rather than greatly exceeding general rates of inflation.
- (f) Moreover, San Francisco will be challenged to meet increased Regional Housing Needs Allocation ("RHNA") goals in the upcoming 2023-2031 Housing Element cycle, which total 72,000 units over eight years, more than 2.5 times the goal of the previous eight-year cycle. At the same time, relatively new State laws like Senate Bill 35 (2017) would limit San

- Francisco's local zoning control and discretion if the City does not meet these RHNA housing production goals.
 - (g) San Francisco's new housing production in recent years has been heavily concentrated in the eastern and southeastern parts of the City, with 90% of all new housing produced in just ten eastside and central neighborhoods, according to the Housing Affordability Strategies Report. These neighborhoods are home to many of the City's most established communities of color and communities most vulnerable to displacement pressures.
 - (h) Roughly 60% of San Francisco's developable land area is in the RH (Residential, House) zoning districts, concentrated primarily on the City's west side, with 38% of the City's developable land area zoned exclusively for single-family homes in RH-1 (Residential, House, One Family) and RH-1(D) (Residential, House, One Family, Detached Dwellings) zoning districts. In spite of the expansive geographic coverage of RH zoning districts throughout the City, only 10% of the total new housing units in 2020 were built in these districts.
 - (i) Neighborhoods zoned for RH encompass a wide variety of housing and building typologies, with a distinct historic pattern of taller, higher-density buildings often located on corner lots throughout residential neighborhoods in the City, which predate the advent of RH zoning, in the 1970s.
 - (j) The City's COVID-19 Economic Recovery Task Force included a recommendation in its October 2020 report to support construction of small multifamily buildings in low density areas to support "missing middle" housing opportunities.
 - (k) This ordinance allows the development of up to four units, and up to six units in Corner Lots, in all RH districts throughout the City (as shown on the Zoning Maps ZN 01 through ZN 14), at the heights currently specified in the City's Zoning Maps (Height Maps HT 01 through HT 14). All parcels affected by this ordinance are considered urban infill sites

- (I) This Board acknowledges that new housing developments approved under this ordinance will be subject to the requirements of California Government Code Section 66300(d), such as the obligation to replace all existing or demolished protected units and protections for existing occupants, including, for lower income occupants of protected units, relocation benefits and a right of first refusal for a comparable unit available in the new housing development at an affordable rent or cost, as provided by state law.
- (m) This Board finds that this ordinance is consistent with San Francisco's obligation to affirmatively further fair housing pursuant to California Government Code Section 8899.50, by increasing density in a manner that meaningfully addresses significant disparities in housing needs and access to opportunity. The ordinance achieves the increase in density by increasing the principally permitted residential density in areas subject to historically exclusionary density limits-, by providing an additional density exception for projects that comply with the requirements of Section 66300(d) of the California Government Code and enter into regulatory agreements with the City acknowledging that, in consideration for the density exception, the new units shall be subject to local rent control notwithstanding the Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50 et seq.).
- (n) This Board finds that it is in the public interest to encourage the production of a variety of unit types and sizes to accommodate people in different types of living conditions, including a mix of smaller units that can help young adults secure housing or seniors to downsize, and larger units that can help growing or multi-generational families stay adequately housed.
- (o) This Board finds that it is in the public interest to support San Francisco
 homeowners in developing their properties while continuing to reside on the property as a key

1	means of building intergenerational wealth, particularly for first-generation or historically
2	marginalized homeowners. Because the regulatory and development process, combined with
3	escalating home prices and construction costs, presents specific challenges to homeowners
4	distinct from those faced by development and construction professionals, this ordinance
5	applies certain provisions to property owners who intend to continue residing on the property
6	after construction.

(p) This Board recognizes that additional development opportunities may lead to speculative real estate investments that may seek to maximize profits by displacing current residents, demolishing existing housing stock, building new units, and quickly selling those units. To discourage prevent such speculation, demolition of existing units, and displacement of current residents, this ordinance makes the benefit of the density exception available only to persons who have owned their properties for five years prior to the date of their application to obtain the exception, including the ownership duration of the person or entity from whom they may have inherited the lot.

(q) This Board recognizes the importance of facilitating opportunities for intergenerational transfer of wealth through property ownership. Therefore, property owners who have inherited their property may be deemed eligible to seek a density exception by applying the duration of ownership of the person or entity from whom they inherited the lot to their own duration of ownership, for the purposes of satisfying this ordinance's ownership requirement.

(pqr) This ordinance allows for a density exception where the project does not cause a substantial adverse change in the significance of an historic resource, as defined. This Board recognizes that prior to submitting a development application, property owners may apply to the Planning Department for a pre-application Historic Resource Assessment to determine whether a historic resource is present on the lot. To support homeowners in using this density

1	exception to develop their properties, this ordinance waives permit fees for the Historic
2	Resource Assessment under certain conditions.
3	
4	Section 3. Article 2 of the Planning Code is hereby amended by revising Sections 207
5	and 209.1, to read as follows:
6	
7	SEC. 207. DWELLING UNIT DENSITY LIMITS.
8	* * * *
9	(c) Exceptions to Dwelling Unit Density Limits. An exception to the calculations
10	under this Section 207 shall be made in the following circumstances:
11	* * * *
12	(8) Residential Density Exception in RH Districts.
13	(A) Density Exception. Projects located in RH Districts that are not seeking or
14	receiving a density bonus under the provisions of Planning Code Sections 206.5 or 206.6 shall receive
15	an exception from residential density limits for up to four dwelling units per lot, excluding Corner Lots
16	or up to six dwelling units per lot in Corner Lots, not inclusive of any Accessory Dwelling Units as
17	permitted under this Section 207, provided that the dwelling units meet the requirements set forth in
18	this subsection $(c)(8)$.
19	(B) Eligibility. To receive the density exception authorized under this
20	subsection (c)(8), property owners must demonstrate that they have owned the lot for which
21	they are seeking the density exception for a minimum of five years prior to the time of the
22	submittal of their application. For the purposes of establishing eligibility to receive a density
23	exception according to this subsection (8)(B), a property owner who has inherited the subject
24	lot may add to their duration of ownership the duration of ownership of the person or entity
25	from whom they inherited the lot.

1	(BC) Eligibility of Historic Resources. To receive the density exception
2	authorized under this subsection (c)(8), a project must demonstrate to the satisfaction of the
3	Environmental Review Officer that it does not cause a substantial adverse change in the significance of
4	an historic resource as defined by California Code of Regulations, Title 14, Section 15064.5, as may be
5	amended from time to time. Permit fees for pre-application Historic Resource Assessments shall
6	be waived for property owners who apply to obtain a density exception under this subsection
7	(c)(8), if they sign an affidavit stating their intent to reside on the property for a period of three
8	years after the issuance of the Certificate of Final Completion and Occupancy for the new
9	dwelling units. Permit fees for Historic Resource Determinations shall not be waived.
10	(<u>GD</u>) Applicable Standards. Projects utilizing the density exception of this
11	subsection (c)(8) and that provide at least four dwelling units shall be subject to a minimum Rear Yard
12	requirement of the greater of 30% of lot depth or 15 feet. All other building standards shall apply in
13	accordance with the applicable zoning district as set forth in Section 209.1.
14	(DE) Unit Replacement Requirements. Projects utilizing the density exception
15	of this subsection (c)(8) shall comply with the requirements of Section 66300(d) of the California
16	Government Code, as may be amended from time to time, including but not limited to requirements to
17	produce at least as many dwelling units as the projects would demolish; to replace all protected units;
18	and to offer existing occupants of any protected units that are lower income households relocation
19	benefits and a right of first refusal for a comparable unit, as those terms are defined therein.
20	(EF) Applicability of Rent Ordinance; Regulatory Agreements.
21	Project sponsors of projects utilizing the density exception of this subsection (c)(8) shall enter
22	into a regulatory agreement with the City, as a condition of approval of the density exception
23	("Regulatory Agreement"). At a minimum, the Regulatory Agreement shall contain the
24	following: (i) a statement that the new units created pursuant to the density exception are not
25	subject to the Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50 et

1	seq.) because, under Section 1954.52(b), the property owner has entered into and agreed to
2	the terms of this agreement with the City in consideration of an exception from residential
3	density limits of up to four dwelling units per lot, or up to six units per lot in Corner Lots, or
4	other direct financial contribution or other form of assistance specified in California
5	Government Code Sections 65915 et seq.; (ii) a description of the exception of residential
6	density or other direct financial contribution or form of assistance provided to the property
7	owner; and (iii) a description of the remedies for breach of the agreement and other provisions
8	to ensure implementation and compliance with the agreement. The property owner and the
9	Planning Director (or the Director's designee), on behalf of the City, will execute the
10	Regulatory Agreement, which shall be reviewed and approved by the City Attorney's Office.
11	The Regulatory Agreement shall be executed prior to the City's issuance of the First
12	Construction Document for the project, as defined in Section 107A.13.1 of the San Francisco
13	Building Code. Following execution of the Regulatory Agreement by all parties and approval
14	by the City Attorney, the Regulatory Agreement or a memorandum thereof shall be recorded
15	to the title records in the Office of the Assessor-Recorder against the property and shall be
16	binding on all future owners and successors in interest.
17	(FG) Unit Sizes. At least one of the dwelling units resulting from the
18	density exception shall have two or more bedrooms or shall have a square footage equal to
19	no less than 1/3 of the floor area of the largest unit on the lot.

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SEC. 209.1. RH (RESIDENTIAL, HOUSE) DISTRICTS.

These Districts are intended to recognize, protect, conserve, and enhance areas characterized by dwellings in the form of houses <u>and small multi-family buildings</u>, usually with one, two, or three units with separate entrances, and limited scale in terms of building width

1	and height, and characterized by rear yards and a pattern of mid-block open spaces. Such areas
2	tend to have similarity of building styles and predominantly contain large units suitable for
3	family occupancy, considerable open space, and limited nonresidential uses. The RH
4	Districts are composed of <i>five separate</i> two three classes of districts, as follows:

RH-1(D) Districts: One-Family (Detached Dwellings). These Districts are characterized by lots of greater width and area than in other parts of the City, and by single-family houses with side yards. The structures are relatively large, but rarely exceed 35 feet in height. Ground level open space and landscaping at the front and rear are usually abundant. Much of the development has been in sizable tracts with similarities of building style and narrow streets following the contours of hills. In some cases private covenants have controlled the nature of development and helped to maintain the street areas.

RH-1 Districts: One-Family. These Districts are occupied almost entirely by single-family houses on lots 25 feet in width, without side yards. Floor sizes and building styles vary, but tend to be uniform within tracts developed in distinct time periods. Though built on separate lots, the structures have the appearance of small-scale row housing, rarely exceeding 35 feet in height. Front setbacks are common, and ground level open space is generous. In most cases the single-family character of these Districts has been maintained for a considerable time.

RH-1(S) Districts: One-Family with Minor Second Unit. These Districts are similar in character to RH-1 Districts, except that a small second dwelling unit has been installed in many structures, usually by conversion of a ground-story space formerly part of the main unit or devoted to storage. The second unit remains subordinate to the owner's unit, and may house one or two persons related to the owner or be rented to others. Despite these conversions, the structures retain the appearance of single-family dwellings.

RH-2 (D) Districts: Two-Family (Detached Dwellings). These Districts are characterized by lots of greater width and area than in other parts of the City, and by one or

- 1 two houses with side yards. The structures are relatively large, but rarely exceed 35 feet in
- height. Ground level open space and landscaping at the front and rear are usually abundant. 2
- 3 Much of the development has been in sizable tracts with similarities of building style and
- narrow streets following the contours of hills. In some cases, private covenants have 4
- controlled the nature of development and helped to maintain the street areas. 5

RH-2 Districts: Two-Family. These Districts are devoted to one-family and two-family houses, with the latter commonly consisting of two large flats, one occupied by the owner and the other available for rental. Structures are finely scaled and usually do not exceed 25 feet in width or 40 feet in height. Building styles are often more varied than in historically single-family areas, but certain streets and tracts are quite uniform. Considerable ground-level open space is available, and it frequently is private for each unit. The Districts may have easy access to shopping facilities and transit lines. In some cases, Group Housing and institutions are found in these areas, although nonresidential uses tend to be guite limited.

RH-3 Districts: Three-Family. These Districts have many similarities to RH-2 Districts, but structures with three units are common in addition to one-family and two-family houses. The predominant form is large flats rather than apartments, with lots 25 feet wide, a fine or moderate scale, and separate entrances for each unit. Building styles tend to be varied but complementary to one another. Outdoor space is available at ground level, and also on decks and balconies for individual units. Nonresidential uses are more common in these areas than in RH-2 Districts.

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Table 209.1 ZONING CONTROL TABLE FOR RH DISTRICTS

24	Zoning Category	§ Referen	RH- 1(D	RH-1	RH-1(S)	<u>RH-2(D)</u>	RH-2	RH-3
25		ces)					

2	Massing and Setbac	ks	Massing and Setbacks									
3 4 5 6 7 8 9 10	Height and Bulk Limits	250-252, 253, 260, 261 , 261.1,270, 271. See also Height	No portion of a Dwelling may be taller than 35 feet. Structures with uses other than Dwellings may be constructed to the prescribed height limit, which is generally 40 feet. Per § 261 the height limit may be decreased or increased based on the slope of the lot.	No portion of a Dwelling may be taller than 35 feet. Structures with uses other than Dwellings may be constructed to the prescribed height limit, which is generally 40 feet. Per § 261 the height limit may be decreased or increased based on the slope of the lot.	may be constructed to the prescribed height limit. Per § 261 the	/aries, out generally 10 feet. Height sculpting on Alleys per § 261.1.						
13 14	Front Setback	§§ 130, 131, 132	Required. Based on a property has a Legisla adjacent properties, in than 15 feet.	ated Setback. When	front setback is b	pased on						
15 16 17 18	Rear Yard <u>(10)</u>	§§ 130, 134	30% of lot depth, but in no case less than 15 feet.	30% of lot depth, but in no case less than 15 feet.	45% of lot depthaverage of adjaceneighbors. If avente in less than 25% feet, whichever	cent eraged, % or 15						
19 20 21	Side Yard	§§ 130, 133	Required for lots 28 feet and wider. Width of side setback depends on width of lot.	Required for lots 28 feet and wider. Width of side setback depends on width of lot.	Not Required.							
22	Residential Design Guidelines	§ 311	Subject to the Residential Design Guidelines. Other design guidelines that have been approved by the Planning Commission may also apply.									

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_	Front Setback Landscaping and Permeability Requirements	§ 132	Required. At least 50% of Front Setback shall be permeable so as to increase storm water infiltration and 20% of Front Setback shall be unpaved and devoted to plant material.							
3 4 5	Streetscape and Pedestrian Improvements (Street Trees)	§ 138.1	Required.							
6	Street Frontage Requirements	§ 144	§ 144 applies generall Commercial Uses, as	•		•	its apply to l	₋imited		
0	Street Frontage, Parking and Loading Access Restrictions	§ 155(r)	As specified in § 155(i	As specified in § 155(r)						
9	Miscellaneous									
10	Large Project Review \$ 253 C required for projects over 40 feet in height.									
	Planned Unit Development	§ 304	€	ϵ	ϵ	<u>C</u>	С	С		
12	Awning	§ 136.1	P (1)	P (1)	P (1)	<u>P(1)</u>	P (1)	P (1)		
13	Canopy or Marquee	§ 136.1	NP	₩₽	₩₽	<u>NP</u>	NP	NP		
14	Signs	§ 606	As permitted by Section	on § 606	;					
15	RESIDENTIAL STAP	NDARDS A	ND USES							
_	Development Standa	ırds								
16					At least					
17					300 square					
18				At least	feet for			At least		
19					the first unit	edilare		100		
20	Usable Open Space	88 135	At least 300 square feet	feet if private,	and 100 for the	1661 11		feet if		
21		136	if private, and 400 sauare feet if common.	and 400	minor	and 400	•	private, and 133		
22			1 0	1	_	<u>square</u> feet if	square feet	square		
23					private, and 400	<u>commo</u>	if common.	common.		
24					square	<u></u>				
25					feet for the first					
20				<u> </u>			1			

		1			1		Г		
1					unit and 133				
2					square				
3					feet for the				
					second				
4					unit if commo				
5					n.				
	Parking Requirements	§§ 151, 161	None required. Maxim	um perr	nitted p	er § 151.			
-	Residential								
	Conversion, Demolition, or	§ 317	C for Removal of one Units.	or more	Reside	ntial Unit	s or Unauth	orized	
^	Merger		ormo.						
10	Use Characteristics								
	Intermediate Length Occupancy	§§102, 202.10	P(9)	P(9)	P(9)	<u>P(9)</u>	P(9)	P(9)	
	Single Room	§ 102	₽	₽	₽	<u>P</u>	Р	Р	
13	Occupancy						P	P	
14	Student Housing Residential Uses	§ 102	P	P	₽	<u>P</u>	Γ	Р	
	Residential Uses	<u> </u>			D un to				
15				D 4.	P up to two				
16				P up to one unit	units				
17				per lot.	per lot, if the				
18				C up to one unit	second			P up to three	
19				per	unit is 600 sq.		P up to two	units ner	
	Residential Density,	C 8 102 007		sauara	ft. or	two	lot. C up to	to one	
	(6) <u>(11)</u>	§ <u>§ 102,</u> 207	One unit per ioi.	feet of	un to	units	one unit	unit per	
21				lot area, with no	one unii	<u>per lot.</u>			
22				moro	per 3,000			feet of lot	
23				three	square feet of			area.	
24				11111TC	lot				
25					area, with no				
					with no				

1					more			
					than than			
2					three units			
3					per lot.			
4			P up to twice the num	ber of d	welling ι	ınits othe	erwise permi	itted as a
		00.400	principal use in the dis	strict and	l meetin	g all the	requirement	ts of §
5	Senior Housing	§§ 102, 202.2(f)	202.2(f)(1). C up to twice the num	her of d	vellina ı	inite othe	erwise nerm	itted as a
6		202.2(1)	principal use in the dis					
7			202.2(f)(1) except for	§ 202.2(f)(1)(D)	(iv), relat		
8							C. HD TO	C, up to one
O							one	bedroom
9	Residential Density,	§ 208	NP	NP	NP	<u>NP</u>		for every
10	Group Housing	3 200	141	111	111		415 square	275
11							feet of lot	square feet of lot
							area	area.
12	Homeless Shelter	§§ 102,	NP	NP	NP	<u>NP</u>	C	С
13	NON DECIDENTIAL	208	DO AND HOEO					
14	NON-RESIDENTIAL		DS AND USES					
1 =	Development Standa	1	T					
15		§§ 102, 123,	1.8 to 1	18 to 1	1 & to 1	1.8 to 1	1.8 to 1	1.8 to 1
16	1 1001 Alea Natio	124	1.0 10 1	1.0 10 1	1.0 10 1	<u>1.0 to 1</u>	1.0 10 1	1.0 to 1
17	Off-Street Parking	§§ 150,	None required. Maxim	um narr	nitted n	or & 151		
18	On-Street Larking	151, 161	None required. Maxim	uiii peii	initied p			
	Limited Commercial	§§ 186,	Continuing nonconform				•	he
		186.3	requirements of § 186 conditionally permitted					3.3
20	Agricultural Use Cate	egory	portationally portilities		TIO Dane	iii igo ouk	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	5.0.
21	A aminutural Lloco*	§§ 102,	C	C	C	-	0	0
22		202.2(c)	ϵ	ϵ	ϵ	<u>C</u>	С	С
		§§ 102,	<i>№</i>	NP	NP	<u>NP</u>	NP	NP
	Industrial	202.2(c)	1,1		- 112			
	Agriculture, Neighborhood	§§ 102, 202.2(c)	₽	₽	₽	<u>P</u>	Р	Р
	Automotive Use Cate	. ,						
23	Automotive Use Call	zgory						

	-			T	1			
1	Automotive Uses <u>*</u>	§ 102	NP	₩₽	₩₽	<u>NP</u>	NP	NP
2	Parking Garage, Private	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
3	Parking Lot, Private	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
4	Parking Lot, Public	§§ 102, 142, 156	NP	₩₽	₩	<u>NP</u>	NP (8)	NP
5	Entertainment, Arts a	and Recreati	on Use Category					
6 7	Entertainment, Arts and Recreation Uses*	§ 102	N₽	N₽	₩	<u>NP</u>	NP	NP
8	Open Recreation Area	§ 102	€	ϵ	ϵ	<u>C</u>	С	С
9	Passive Outdoor Recreation	§ 102	P	₽	P	<u>P</u>	Р	Р
10	Industrial Use Categ	ory		•				
11	Industrial Uses <u>*</u>	§ 102	NP.	NP.	₩₽	<u>NP</u>	NP	NP
12	Institutional Use Cat	egory						
13	Institutional Uses <u>*</u>	§ 102	NP	NP.	₩₽	<u>NP</u>	NP	NP
13	Child Care Facility	§ 102	₽	₽	₽	<u>P</u>	Р	Р
14	Community Facility	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
15	Hospital	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
16	Post-Secondary Ed. Institution	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
17	Public Facilities	§ 102	P	₽	<u>₽</u>	<u>P</u>	Р	Р
18	Religious Institution	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
	Residential Care Facility	§ 102	₽	₽	₽	<u>P</u>	Р	Р
20	School	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
	Sales and Service Category							
2122	Retail Sales and Service Uses <u>*</u>	§ 102	₩	₩	₩	<u>NP</u>	NP	NP
23	Hotel	§ 102	NP	₩₽	₩₽	<u>NP</u>	C (4)	C (4)
	Mortuary	§ 102	C (5)	C (5)	C (5)	<u>C (5)</u>	C (5)	C (5)
2425	Non-Retail Sales and Service <u>*</u>	§ 102	N₽	₩₽	₩	<u>NP</u>	NP	NP

1	Utility and Infrastructure Use Category							
2	Utility and Infrastructure <u>*</u>	§ 102	N P	NP	₩	<u>NP</u>	NP	NP
•	Internet Service Exchange	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
4	Utility Installation	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
_	Wireless Telecommunications Services Facility	§ 102	C or P (7)	C or P (7)	C or P (7)	<u>C or P</u> <u>(7)</u>	C or P (7)	C or P (7)

Not listed below.

* * * *

(11) P for up to four dwelling units per lot, excluding Corner Lots, and P for up to six dwelling units in Corner Lots, pursuant to Section 207(c)(8).

Section 4. The Planning Code is hereby amended by revising Sheets ZN01, ZN02, ZN03, ZN04, ZN05, ZN06, ZN07, ZN08, ZN09, ZN10, ZN11, ZN12, and ZN13 of the Zoning Map of the City and County of San Francisco, as follows:

Zoning Districts to be Superseded	Zoning Districts Hereby Approved
RH-1(D); RH-1; RH-1(S)	RH-2
RH-1(D)	RH-2(D)

Section 5. Chapter 37 of the Administrative Code is hereby amended by revising Sections 37.2 and 37.3, to read as follows:

1	SEC. 37.2. DEFINITIONS.
2	* * * *
3	(r) Rental Units. All residential dwelling units in the City and County of San Francisco
4	together with the land and appurtenant buildings thereto, and all housing services, privileges,
5	furnishings, and facilities supplied in connection with the use or occupancy thereof, including
6	garage and parking facilities.
7	* * * *
8	The term "rental units" shall not include:
9	* * * *
10	(4) Except as provided in subsections (A)- (\underline{DE}) , dwelling units whose rents are
11	controlled or regulated by any government unit, agency, or authority, excepting those
12	unsubsidized and/or unassisted units which are insured by the United States Department of
13	Housing and Urban Development; provided, however, that units in unreinforced masonry
14	buildings which have undergone seismic strengthening in accordance with Building Code
15	Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the
16	ordinance is not in conflict with the seismic strengthening bond program or with the program's
17	loan agreements or with any regulations promulgated thereunder;
18	* * *
19	(E) The term "rental units" shall include any new dwelling units created
20	pursuant to the density exception set forth in Section 207(c)(8) of the Planning Code.
21	
22	
23	SEC. 37.3. RENT LIMITATIONS.
24	

1	(a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent
2	increases upon tenants in occupancy only as provided below and as provided by subsections
3	37.3(d) and 37.3(g):
4	* * * *
5	(d) Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.).
6	Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)
7	and regardless of whether otherwise provided under Chapter 37:
8	(1) Property Owner Rights to Establish Initial and All Subsequent Rental
9	Rates for Separately Alienable Parcels.
10	(A) An owner or residential real property may establish the initial and all
11	subsequent rental rates for a dwelling or a unit which is alienable separate from the title to any
12	other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b),
13	(d), or (f) of Section 11004.5 of the California Business and Professions Code. The owner's
14	right to establish subsequent rental rates under this paragraph shall not apply to a dwelling or
15	unit where the preceding tenancy has been terminated by the owner by notice pursuant to
16	California Civil Code Section 1946 or has been terminated upon a change in the terms of the
17	tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent
18	increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new
19	tenancy in that dwelling or unit.
20	* * * *
21	(D) An owner's right to establish subsequent rental rates under
22	subsection 37.3(d)(1) shall not apply to a dwelling or unit that is a new dwelling unit created
23	pursuant to the density exception set forth in Section 207(c)(8) of the Planning Code.
24	* * * *

1	(g) New Construction and Substantial Rehabilitation.
2	(1) An owner of a residential dwelling or unit which is newly constructed and
3	first received a certificate of occupancy after the effective date of Ordinance No. 276-79 (June
4	13, 1979), or which the Rent Board has certified has undergone a substantial rehabilitation,
5	may establish the initial and all subsequent rental rates for that dwelling or unit, except:
6	(A) where rent restrictions apply to the dwelling or unit under
7	Sections 37.3(d) or 37.3(f);
8	(B) where the dwelling or unit is a replacement unit under
9	Section 37.9A(b);
10	(C) as provided for certain categories of Accessory Dwelling Units under
11	Section 37.2(r)(4)(D); and
12	(D) as provided in a development agreement entered into by the City
13	under Administrative Code Chapter 56- <u>; and</u>
14	(E) as provided for certain categories of new dwelling units under Section
15	37.2(r)(4)(E).
16	
17	Section $\underline{56}$. Article 9 of the Subdivision Code is hereby amended by revising Sections
18	1396.2, 1396.4 and 1396.5 and adding Section 1396.6, to read as follows:
19	
20	SEC. 1396.2. PROHIBITION ON CONDOMINIUM CONVERSIONS FOR CERTAIN
21	BUILDINGS.
22	(a) Notwithstanding any provisions in this Code to the contrary, including
23	Section 1359, the Department of Public Works shall not sell residential condominium
24	conversion lottery tickets to; shall not accept a residential condominium conversion
25	subdivision application from; and shall deny a tentative subdivision or tentative parcel map for

1	residential condominium conversion submitted by the owner(s) of a building that meets all of
2	the following conditions:
3	(1) the building had two or more evictions with each eviction associated with a
4	separate unit(s);
5	(2) issuance of each eviction notice occurred on or after May 1, 2005; and,
6	(3) issuance of the eviction notice(s) occurred pursuant to San Francisco
7	Administrative Code Sections 37.9(a)(8), 37.9(a)(10), or 37.9(a)(11), or 37.9(a)(13).
8	
9	SEC. 1396.4. CONDOMINIUM CONVERSION FEE AND EXPEDITED CONVERSION
10	PROGRAM.
11	* * * *
12	(b) Any building may be exempted from the annual lottery provisions of Section 1396
13	if the building owners for said building comply with either: (1) Section 1396.3 (g)(1) and all the
14	requirements of this Section 1396.4 or (2) all the requirements of Section 1396.6.
15	Notwithstanding the foregoing <u>sentence</u> , no property or applicant subject to any of the
16	prohibition \underline{s} on conversions set forth in Section 1396.2, in particular a property with the
17	eviction(s) set forth in Section 1396.2 (b), is eligible for the Expedited Conversion program
18	under this Section 1396.4. Eligible buildings as set forth in this <u>subs</u> Section (b) may exercise
19	their option to participate in this program according to the following requirements:
20	* * * *
21	SEC. 1396.5. SUSPENSION OF THE LOTTERY PENDING PRODUCTION OF
22	REPLACEMENT UNITS FOR EXPEDITED CONVERSION UNITS.
23	* * * *
24	(c) Except as otherwise authorized under Section 1396.6, Tthe Department shall not accept

an application for the conversion of residential units under Section 1396 nor conduct a lottery

1	under this Article prior to January 1, 2024. Thereafter, the lottery shall resume upon the
2	earlier of the following: (1) the first February following the Mayor's Office of Housing and
3	$\underline{\textit{Community Development}}$ report pursuant to $\underline{S_s}$ ubsection (b) showing that the total number of
4	Conversion Replacement Units produced in the City of San Francisco exceeded the total
5	number of units converted as identified in the Department's report prepared pursuant to
6	subsection (a); or (2) completion of the "Maximum Suspension Period" as defined below.
7	* * * *
8	1396.6. CONDOMINIUM CONVERSION ASSOCIATED WITH PROJECTS THAT
9	<u>UTILIZE THE RESIDENTIAL DENSITY EXCEPTION IN RH DISTRICTS TO CONSTRUCT</u>
10	NEW DWELLING UNITS PURSUANT TO PLANNING CODE SECTION 207(C)(8).
11	(a) Findings. The findings of Planning Code Section 415.1 concerning the City's inclusionary
12	affordable housing program are incorporated herein by reference and support the basis for charging
13	the fee set forth herein as it relates to the conversion of dwelling units into condominiums.
14	(b) Definition. "Existing Dwelling Units" shall refer to the dwelling units in existence on a low
15	at the time of the submittal of an application to construct a new dwelling unit pursuant to Planning
16	<u>Code Section 207(c)(8).</u>
17	(c) Notwithstanding Section 1396.4 and Ordinance No. 117-13, the a subdivider of a one unit
18	building that has obtained a permit to build one or more new dwelling units by utilizing the exception
19	to residential density in RH districts set forth in Planning Code Section 207(c)(8), which results in a
20	greater number of dwelling units than the number of Existing Dwelling Units two or more
21	dwelling units, and that has signed an affidavit stating the subdivider's intent to reside in one
22	of those resulting dwelling units, or in the Existing Dwelling Unit, for a period of three years
23	after the approval of Certificate of Final Completion and Occupancy for the new dwelling units
24	shall (1) be exempt from the annual lottery provisions of Section 1396 with respect to the dwelling units
25	built as part of the Project Units and (2) be eligible to submit a condominium conversion application

1	for such the Existing Dwelling Units and/or include the Existing Dwelling Units in a condominium
2	map application for the project approved pursuant to Planning Code Section 207(c)(8).
3	Notwithstanding the foregoing sentence, no property or applicant subject to any of the prohibitions on
4	conversions set forth in Section 1396.2, in particular a property with the eviction(s) set forth in Section
5	1396.2(b), shall be eligible for condominium conversion under this Section 1396.6. Eligible buildings
6	as set forth in this subsection (c) may exercise their option to participate in this program according to
7	the following requirements:
8	(1) The applicant(s) for the subject building seeking to convert dwelling units to
9	condominiums or subdivide dwelling units into condominiums under this subsection shall pay the fee
10	specified in Section 1315.
11	(2) In addition to all other provisions of this Section 1396.6, the applicant(s) comply
12	with all of the following:
13	(A) The requirements of Subdivision Code Article 9, Sections 1381, 1382, 1383,
14	1386, 1387, 1388, 1389, 1390, 1391(a) and (b), 1392, 1393, 1394, and 1395.
15	(B) The applicant(s) must certify that within the 60 months preceding the date of
16	the subject application, no tenant resided at the property.
17	(C) The applicant(s) must certify that to the extent any tenant vacated their unit
18	after March 31, 2013, and before recordation of the final parcel or subdivision map, such tenant did so
19	voluntarily or if an eviction or eviction notice occurred it was not pursuant to Administrative Code
20	Sections 37.9(a)(8)-(12) and 37.9(a)(14). If an eviction has taken place under Sections 37.9(a)(11) or
21	37.9(a)(14), then the applicant(s) shall certify that the original tenant reoccupied the unit after the
22	temporary eviction.
23	(3) If the Department finds that a violation of this Section 1396.6 occurred prior to
24	recordation of the final map or final parcel map, the Department shall disapprove the application or
25	subject map. If the Department finds that a violation of this Section occurred after recordation of the

1	final map or parcel map, the Department shall take such enforcement actions as are available and
2	within its authority to address the violation.
3	(4) This Section 1396.6 shall not prohibit a subdivider who has lawfully
4	exercised the subdivider's rights under Administrative Code Section 37.9(a)(13) from
5	submitting a condominium conversion application under this Section 1396.6.
6	(d) Decisions and Hearing on the Application.
7	(1) The applicant shall obtain a final and effective tentative map or tentative parcel
8	map approval for the condominium subdivision or parcel map within one year of paying the fee
9	specified in subsection (e). The Director of the Department of Public Works or the Director's designee
10	is authorized to waive the time limits set forth in this subsection (d)(1) as it applies to a particular
11	building due to extenuating or unique circumstances. Such waiver may be granted only after a public
12	hearing and in no case shall the time limit extend beyond two years after submission of the application.
13	(2) No less than 20 days prior to the Department's proposed decision on a tentative
14	map or tentative parcel map, the Department shall publish the addresses of buildings being considered
15	for approval and post such information on its website. During this time, any interested party may file a
16	written objection to an application and submit information to the Department contesting the eligibility
17	of a building. In addition, the Department may elect to hold a public hearing on said tentative map or
18	tentative parcel map to consider the information presented by the public, other City department, or an
19	applicant. If the Department elects to hold such a hearing it shall post notice of such hearing and
20	provide written notice to the applicant, all tenants of such building, any member of the public who
21	submitted information to the Department, and any interested party who has requested such notice. In
22	the event that an objection to the conversion application is filed in accordance with this subsection
23	(d)(2), and based upon all the facts available to the Department, the Department shall approve,
24	conditionally approve, or disapprove an application and state the reasons in support of that decision.
25	

1	(3) Any map application subject to a Departmental public hearing on the subdivision
2	$or\ a\ subdivision\ appeal\ shall\ have\ the\ time\ limit\ set\ forth\ in\ subsection\ (d)(1)\ extended\ for\ another\ six$
3	months.
4	(e) Should the subdivision application be denied or be rejected as untimely in accordance with
5	the dates specified in subsection $(d)(1)$, or the tentative subdivision map or tentative parcel map
6	disapproved, the City shall refund the entirety of the application fee.
7	(f) Conversion of buildings pursuant to this Section 1396.6 shall have no effect on the terms
8	and conditions applicable to such buildings under Section 1341A, 1385A, or 1396 of this Code.
9	
10	Section 67. The Planning Department, the Rent Board, and the Department of Public
11	Works are authorized to adopt regulations to implement this ordinance. The Planning
12	Department shall create a report summarizing all applicable design standards in residential
13	districts in the City, and submit such report to the Board for its consideration within six months
14	from the effective date of this ordinance.
15	
16	Section 78. Conforming Amendments in the Municipal Code.
17	(a) This ordinance abolishes RH-1, RH-1(D), and RH-1(S) districts. To conform the
18	Municipal Code to these districts having been abolished, the City Attorney shall cause all
19	references to RH-1, RH-1(D), and RH-1(S) in the Municipal Code to be removed and replaced
20	with a reference to RH-2, and all references to RH-1(D) to be replaced with RH-2(D);
21	provided, however, that where the Municipal Code references one or more of the three
22	abolished districts RH-1 or RH-1(S) districts along with a reference to RH-2, the City Attorney
23	shall cause the reference to the abolished district or districts to be removed from the Municipal

25

Code, with the reference to RH-2 retained.

- 1 (b) The City Attorney shall provide written notice to the Clerk of the Board of
 2 Supervisors of the changes to the Municipal Code resulting from the implementation of
 3 subsection (a). The Clerk shall place the City Attorney's notice in Board File No. 210866, the
 4 file for the ordinance abolishing the RH-1, RH-1(D), and RH-1(S) districts.
 - (c) Any reference in the Municipal Code to RH-1, RH-1(D), or RH-1(S) districts that might remain, for example, due to inadvertence or delay in implementing subsection (a), or for any other reason, shall not be understood to contradict or be in conflict with this ordinance's abolition of said districts.

Section 8<u>9</u>. No Conflict with Federal or State Law. Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any federal or state law.

Section 910. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance 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 ordinance or application thereof would be subsequently declared invalid or unconstitutional.

Section <u>4011</u>. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

1	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board		
2	of Supervisors overrides the Mayor's veto of the ordinance.		
3			
4	Section 4412. Scope of Ordinance. Except as stated in Sections 4 and 7 of this		
5	ordinance, in enacting this ordinance, the Board of Supervisors intends to amend only those		
6	words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks,		
7	charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly		
8	shown in this ordinance as additions, deletions, Board amendment additions, and Board		
9	amendment deletions in accordance with the "Note" that appears under the official title of the		
10	ordinance.		
11			
12	APPROVED AS TO FORM:		
13	DAVID CHIU, City Attorney		
14	By: /s/ Andrea Ruiz-Esquide		
15	ANDREA RUIZ-ESQUIDE Deputy City Attorney		
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