

BOARD of SUPERVISORS



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

December 23, 2021

Planning Commission
Attn: Jonas Ionin
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

Dear Commissioners:

On December 14, 2021, Supervisor Peskin submitted the following legislation:

File No. 211299

Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

The proposed ordinance is being transmitted for review. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

c: Rich Hillis, Director
Scott Sanchez, Deputy Zoning Administrator
Corey Teague, Zoning Administrator
Lisa Gibson, Environmental Review Officer
Devyani Jain, Deputy Environmental Review Officer
AnMarie Rodgers, Legislative Affairs
Dan Sider, Director of Executive Programs
Aaron Starr, Manager of Legislative Affairs
Joy Navarrete, Environmental Planning

1 [Planning Code - Group Housing Definition]

2

3 **Ordinance amending the Planning Code to revise the definition of Group Housing;**
 4 **affirming the Planning Department’s determination under the California Environmental**
 5 **Quality Act; and making findings of consistency with the General Plan, and the eight**
 6 **priority policies of Planning Code, Section 101.1, and findings of public necessity,**
 7 **convenience, and welfare under Planning Code, Section 302.**

8

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

12

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

14

15 Section 1. Environmental and Land Use Findings.

16

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

21

22 (b) On _____, the Planning Commission, in Resolution No. _____, adopted
 23 findings that the actions contemplated in this ordinance are consistent, on balance, with the
 24 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board
 25 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. _____, and is incorporated herein by reference.

1 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the
2 Planning Code amendments will serve the public necessity, convenience, and welfare for the
3 reasons set forth in Planning Commission Resolution No. _____, and the Board
4 incorporates such reasons herein by reference.

5
6 Section 2. Other Findings.

7 (a) In 2005, the Zoning Administrator issued an interpretation of the Planning Code
8 definition of Group Housing that allowed Group Housing to include limited kitchens, similar to
9 the Planning Code definition of Dwelling Unit, which made it more difficult to distinguish
10 between a residential Dwelling Unit and a Group Housing unit.

11 (b) The intent of a Group Housing development is to create successful communal
12 living arrangement for permanent residents, largely achieved by shifting the private amenities
13 required in standard Dwelling Units, such as kitchens, to communal facilities shared by all
14 project residents, thus encouraging shared social interactions and shared stewardship of the
15 facility.

16 (c) The Planning Department has partnered with California College of the Arts to study
17 current Group Housing developments and analyze best practices, and has prepared
18 recommendations on how to improve the definition of Group Housing in the Planning Code,
19 many of which are reflected in this ordinance.

20 (d) In 2002, San Francisco adopted its first Inclusionary Housing Ordinance, which
21 requires that projects with ten or more units designate a percentage of units on-site as
22 “affordable for purchase...and rent” by moderate, low, and very low-income households, with
23 the stated goal of addressing San Francisco’s affordable housing crisis. On-site affordable
24 units capture the social benefits of integrated below-market and market rate housing. The
25 Inclusionary Housing Ordinance was subsequently updated in 2016 and 2017.

1 (e) In 2002, the Planning Department reported that between 1992 and 2002 only
2 “3,1991 units of low and very low-income housing were built in San Francisco out of a total
3 need of 15,103 units for the same period.” This effort has not improved in the last two
4 decades. The Planning Department’s April 2021 Housing Balance Report shows that very-low
5 income units (including units for extremely low-income residents eligible for homeless
6 subsidies) and low-income units made up only 19% of net new units constructed between the
7 first quarter of 2011 through the fourth quarter of 2020. These numbers pale in comparison to
8 the need for such housing. The Association of Bay Area Governments’ 2023-2031 Draft
9 Regional Housing Needs Assessment identifies San Francisco’s need for 114,442 units of
10 very-low income housing, or 25.9% of total housing need, and 65,892 units of low-income
11 housing, or 14.9% of total housing need. Together, San Francisco’s Regional Housing Needs
12 Assessment HNA calls for over 40% of all units as below market rate units.

13 (f) Group Housing developments, while designed for permanent residents, are
14 nonetheless tailored to residents who are in a transitional stage in their lives, either as a
15 function of their employment situation or their student status. The smaller floor plans and
16 scaled-back private amenities of individual units are marketed to and designed for residents
17 who are primarily seeking to rent a unit, and not residents who seek to purchase a unit.

18 (g) Group Housing ownership units run the risk of becoming unregulated corporate
19 rentals or second and third homes for San Francisco or non-San Francisco residents, which
20 contravenes the intended social benefits and shared investment needed to ensure a
21 successful Group Housing project.

22 (h) In 2017, the Board of Supervisors updated the Hotel Conversion Ordinance,
23 Administrative Code Chapter 41, to clarify that residential hotels are intended for permanent
24 residents, and that any stay under 32 days would be considered a tourist or transient use and
25 not a residential use, and conformed the Hotel Conversion Ordinance to other sections of the

1 Administrative Code related to short-term rentals. The Hotel Conversion Ordinance updates
2 also reflect an updated definition of “protected tenants” in Chapter 37 of the Administrative
3 Code, the San Francisco Residential Rent Stabilization and Arbitration Ordinance. This
4 legislation conforms the definition of Group Housing with the term of stay for residential hotels,
5 a type of use included in the definition of Group Housing.

6
7 Section 3. The Planning Code is hereby amended by revising Sections 102 and 415.2,
8 to read as follows:

9
10 **SEC. 102 DEFINITIONS.**

11 * * * *

12 **Group Housing.** A Residential Use that provides lodging or both meals and lodging,
13 without individual or limited cooking facilities or kitchens, by prearrangement for 30 days a week
14 or more at a time and intended as Long-Term Housing, in a space not defined by this Code as a
15 Dwelling Unit ~~dwelling unit~~. Except for Group Housing that also qualifies as Student Housing as
16 defined in this Section 102 or 100% Affordable Housing as defined in Planning Code Section 315, the
17 residential square footage devoted to Group Housing shall include both common and private space in
18 the following amounts: for every gross square foot of private space (including bedrooms and individual
19 bathrooms), 0.25 gross square feet of common space shall be provided, with at least 50% of the
20 common space devoted to communal kitchens with a minimum of one kitchen for every 20 Group
21 Housing units. ~~Such group housing~~ Group Housing shall include, but not necessarily be limited to,
22 a Residential Hotel, boardinghouse, guesthouse, rooming house, lodging house, residence
23 club, commune, fraternity or sorority house, monastery, nunnery, convent, or ashram. It shall
24 also include group housing affiliated with and operated by a medical or educational institution,

1 when not located on the same lot as such institution, which shall meet the applicable
2 provisions of Section 304.5 of this Code concerning institutional master plans.

3 * * * *

4
5 **SEC. 415.2. DEFINITIONS.**

6 See Section 401 of this Article.

7 "Owned Unit" shall mean a dwelling unit that is a condominium, stock cooperative,
8 community apartment, or detached single family home. The owner or owners of an owned unit
9 must occupy the unit as their primary residence. An Owned Unit shall not be Group Housing, as
10 defined in Section 102.

11 * * * *

12
13 Section 4. Effective Date.

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

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

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

7

8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

10 By: /s/
11 AUDREY WILLIAMS PEARSON
 Deputy City Attorney

12 n:\legana\as2021\2200120\01571301.docx

13

14

15

16

17

18

19

20

21

22

23

24

25

FILE NO.

LEGISLATIVE DIGEST

[Planning Code - Group Housing Definition]

Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

Currently, a group housing unit is defined as a residential use without individual cooking facilities, with a minimum tenancy of one week. The definition does not include a requirement for a minimum number of kitchens or other common space. The Inclusionary Housing Program (Planning Code Section 415 *et seq*) definition of "owned unit" does not reference group housing units.

Amendments to Current Law

This ordinance would revise the Planning Code general definition of group housing to clarify that such units do not include limited cooking facilities or kitchens, to require a minimum tenancy of thirty days, to require a minimum ratio of private space to public common space and to require a minimum of one communal kitchen for every 20 group housing units. The ordinance would also amend the definition of "owned unit" in the Inclusionary Housing Program to not include a group housing unit.

Background Information

Group housing units have been allowed limited kitchens based on a Zoning Administrator determination in 1995. These amendments would clarify that group housing units do not include kitchen facilities.

n:\legana\as2021\2200120\01571306.docx

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Aaron Peskin

Subject:

Planning Code - Group Housing Definition

The text is listed:

Ordinance amending the Planning Code to revise the definition of Group Housing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Signature of Sponsoring Supervisor: /a/