



# SAN FRANCISCO PLANNING DEPARTMENT

---

February 6, 2020

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Stefani  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

**Re: Transmittal of Planning Department Case Number 2019-017957PCA:  
Geary-Masonic Special Use District  
Board File No. 191002  
Planning Commission Recommendation: Approval with Modification**

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

Dear Ms. Calvillo and Supervisor Stefani,

On January 23, 2020, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Stefani that would amend Planning Code Section 249.20. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Revise the Ordinance to earmark collected impact fees for District 2 or the immediate vicinity.

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron D. Starr".

Aaron D. Starr  
Manager of Legislative Affairs

cc:

Audrey Pearson, Deputy City Attorney  
Daniel Herzstein, Aide to Supervisor Stefani  
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. 20626

HEARING DATE: JANUARY 23, 2020

*Project Name:* Geary-Masonic Special Use District  
*Case Number:* 2019-017957PCA [Board File No. 191002]  
*Initiated by:* Supervisor Stefani / Introduced October 1, 2019  
*Staff Contact:* Veronica Flores, Legislative Affairs  
Veronica.Flores@sfgov.org, 415-575-9173  
*Reviewed by:* Aaron D Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO MODIFY THE GEARY-MASONIC SPECIAL USE DISTRICT REGARDING MINIMUM PARKING REQUIREMENTS, GROUND FLOOR CELLING HEIGHTS, AND TO ALLOW PAYMENT OF AN INCLUSIONARY HOUSING FEE; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.**

WHEREAS, on October 1, 2019 Supervisor Stefani introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 191002, which would amend the Planning Code to modify the Geary-Masonic Special Use District regarding minimum parking requirements, ground floor ceiling heights, and to allow payment of an inclusionary housing fee;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 12, 2019; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); and

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

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

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

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

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed modification is as follows:

1. Revise the Ordinance to earmark collected impact fees for District 2 or the immediate vicinity.

## **FINDINGS**

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

1. The Geary-Masonic Special Use District allows for greater density at the underutilized project site.
2. The proposed modification ensures that much-needed affordable housing is located within this neighborhood.
3. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modification is consistent with the following Objectives and Policies of the General Plan:

## **HOUSING ELEMENT**

### **OBJECTIVE 1**

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

#### **Policy 1.1**

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

#### **Policy 1.3**

Work proactively to identify and secure opportunity sites for permanently affordable housing.

#### **Policy 1.6**

Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

#### **Policy 1.8**

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

#### **Policy 1.10**

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

**OBJECTIVE 4**

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

**Policy 4.1:**

Develop new housing, and encourage the remodeling of existing housing, for families with children.

**Policy 4.4**

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

**Policy 4.5**

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

**Policy 4.6**

Encourage an equitable distribution of growth according to infrastructure and site capacity.

**Policy 4.7**

Consider environmental justice issues when planning for new housing, especially affordable housing.

**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.

*The Ordinance amends the Geary-Masonic Special Use District (SUD), which allows for greater density which otherwise would not be permitted by the underlying NC-3 Zoning District. The proposed amendment allows an option to pay an affordable housing fee, rather than providing on-site affordable housing. Collected affordable housing fee funds will be deposited into the Citywide Affordable Housing Fund, with funds dedicated to increasing the supply of affordable housing in San Francisco and providing assistance to low- and moderate-income homebuyers. The Ordinance challenges the Planning Commission's support for the original SUD and project, which stemmed from allowing increased density on the underutilized, transit-rich project site, and also for increased on-site affordable housing.*

4. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

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

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

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

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

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

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing. The existing Geary-Masonic SUD allows for more housing on the project site.*

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. The subject site is well-served by public transit, particularly along the Geary Boulevard and Masonic Avenue corridors. Additionally, the Geary-Masonic Special Use District allows up to 0.5 parking spaces per dwelling unit. As such, the project is not expected to generate much commuter traffic that would overburden local streets or affect 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 will not displace any service or industry establishment or affect industrial or service sector uses or related employment opportunities. Ownership of industrial or service sector businesses will not be affected by this Ordinance.*

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

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

7. That the landmarks and historic buildings be preserved;

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

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

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

5. **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 APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on January 23, 2020.



Jonas P. Ionin  
Commission Secretary

AYES: Diamond, Fung, Johnson, Melgar, Moore, Koppel

NOES: None

ABSENT: Richards

ADOPTED: January 23, 2020



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary Planning Code Text Amendment

HEARING DATE: JANUARY 23, 2020  
CONTINUED FROM: DECEMBER 12, 2019  
90-DAY DEADLINE: JANUARY 6, 2020  
EXTENSION DEADLINE: APRIL 5, 2020

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

*Project Name:* **Geary-Masonic Special Use District**  
*Case Number:* **2019-017957PCA [Board File No. 191002]**  
*Initiated by:* Supervisor Stefani / Introduced October 1, 2019  
*Staff Contact:* Veronica Flores, Legislative Affairs  
Veronica.Flores@sfgov.org, 415-575-9173  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362  
*Recommendation:* **Approval with Modifications**

### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to modify the Geary-Masonic Special Use District (SUD) regarding minimum parking requirements, ground floor ceiling heights, and to allow payment of an inclusionary housing fee.

|    | THE WAY IT IS NOW:   | THE WAY IT WOULD BE:   |
|----|--|--|
| 1. | Projects in the Geary-Masonic Special Use District (SUD) comply with Section 415 et seq. requirements through on-site inclusionary units, with no option to pay an affordable housing fee. | Projects would be allowed to pay an affordable housing fee to comply with Section 415.                         |
| 2. | Non-residential uses on the ground floor are required to have a minimum floor-to-floor height of 14 feet.  | Non-residential uses on the ground floor would be required to have a minimum floor-to-floor height of 12 feet. |

### BACKGROUND

The Geary-Masonic Special Use District (SUD), established via Board File 161109, was adopted in April 2018 to facilitate the redevelopment of the Lucky Penny restaurant. The SUD allowed for greater density than what would normally be allowed in the underlying NC-3 Zoning District. The SUD required on-site affordable housing at the inclusionary housing rates required at the time in exchange for certain exceptions such as density, use size, parking, and dwelling unit mix requirements. Many of these exceptions were like those granted under the HOME-SF density bonus program, before the Tiers for HOME-SF were enacted.



The developer for the Lucky Penny project received their entitlement in November 2017. When the SUD and project appeared in front of the Planning Commission, the HOME-SF density bonus program was already in place requiring 30% affordable housing units in exchange for up to two additional stories and other exceptions. The Project Sponsor shared that the required 30% affordability rate would not be feasible in either an eight-story building (principally permitted height) or 10-story building (increased height permitted under HOME-SF). The Project Sponsor did not pursue a 10-story building partially due to community concerns with overall massing and due to additional construction costs associated with a different building type going from an eight-story to a ten-story building.

Instead, the project sponsor proposed an eight-story mixed-used project with 23% affordable units in compliance with the proposed Geary-Masonic SUD. The Planning Commission ultimately supported the SUD with a modification to increase the affordability rate to 23%, which is commensurate with the City's 2016 Residential Affordable Housing Nexus Study. The Planning Commission also cited support for facilitating a housing development at the underutilized, transit-rich project site and on-site affordable housing units as the main reasons for supporting the SUD and proposed project.

After receiving revised union labor cost estimates, the Project Sponsor shared that the estimates came in \$10 million above the original estimate and that the project is no longer feasible. This Ordinance is to amend Board File 161109 by allowing residential projects comply with inclusionary housing requirements through an in-lieu fee instead of providing on-site affordable housing.

## **ISSUES AND CONSIDERATIONS**

### **Density Bonus Programs**

Most density bonus programs (both state and local) require on-site affordable housing in exchange for higher density. The existing SUD requires on-site affordable housing, like HOME-SF Tier 1 requirements. The 23% affordability requirement for on-site affordable housing is deemed to be feasible per the City's 2016 Residential Affordable Housing Nexus Study, as well the analysis supporting the HOME-SF program. If the SUD allows an option for an affordable housing option fee instead, the project will receive higher density than the underlying NC-3 zoning, but the City will not receive on-site affordable housing.

The Planning Commission noted in public hearing that the proposed project would not yield the same affordability as HOME-SF, but still supported the original Geary-Masonic Special Use District and project for the increased on-site affordable housing. The Planning Department's primary concern with this Ordinance is that it now proposes an affordable housing fee option, which disregards one of the Planning Commission's original supporting factors for the SUD and project.

### **Affordable Housing Fee**

As written, the Ordinance proposes an affordable housing fee option. All collected affordable housing fee funds are deposited into the Citywide Affordable Housing Fund. These funds are dedicated to increasing the supply of affordable housing in San Francisco, aiding low- and moderate-income homebuyers, and for the Mayor's Office of Community and Housing Development's expenses related to monitoring and administering compliance with the requirements of the Inclusionary Housing Program.

The Inclusionary Housing Program does allow for in-lieu fees; however, there is no provision that ensures that collected affordable housing fees are dedicated towards other projects in the same neighborhood from which the fee is collected. During the November 2017 hearing, the Planning Commission supported the original SUD to allow for the increased density and on-site affordable housing at the project site, citing it as a prime location for residential development on the west side of the city because of the access to transit and neighborhood amenities. The Planning Commission also shared concerns that the proposed project would not yield as much affordability as HOME-SF, but still supported the project for the increased on-site affordable housing. The proposed affordable housing fee option in this Ordinance is therefore a departure from the Planning Commission's original intent for increased housing and on-site affordable housing, specifically at the underutilized project site.

### **Housing Inventory in Presidio Heights**

There are 5,250 housing units in the Presidio Heights neighborhood, only 200 (4%) of which are affordable. The entitled project includes 22 affordable units – an increase of 10% of the existing affordable units in this neighborhood. Most of the housing production since 2005 is concentrated in the east side of the city. The intersection of Geary Boulevard and Masonic Avenue is a prime location for housing as the project site is close to transit, services, shops, parks, hospitals, schools, etc. The entitled project will bring much needed density out on the west side of the city.

### **General Plan Compliance**

The Ordinance supports the Housing Element's goals to ensure adequate housing for current and future San Franciscans. This Ordinance amends the Geary-Masonic Special Use District, which allows for greater density which otherwise would not be permitted by the underlying NC-3 Zoning District. The proposed amendment allows an option to pay an affordable housing fee, rather than providing on-site affordable housing. While a fee still complies with the Inclusionary Housing Program, this option does not guarantee that the affordable housing units will be built in this same neighborhood. The Ordinance challenges the Planning Commission's support for the original SUD and project, which stemmed from allowing increased density on the underutilized, transit-rich project site, and for increased on-site affordable housing.

### **Racial and Social Equity Analysis**

Understanding the benefits, burdens and opportunities to advance racial and social equity that proposed Planning Code and Zoning Map amendments provide is part of the Department's Racial and Social Equity Initiative. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability and with the forthcoming Office of Racial Equity, which will require all Departments to conduct this analysis.

The Planning Code amendments in the proposed Ordinance exacerbates racial and social inequities in the SUD vicinity. Based on the 2016 Five Year American Community Survey (ACS), the Presidio Heights neighborhood has a median family income of about \$200,000. Across the street south of the project site, the Lone Mountain/USF neighborhood has a median family income of about \$115,000. Additionally, other median family incomes in proximate neighborhoods are approximately \$107,000 for Inner Richmond, \$75,000 for Japantown, and \$67,000 for Western Addition. Therefore, on-site affordable housing units will greatly benefit this project site and surrounding neighborhoods. The amendment to allow for an affordable housing option fee does not guarantee that affording housing units built from the collected fees will be built in this neighborhood.

### Implementation

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

### RECOMMENDATION

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

1. Eliminate the affordable housing fee option

### BASIS FOR RECOMMENDATION

The Department supports the proposed Ordinance because it supports the Housing Element's goals to ensure adequate housing for current and future San Franciscans. Specifically, the Ordinance builds on a recently approved SUD which allowed for greater density at the former site of the Lucky Penny restaurant. However, the Department has some concerns regarding the proposed option to pay an in-lieu fee to fulfill inclusionary housing requirements.

**Recommendation 1: Amend Section 249.20(d). Staff recommends eliminating the affordable housing fee option.**

Currently, the Geary-Masonic SUD requires on-site affordable housing to comply with inclusionary housing requirements. The Lucky Penny project received a density bonus that is exactly comparable to a HOME-SF project. The premise of most density bonus programs is to provide on-site affordable housing in exchange for higher density. If the SUD allows an option for an affordable housing option fee, the project will receive higher density, but the City will not receive on-site affordable housing. As described above, the project site is located close to transit at a major intersection and is an ideal opportunity for on-site affordable housing.

Since the time the original SUD was enacted, the HOME-SF program was amended to allow different Tiers with varying affordable levels. The entitled project resembles a Tier 1 project, which allows increased density with no additional height bonus and requires 23% affordable units. The Project Sponsor may be able to pursue one of these other density bonus programs that were not originally available during project development.

### REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

### ENVIRONMENTAL REVIEW

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

### PUBLIC COMMENT

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

**Attachments:**

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 191002

*This page intentionally blank.*



# SAN FRANCISCO PLANNING DEPARTMENT

---

## Planning Commission Draft Resolution HEARING DATE JANUARY 23, 2020

*Project Name:* Geary-Masonic Special Use District  
*Case Number:* 2019-017957PCA [Board File No. 191002]  
*Initiated by:* Supervisor Stefani / Introduced October 1, 2019  
*Staff Contact:* Veronica Flores, Legislative Affairs  
Veronica.Flores@sfgov.org, 415-575-9173  
*Reviewed by:* Aaron D Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO MODIFY THE GEARY-MASONIC SPECIAL USE DISTRICT REGARDING MINIMUM PARKING REQUIREMENTS, GROUND FLOOR CELLING HEIGHTS, AND TO ALLOW PAYMENT OF AN INCLUSIONARY HOUSING FEE; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.**

WHEREAS, on October 1, 2019 Supervisor Stefani introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 191002, which would amend the Planning Code to modify the Geary-Masonic Special Use District regarding minimum parking requirements, ground floor ceiling heights, and to allow payment of an inclusionary housing fee;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 12, 2019; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); and

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

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

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

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

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed modification is as follows:

1. Eliminate the affordable housing fee option.

## **FINDINGS**

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

1. The Geary-Masonic Special Use District allows for greater density at the underutilized project site.
2. The proposed modification ensures that much-needed affordable housing is located within this neighborhood.
3. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modification is consistent with the following Objectives and Policies of the General Plan:

## **HOUSING ELEMENT**

### **OBJECTIVE 1**

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

#### **Policy 1.1**

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

#### **Policy 1.3**

Work proactively to identify and secure opportunity sites for permanently affordable housing.

#### **Policy 1.6**

Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

#### **Policy 1.8**

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

#### **Policy 1.10**

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

**OBJECTIVE 4**

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

**Policy 4.1:**

Develop new housing, and encourage the remodeling of existing housing, for families with children.

**Policy 4.4**

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

**Policy 4.5**

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

**Policy 4.6**

Encourage an equitable distribution of growth according to infrastructure and site capacity.

**Policy 4.7**

Consider environmental justice issues when planning for new housing, especially affordable housing.

**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.

*The Ordinance amends the Geary-Masonic Special Use District (SUD), which allows for greater density which otherwise would not be permitted by the underlying NC-3 Zoning District. The proposed amendment allows an option to pay an affordable housing fee, rather than providing on-site affordable housing. Collected affordable housing fee funds will be deposited into the Citywide Affordable Housing Fund, with funds dedicated to increasing the supply of affordable housing in San Francisco and providing assistance to low- and moderate-income homebuyers. The Ordinance challenges the Planning Commission's support for the original SUD and project, which stemmed from allowing increased density on the underutilized, transit-rich project site, and also for increased on-site affordable housing.*

4. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:



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

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

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

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

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

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing. The existing Geary-Masonic SUD allows for more housing on the project site.*

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. The subject site is well-served by public transit, particularly along the Geary Boulevard and Masonic Avenue corridors. Additionally, the Geary-Masonic Special Use District allows up to 0.5 parking spaces per dwelling unit. As such, the project is not expected to generate much commuter traffic that would overburden local streets or affect 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 will not displace any service or industry establishment or affect industrial or service sector uses or related employment opportunities. Ownership of industrial or service sector businesses will not be affected by this Ordinance.*

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

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

7. That the landmarks and historic buildings be preserved;

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

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

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

5. **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 APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on January 23, 2020.

Jonas P. Ionin  
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: January 23, 2020

*This page intentionally blank.*

1 [Planning Code - Geary-Masonic Special Use District]

2  
3 **Ordinance amending the Planning Code to modify the Geary-Masonic Special Use**  
4 **District regarding minimum parking requirements, ground floor ceiling heights, and to**  
5 **allow payment of an inclusionary housing fee; affirming the Planning Department's**  
6 **determination under the California Environmental Quality Act; making findings of**  
7 **consistency with the General Plan, and the eight priority policies of Planning Code,**  
8 **Section 101.1; and adopting findings of public convenience, necessity, and welfare**  
9 **under Planning Code, Section 302.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
13 **Board amendment additions** are in double-underlined Arial font.  
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
16 subsections or parts of tables.

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

18 Section 1.

19 (a) The Planning Department has determined that the actions contemplated in this  
20 ordinance comply with the California Environmental Quality Act (California Public Resources  
21 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
22 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference. The Board affirms  
23 this determination.

24 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_, adopted  
25 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

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

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

8  
9 Section 2. The Planning Code is hereby amended by revising Section 249.20, to read  
10 as follows:

11 **Sec. 249.20 GEARY-MASONIC SPECIAL USE DISTRICT**

12 (a) General. A Special Use District entitled the Geary-Masonic Special Use District  
13 ("District"), the boundaries of which are shown on Sectional Map SU03 of the Zoning Maps of  
14 the City and County of San Francisco, is hereby established for the purpose set out below.

15 (b) Purpose. In order to provide for a mixed use development project with ground floor  
16 retail, and a combination of very low income, low-income, moderate-income, middle-income,  
17 and market rate residential units, at densities higher than what otherwise would be permitted  
18 in the NC-3 zoning district and 80 foot height district, in an area well-served by transit, there  
19 shall be a Geary-Masonic Special Use District consisting of Assessor's Block 1071, Lot 003  
20 as designated on Sectional Map SU03 of the Zoning Maps of the City and County of San  
21 Francisco.

22 (c) Development Controls. Applicable provisions of the Planning Code for NCT-3  
23 Districts as set forth in Section 752 shall apply within this Special Use District, except for the  
24 following:

1 (1) Use Size. Non-residential uses 3000 square feet and above shall require a  
2 conditional use under Section 121.2. Uses more than 6000 square feet in size are not  
3 permitted.

4 (2) Accessory Vehicle Parking. No minimum off-street parking shall be required for  
5 any use in this Special Use District. No parking shall be permitted above .5 cars for each  
6 Dwelling Unit.

7 (3) Car-sharing. Notwithstanding the provisions of section 166, no less than  
8 25% of parking spaces provided shall be an off-street car-share parking space and shall be  
9 provided on the building site. Except as expressly provided herein, all other provisions of  
10 section 166 shall apply.

11 (4) Parking and Loading Access. Parking and Loading access from Masonic  
12 Avenue is not permitted.

13 (5) Dwelling Unit Mix. The project shall provide a minimum dwelling unit mix of  
14 (A) at least 40% two and three bedroom units, including at least 10% three bedroom units; or  
15 (B) any unit mix which includes some three bedroom or larger units such that 50% of all  
16 bedrooms within the project are provided in units with more than one bedroom.

17 (6) Ground Floor Non-Residential Height. Notwithstanding Section 145.1(c)(4), non-  
18 residential uses on the ground floor shall have a minimum floor-to-floor height of 12 feet, measured  
19 from the ground floor slab.

20 (d) Inclusionary Housing. In order to allow for the increased residential densities provided  
21 by this Special Use District, on-site inclusionary units pursuant to Planning Code Section 415.6 shall  
22 be required and required in the following amounts and income levels. Compliance with Section 415 et  
23 seq. shall be by payment of the affordable housing fee, or provision of on-site units, as follows:

24 (1) Affordable Housing Fee. Payment of the Affordable Housing Fee pursuant to  
25 Section 415.5 and subject to the following provisions:

1                                    (A) For a project providing Owned Units, the applicable percentage shall be  
2 33% of the Gross Floor Area of residential use.

3                                    (B) For a project providing Rental Units, the applicable percentage shall be  
4 30% of the Gross Floor Area of residential use.

5                                    (2) On-Site Inclusionary Units. On-site Units pursuant to Section 415.6 in the following  
6 amounts and income levels:

7                                    ~~(A)~~(A) In a rental project, at least 10% of units must be affordable to very  
8 low-income households, at least 4% must be affordable to low-income households, at least  
9 4% must be affordable to moderate-income households and at least 5% must be affordable to  
10 middle-income households. For purposes of this section, rental units for very low-income  
11 households shall have an affordable rent set at 55% of Area Median Income or less, with  
12 households earning up to 65% of Area Median Income eligible to apply for very low-income  
13 units. For purposes of this section, rental units for low-income households shall have an  
14 affordable rent set at 80% of Area Median Income or less, with households earning up from  
15 65% to 90% of Area Median Income eligible to apply for low-income units. For purposes of  
16 this section, rental units for moderate-income households shall have an affordable rent set at  
17 110% of Area Median Income or less, with households earning from 90% to 120% of Area  
18 Median Income eligible to apply for moderate-income units. For purposes of this section,  
19 rental units for middle-income households shall have an affordable rent set at 120% of Area  
20 Median Income or less, with households earning from 120% to 140% of Area Median Income  
21 eligible to apply for middle-income units. For any affordable units with rental rates set at 110%  
22 of Area Median Income or above, the units shall have a minimum occupancy of two persons.

23                                    ~~(2)~~(B) In an ownership project, at least 11% of units must be affordable to  
24 very low-income households, at least 5% must be affordable to low-income households, at  
25 least 5% must be affordable to moderate income households and at least 5% must be

1 affordable to middle-income households. For purposes of this section, ownership units for  
2 very low-income households shall have an affordable sales price set at 80% of Area Median  
3 Income or less, with households earning up to 100% of Area Median Income eligible to apply  
4 for very low-income units. For purposes of this section, ownership units for low-income  
5 households shall have an affordable sales price set at 105% of Area Median Income or less,  
6 with households earning up from 95% to 120% of Area Median Income eligible to apply for  
7 low-income units. For purposes of this section, ownership units for moderate-income  
8 households shall have an affordable sales price set at 130% of Area Median Income or less,  
9 with households earning from 120% to 140% of Area Median Income eligible to apply for  
10 moderate-income units. For purposes of this section, ownership units for middle-income  
11 households shall have an affordable sales price set at 150% of Area Median Income or less,  
12 with households earning from 140% to 160% of Area Median Income eligible to apply for  
13 middle-income units. For any affordable units with sales prices set at 130% of Area Median  
14 Income or above, the units shall have a minimum occupancy of two persons.

15 (3) The grandfathering provisions in Section 415.3(b) shall not apply. Except as  
16 expressly provided in this subsection (d), all other provisions of Section 415 shall apply.

17  
18 Section 3. Effective Date. This ordinance shall become effective 30 days after  
19 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
20 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
21 of Supervisors overrides the Mayor's veto of the ordinance.


22  
23 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:  FOR \_\_\_\_\_  
Audrey Williams Pearson  
Deputy City Attorney

n:\legana\as2019\2000039\01396521.docx