AMENDED IN COMMITTEE 4/25/2022 ORDINANCE NO.

FILE NO. 220447

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 <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> .
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	Cabocations of parts of tables.
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. 220447 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. 220447, 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. 220447 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.
 - (eg) 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.
 - (<u>f</u>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.
 - (gi) 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.
 - (hi) 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.
 - (ik) 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

- under California Government Code Section 65913.5(e)(3). This Board therefore declares that this ordinance is enacted pursuant to California Government Code Section 65913.5.
- (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.
- (km) 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.).

 Furthermore, by prohibiting short-term rentals, the ordinance preserves these rent-controlled units for stable residential uses, helping alleviate the dire need for housing at affordable prices in San Francisco.
- (In) 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

1	downsize, and larger units that can help growing or multi-generational families stay
2	adequately housed.
3	(me) This Board finds that it is in the public interest to support San Francisco
4	homeowners in developing their properties while continuing to reside on the property as a key
5	means of building intergenerational wealth, particularly for first-generation or historically
6	marginalized homeowners. Because the regulatory and development process, combined with
7	escalating home prices and construction costs, presents specific challenges to homeowners
8	distinct from those faced by development and construction professionals, this ordinance
9	applies certain provisions to property owners who intend to continue residing on the property
10	after construction.
11	(np) This ordinance allows for a density exception where the project does not cause a
12	substantial adverse change in the significance of an historic resource, as defined. This Board
13	recognizes that prior to submitting a development application, property owners may apply to
14	the Planning Department for a pre-application Historic Resource Assessment to determine
15	whether a historic resource is present on the lot. To support homeowners in using this density
16	exception to develop their properties, this ordinance waives permit fees for the Historic
17	Resource Assessment under certain conditions.
18	
19	Section 3. Article 2 of the Planning Code is hereby amended by revising Sections 102
20	207 _± and 209.1, to read as follows:
21	SEC. 102. DEFINITIONS.
22	Dwelling Unit, Bonus. A Bonus Dwelling Unit is any Dwelling Unit that is not an
23	Accessory Dwelling Unit and which is permitted to be constructed in an RH District, continger
24	upon compliance with Section 207(c)(8), in excess of the number of units otherwise permitted
25	by right in the applicable RH District as set forth in Table 209.1. For example, a property

1	owner with a lot in an RH-2 District is permitted to construct two units per lot, according to
2	Table 209.1. If the property owner elects to comply with Section 207(c)(8) and is thereby
3	authorized to construct four units, the two units authorized under Section 207(c)(8) in excess
4	of the two units permitted under the RH-2 column of Table 209.1 shall be deemed Bonus
5	Dwelling Units. Each Bonus Dwelling Unit shall be subject to the requirements of Planning
6	Code Section 207(c)(8) and Administrative Code Sections 37.2 and 37.3.
7	* * * *
8	SEC. 207. DWELLING UNIT DENSITY LIMITS.
9	* * * *
10	(c) Exceptions to Dwelling Unit Density Limits. An exception to the calculations
11	under this Section 207 shall be made in the following circumstances:
12	* * * *
13	(8) Residential Density Exception in RH Districts.
14	(A) Density Exception. Projects located in RH Districts that are not seeking or
15	receiving a density bonus under the provisions of Planning Code Sections 206.5 or 206.6 shall receive
16	an exception from residential density limits for up to four dwelling units per lot, excluding Corner Lots,
17	or up to six dwelling units per lot in Corner Lots, not inclusive of any Accessory Dwelling Units as
18	permitted under this Section 207, provided that the dwelling units meet the requirements set forth in
19	this subsection (c)(8).
20	(B) Eligibility of Historic Resources. To receive the density exception
21	authorized under this subsection (c)(8), a project must demonstrate to the satisfaction of the
22	Environmental Review Officer that it does not cause a substantial adverse change in the significance of
23	an historic resource as defined by California Code of Regulations, Title 14, Section 15064.5, as may be
24	amended from time to time. Permit fees for pre-application Historic Resource Assessments shall
25	be waived for property owners who apply to obtain a density exception under this subsection

1	(c)(8), if they sign an affidavit stating their intent to reside on the property for a period of three
2	years after the issuance of the Certificate of Final Completion and Occupancy for the new
3	dwelling units. Permit fees for Historic Resource Determinations shall not be waived.
4	(C) Applicable Standards. Projects utilizing the density exception of this
5	subsection (c)(8) and that provide at least four dwelling units shall be subject to a minimum Rear Yard
6	requirement of the greater of 30% of lot depth or 15 feet. All other building standards shall apply in
7	accordance with the applicable zoning district as set forth in Section 209.1.
8	(D) Unit Replacement Requirements. Projects utilizing the density exception of
9	this subsection (c)(8) shall comply with the requirements of Section 66300(d) of the California
10	Government Code, as such requirements are defined therein and as may be amended from time to
11	time, including but not limited to requirements to produce at least as many dwelling units as the
12	projects would demolish; to replace all protected units with deed restricted affordable units,
13	subject to any applicable limitations under state law; and to offer existing occupants of any
14	protected units that are lower income households relocation benefits and a right of first refusal for a
15	comparable unit, available in the new housing development at an affordable rent or cost, as
16	those terms are defined therein.
17	(E) Applicability of Rent Ordinance; Regulatory Agreements. Project
18	sponsors of projects utilizing the density exception of this subsection (c)(8) shall enter into a
19	regulatory agreement with the City, as a condition of approval of the density exception
20	("Regulatory Agreement"). At a minimum, the Regulatory Agreement shall contain the
21	following: (i) a statement that the Project's Bonus Dwelling new Uunits created pursuant to the
22	density exception are not subject to the Costa-Hawkins Rental Housing Act (California Civil
23	Code Sections 1954.50 et seq.) because, under Section 1954.52(b), the property owner has
24	entered into and agreed to the terms of this agreement with the City in consideration of an
25	exception from residential density limits of up to four dwelling units per lot, or up to six units

1	per lot in Corner Lots, or other direct financial contribution or other form of assistance
2	specified in California Government Code Sections 65915 et seq.; (ii) a description of the
3	exception of residential density or other direct financial contribution or form of assistance
4	provided to the property owner; and (iii) a statement of the limitations on sales prices, rental
5	rates, and rental rate increases applicable to Bonus Dwelling Units; and (iv) a description of
6	the remedies for breach of the agreement and other provisions to ensure implementation and
7	compliance with the agreement. The property owner and the Planning Director (or the
8	Director's designee), on behalf of the City, will execute the Regulatory Agreement, which shall
9	be reviewed and approved by the City Attorney's Office. The Regulatory Agreement shall be
10	executed prior to the City's issuance of the First Construction Document for the project, as
11	defined in Section 107A.13.1 of the San Francisco Building Code. Following execution of the
12	Regulatory Agreement by all parties and approval by the City Attorney, the Regulatory
13	Agreement or a memorandum thereof shall be recorded to the title records in the Office of the
14	Assessor-Recorder against the property and shall be binding on all future owners and
15	successors in interest.
16	(F) Minimum Unit Sizes. Bonus Dwelling Units shall have no fewer
17	than two bedrooms. The minimum square footage of living space shall satisfy the
18	requirements for two, three, or four-bedroom units, as may be applicable, as set forth by the
19	California Tax Credit Allocation Committee as of May 16, 2017. The minimum square footage
20	of living space shall be 450 square feet for any two-bedroom units, 900 square feet for any
21	three-bedroom units, and 1,100 square feet for any four-bedroom units. At least one of the
22	dwelling units resulting from the density exception shall have two or more bedrooms or shall
23	have a square footage equal to no less than 1/3 of the floor area of the largest unit on the lot.
24	(G) Prohibition of Short-Term Residential Rentals. Bonus Dwelling
25	Units shall not be used for Short-Term Residential Rentals under Chapter 41A of the

1	Administrative Code. A Notice of Special Restrictions memorializing these restrictions shall
2	be recorded to the title records in the Office of the Assessor-Recorder against the subject
3	property and shall be binding on all future owners and successors in interest.
4	(H) Owner Occupancy. To receive the density exception authorized
5	under this subsection (c)(8), the property owner must sign an affidavit stating that they intend
6	to occupy one of the units as their primary residence for at least five years after receiving the
7	Certificate of Completion.
8	(I) SALES OF BONUS DWELLING UNITS. Any Bonus Dwelling Unit
9	that is offered for sale shall be offered at a sales price that does not exceed the maximum
10	sales price determined by the Mayor's Office of Housing and Community Development
11	("MOHCD") to be affordable for a buyer at 100% of the median income for San Francisco as
12	published annually by MOHCD and derived in part from income limits and area median
13	income published by the United States Department of Housing and Urban Development for
14	the County of San Francisco ("AMI"). The maximum sales price shall be determined using an
15	affordable sales price methodology established and approved by MOHCD. MOHCD may
16	adjust the AMI and maximum sales price based on a household size appropriate for the
17	Bonus Dwelling Unit and number of bedrooms. The owner of the Bonus Dwelling Unit shall
18	obtain MOHCD's approval of the maximum sales price prior to any marketing or sale of a
19	Bonus Dwelling Unit. The requirements and limitations in this Section 207(c)(8)(I) shall apply
20	to any Bonus Dwelling Unit while the building containing such a Bonus Dwelling Unit remains
21	in existence in or upon the subject property, notwithstanding any modifications to such a
22	building. These requirements and limitations shall be memorialized in a notice or declaration
23	of special restrictions that is recorded to the title records in the Office of the Assessor-
24	Recorder for the real property containing the Bonus Dwelling Unit.
25	

(J) Annual Report on Racial Equity and Language Access

Goals. To help the City evaluate whether the implementation of Section 207(c)(8) comports with the City's racial equity and language access goals, each year the Planning Department shall prepare a report on the characteristics and demographics of the applicants to and participants in this program ("Equity Report") and the Equity Report shall be included and identified in the annual Housing Inventory Report. The Planning Department shall prepare the report utilizing data that has been provided by program participants voluntarily and anonymously, and separate from the submittal of an application for a density exception. An applicant's decision to provide or decline to provide the information requested by the Planning Department in order to prepare the report shall have no bearing on the applicant's receipt of a density exception.

* * * *

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 and height, <u>and characterized by rear yards and a pattern of mid-block open spaces</u>. Such areas tend to have similarity of building styles and predominantly contain large units suitable for family occupancy, considerable open space, and limited nonresidential uses. The RH Districts are composed of <u>five separate</u> two <u>three</u> 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	s have controlled	l the nature o	f 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-I(S) Districts: One-Family with Minor Second Unit. These Districts are similar in character to RH-I 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 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. 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-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 https://linearchy.nih.gov/hitzle/.

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. <u>In</u> some cases, Group Housing and institutions are found in these areas, although nonresidential uses tend to be quite 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.

Table 209.1
ZONING CONTROL TABLE FOR RH DISTRICTS

15 16	Zoning Category	§ Referen ces	RH- 1(D)	RH-1	RH-1(S)	<u>RH-2(D)</u>	RH-2	RH-3
_	BUILDING STANDA	RDS						
17	Massing and Setback	KS						
18			No por	tion of	. a	No portion of a	No portion of a	
19							Dwelling may be taller than	Varies,
20		250-252,	with us	ses othe	e r than	Structures with	40 feet.	but
21		, ,		ngs ma ucted to	-	uses other than Dwellings may be	Structures with uses other	generally 40 feet.
۲۱	Height and Bulk	261.1,270,					than Dwellings	
22	li imite	, ,			rally 40			sculpting
23		also Height		-			constructed to	
20			0	limit m	-	-	the prescribed	
24								261.1.
0.5		•			slope of		Per § 261 the	
25			the lot.	.		<u>decreased or</u>	height limit	

ı										
1 2 3				increased based on the slope of the lot.	-					
4 5	Front Setback	§§ 130, 131, 132	Required. Based on average of adjacent properties or if subject property has a Legislated Setback. When front setback is based or adjacent properties, in no case shall the required setback be great than 15 feet.							
8	Rear Yard <u>(10)</u>	§§ 130, 134		30% of lot depth,	45% of lot depthaverage of adjaneighbors. If avoing less than 25° feet, whichever	cent eraged, % or 15				
11	Side Yard	§§ 130, 133	Required for lots 28 feet and wider. Width of side setback depends on width of lot.	Not Required.						
13	Residential Design Guidelines	§ 311	Subject to the Resider guidelines that have b may also apply.	_	_					
14	Street Frontage and	Public Real	m							
16	Front Setback	§ 132	Required. At least 50% to increase storm water be unpaved and devo	er infiltration and 20%	% of Front Setba					
18	Streetscape and Pedestrian Improvements (Street Trees)	§ 138.1	Required.							
	Street Frontage Requirements	§ 144	§ 144 applies generally. Additional requirements apply to Limited Commercial Uses, as specified in § 186.							
22	Street Frontage, Parking and Loading Access Restrictions	§ 155(r)	As specified in § 155(r)							
23	Miscellaneous									
	Large Project Review	§ 253	C required for projects over 40 feet in height.							

	E	ı	Т		1		Ι			
1	Planned Unit Development	§ 304	ϵ	€	ϵ	<u>C</u>	С	С		
2	Awning	§ 136.1	P (1)	P(1)	P(1)	<u>P(1)</u>	P (1)	P (1)		
3	Canopy or Marquee	§ 136.1	NP	₩₽	NP.	<u>NP</u>	NP	NP		
	Signs	§ 606	As permitted by Section	on § 606	5					
4	RESIDENTIAL STAI	NDARDS A	DARDS AND USES							
5	Development Standa	ds								
6					At least					
7					300 square					
8					feet for the first					
9					unit and 100					
10				At least	for the	At least		At least		
11		§§ 135, 136	At least 300 square feet if private, and 400 square feet if common.	square feet if private, and 400 square feet if common	unit if square feet if private, private, and 400 square feet for took if		At least	At least 100		
12	Haabla Onan Chasa					private,	feet if private, and 133 square			
	Usable Open Space [Per Dwelling Unit]									
14										
15					unit	COMMO	ii common.	common.		
16					and 133 square	=				
17					feet for the					
18					second unit if					
19					commo					
20	Dorking	SS 1E1			н.					
	Parking Requirements	§§ 151, 161	None required. Maxim	um perr	mitted pe	er § 151.				
22	Residential Conversion,	C for Removal of one or more Residential Units or Unauthorized								
23	Demolition, or Merger	§ 317	Units.							
24	Use Characteristics	<u> </u>								
	OSE CHARACTERISTICS									

	Intermediate Length Occupancy	§§102, 202.10	P(9)	P(9)	P(9)	<u>P(9)</u>	P(9)	P(9)
	Single Room Occupancy	§ 102	₽	P	P	<u>P</u>	Р	Р
3	Student Housing	§ 102	P	P	P	<u>P</u>	Р	Р
4	Residential Uses	<u> </u>				<u> </u>		
5					P up to			
					two			
6					units			
7				P up to	per lot, if the			
8				r up w one unit	v			
0					unit is			
9				C up to	-			P up to
10				one unit	ft. or less. C		P up to two	three units per
	.					P up to	units per lot. C up to	lot. C up
	Residential Density, Dwelling Units	88 102 207	One unit per lot.	,	one unit	<u>two</u>	IODO LIDIT	
4 0	(6) <u>(11)</u>	<u>gg 102,</u> 207	-	lot area, with no	per	units per lot.	4 = 00	unit per 1,000 square feet of lot area.
13	· /				3,000 square		square feet of lot area.	
					feet of			
14				than	lot			
15					area,			
4.0					with no more			
16					than			
17					three			
18					units			
			D t. t. ' t		per lot.	. 20	• • • • • • • • • • • • • • • • • • • •	20
19			P up to twice the number principal use in the dis		_			
20	Caniar Haveine	§§ 102,	202.2(f)(1).	strict aric	ı meetiii	ig all tile	requiremen	13 01 3
21	Senior Housing	202.2(f)	C up to twice the num					
∠ I			principal use in the dis					
22			202.2(f)(1) except for	§ 202.2((1)(1)(D)	`		
23							-	C, up to one
	Residential Density,	§ 208	NP	NP	₩₽			bedroom
24	Group Housing			- · · ·			for every	for every
25							415 square	275

		1					C (. (l. (<u> </u>			
1							feet of lot area.	square feet of lot area.			
3	Homeless Shelter	§§ 102, 208	NP	NP	₩	<u>NP</u>	С	С			
4	NON-RESIDENTIAL	. STANDAR	DS AND USES								
5	Development Standards										
6	Floor Area Ratio	§§ 102, 123, 124	1.8 to 1	1.8 to 1	1.8 to 1	<u>1.8 to 1</u>	1.8 to 1	1.8 to 1			
8	Off-Street Parking	§§ 150, 151, 161	None required. Maxim	um perr	nitted p	er § 151.					
9	Limited Commercial Uses	§§ 186, 186.3	Continuing nonconforming uses are permitted, subject to the requirements of § 186. Limited Commercial Uses may be conditionally permitted in historic buildings subject to § 186.3.								
11	Agricultural Use Cate	egory									
12	Agricultural Uses <u>*</u>	§§ 102, 202.2(c)	€	ϵ	ϵ	<u>CI</u>	С	С			
13	Agriculture, Industrial	§§ 102, 202.2(c)	NP	₩	NP	<u>NP</u>	NP	NP			
14 15	Agriculture, Neighborhood	§§ 102, 202.2(c)	P	P	₽	<u>P</u>	Р	Р			
	Automotive Use Category										
16	Automotive Uses <u>*</u>	§ 102	NP	NP	₩₽	<u>NP</u>	NP	NP			
	Parking Garage, Private	§ 102	€	ϵ	ϵ	<u>C</u>	С	С			
18	Parking Lot, Private	§ 102	€	ϵ	ϵ	<u>C</u>	С	С			
19 20	Parking Lot, Public	§§ 102, 142, 156	NP	NP	NP	<u>NP</u>	NP (8)	NP			
	Entertainment, Arts and Recreation Use Category										
21 22	Entertainment, Arts and Recreation Uses*	§ 102	₩₽	NP	NP	<u>NP</u>	NP	NP			
2324	Open Recreation Area	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С			
	Passive Outdoor Recreation	§ 102	₽	₽	₽	<u>P</u>	Р	Р			

1	Industrial Use Catego	ory						
2	Industrial Uses <u>*</u>	§ 102	NP	₩₽	NP	<u>NP</u>	NP	NP
2	Institutional Use Category							
3	Institutional Uses <u>*</u>	§ 102	N P	₩₽	₩₽	<u>NP</u>	NP	NP
4	Child Care Facility	§ 102	₽	₽	₽	<u>P</u>	Р	Р
5	Community Facility	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
5	Hospital	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
6 7	Post-Secondary Ed. Institution	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
,	Public Facilities	§ 102	₽	₽	₽	<u>P</u>	Р	Р
8	Religious Institution	§ 102	€	ϵ	ϵ	<u>C</u>	С	С
9	Residential Care Facility	§ 102	P	P	₽	밀	Р	Р
10	School	§ 102	ϵ	ϵ	ϵ	<u>C</u>	С	С
11	Sales and Service Category							
12	Retail Sales and Service Uses*	§ 102	NP	₩₽	₩	<u>NP</u>	NP	NP
13	Hotel	§ 102	NP	₩₽	₩₽	<u>NP</u>	C (4)	C (4)
14	Mortuary	§ 102	C (5)	C (5)	C (5)	<u>C (5)</u>	C (5)	C (5)
15	Non-Retail Sales and Service*	§ 102	NP	₩	₩	<u>NP</u>	NP	NP
16	Utility and Infrastructure Use Category							
17	Utility and Infrastructure*	§ 102	NP	₩	₩	<u>NP</u>	NP	NP
	Internet Service Exchange	§ 102	€	ϵ	ϵ	<u>C</u>	С	С
19	Utility Installation	§ 102	€	ϵ	ϵ	<u>C</u>	С	С
20 21	Wireless Telecommunications Services Facility	§ 102	C or P (7)	C or P (7)	C or P (7)	<u>C or P</u> (7)	C or P (7)	C or P (7)

* Not listed below.

24

25

22

(10) Projects utilizing the density exception of Section 207(c)(8) and that provide at least four 1 dwelling units shall be subject to a minimum Rear Yard requirement of 30% of lot depth, but in no case less than 15 feet. 2 (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). 3 4 Section 4. The Planning Code is hereby amended by revising Sheets ZN01, ZN02, 5 ZN03, ZN04, ZN05, ZN06, ZN07, ZN08, ZN09, ZN10, ZN11, ZN12, and ZN13 of the Zoning 6 Map of the City and County of San Francisco, as follows: 7 8

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

13

14

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

16

17

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SEC. 37.2. DEFINITIONS.

18

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

23

The term "rental units" shall not include:

25

24

* * * *

1	(4) Except as provided in subsections (A)- (DE) , dwelling units whose rents are
2	controlled or regulated by any government unit, agency, or authority, excepting those
3	unsubsidized and/or unassisted units which are insured by the United States Department of
4	Housing and Urban Development; provided, however, that units in unreinforced masonry
5	buildings which have undergone seismic strengthening in accordance with Building Code
6	Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the
7	ordinance is not in conflict with the seismic strengthening bond program or with the program's
8	loan agreements or with any regulations promulgated thereunder;
9	* * * *
10	(E) The term "rental units" shall include any Bonus Dwelling Units, as defined
11	in Section 102 of the Planning Code, new dwelling units created pursuant to the density
12	exception set forth in Section 207(c)(8) of the Planning Code.
13	
14	SEC. 37.3. RENT LIMITATIONS.
15	(a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent
16	increases upon tenants in occupancy only as provided below and as provided by subsections
17	37.3(d)-and, 37.3(g), 37.3(h), and 37.3(i):
18	* * * *
19	(d) Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.).
20	Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)
21	and regardless of whether otherwise provided under Chapter 37:
22	(1) Property Owner Rights to Establish Initial and All Subsequent Rental
23	Rates for Separately Alienable Parcels.
24	(A) An owner or residential real property may establish the initial and all
25	subsequent rental rates for a dwelling or a unit which is alienable separate from the title to any

1	other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b),
2	(d), or (f) of Section 11004.5 of the California Business and Professions Code. The owner's
3	right to establish subsequent rental rates under this paragraph shall not apply to a dwelling or
4	unit where the preceding tenancy has been terminated by the owner by notice pursuant to
5	California Civil Code Section 1946 or has been terminated upon a change in the terms of the
6	tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent
7	increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new
8	tenancy in that dwelling or unit.
9	* * * *
10	(D) An owner's right to establish subsequent rental rates under
11	subsection 37.3(d)(1) shall not apply to a dwelling or unit that is a Bonus new Delwelling Uunit
12	created pursuant to the density exception set forth in Section 207(c)(8) of the Planning Code.
13	* * *
14	(g) New Construction and Substantial Rehabilitation.
15	(1) An owner of a residential dwelling or unit which is newly constructed and
16	first received a certificate of occupancy after the effective date of Ordinance No. 276-79 (June
17	13, 1979), or which the Rent Board has certified has undergone a substantial rehabilitation,
18	may establish the initial and all subsequent rental rates for that dwelling or unit, except:
19	(A) where rent restrictions apply to the dwelling or unit under
20	Sections 37.3(d) or 37.3(f);
21	(B) where the dwelling or unit is a replacement unit under
22	Section 37.9A(b);
23	(C) as provided for certain categories of Accessory Dwelling Units under
24	Section 37.2(r)(4)(D); and
25	(D) as provided in a development agreement entered into by the City

1	under Administrative Code Chapter 56-; and
2	(E) as provided for certain categories of new dwelling units under Section
3	37.2(r)(4)(E).
4	(h) Limitations on Rental Rates and Rental Rate Increases of Bonus Dwelling
5	Units. Each Bonus Dwelling Unit created pursuant to the density exception set forth in
6	Section 207(c)(8) of the Planning Code shall comply with the requirements below:
7	(1) Each unit shall be offered at an initial base rent determined by the Mayor's
8	Office of Housing and Community Development ("MOHCD") to be affordable for households
9	earning 100% of Area Median Income ("AMI"), as set forth in the table titled "Maximum
10	Monthly Rent By Unit Type," as filed with MOHCD annually for the Inclusionary Housing
11	Program and available for viewing on the MOHCD website.
12	(2) After the establishment of the initial base rent, the owner of a Bonus
13	Dwelling Unit may impose rent increases upon a tenant in occupancy only as provided in
14	<u>Section 37.3(a).</u>
15	(i) Bonus Dwelling Unit Registry. The Rent Board shall maintain a list of addresses
16	of Bonus Dwelling Units, and Principally Permitted units that were built as part of the same
17	project, that is published on its website, and shall update the list annually.
18	
19	Section 56. Article 9 of the Subdivision Code is hereby amended by revising Sections
20	1396.2, 1396.4 and 1396.5 and adding Section 1396.6, to read as follows:
21	
22	SEC. 1396.2. PROHIBITION ON CONDOMINIUM CONVERSIONS FOR CERTAIN
23	BUILDINGS.
24	(a) Notwithstanding any provisions in this Code to the contrary, including
25	Section 1359, the Department of Public Works shall not sell residential condominium

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

* * * *

1	(c) Except as otherwise authorized under Section 1396.6, Fthe Department shall not accept
2	an application for the conversion of residential units under Section 1396 nor conduct a lottery
3	under this Article prior to January 1, 2024. Thereafter, the lottery shall resume upon the
4	earlier of the following: (1) the first February following the Mayor's Office of Housing and
5	Community Development report pursuant to Ssubsection (b) showing that the total number of
6	Conversion Replacement Units produced in the City of San Francisco exceeded the total
7	number of units converted as identified in the Department's report prepared pursuant to
8	subsection (a); or (2) completion of the "Maximum Suspension Period" as defined below.
9	* * * *
10	1396.6. CONDOMINIUM CONVERSION ASSOCIATED WITH PROJECTS THAT
11	UTILIZE THE RESIDENTIAL DENSITY EXCEPTION IN RH DISTRICTS TO CONSTRUCT
12	NEW DWELLING UNITS PURSUANT TO PLANNING CODE SECTION 207(C)(8).
13	(a) Findings. The findings of Planning Code Section 415.1 concerning the City's inclusionary
14	affordable housing program are incorporated herein by reference and support the basis for charging
15	the fee set forth herein as it relates to the conversion of dwelling units into condominiums.
16	(b) Definition. "Existing Dwelling Units" shall refer to the dwelling units in existence on a lot
17	at the time of the submittal of an application to construct a new dwelling unit pursuant to Planning
18	Code Section 207(c)(8).
19	(c) Notwithstanding Section 1396.4 and Ordinance No. 117-13, the a subdivider of a one unit
20	building that has obtained a permit to build one or more new Bonus Dewelling Uunits by utilizing the
21	exception to residential density in RH districts set forth in Planning Code Section 207(c)(8), which
22	<u>results in a greater number of dwelling units than the number of Existing Dwelling Units two or</u>
23	more dwelling units, and that has signed an affidavit stating the subdivider's intent to reside in
24	one of those resulting dwelling units, or in the Existing Dwelling Unit, for a period of three
25	vears after the approval of Certificate of Final Completion and Occupancy for the new dwelling

1	units, shall (1) be exempt from the annual lottery provisions of Section 1396 with respect to the
2	dwelling units built as part of the Project Units and (2) be eligible to submit a condominium conversion
3	application for such the Existing Dwelling Units and/or include the Existing Dwelling Units in a
4	condominium map application for the project approved pursuant to Planning Code Section 207(c)(8).
5	Notwithstanding the foregoing sentence, no property or applicant subject to any of the prohibitions on
6	conversions set forth in Section 1396.2, in particular a property with the eviction(s) set forth in Section
7	1396.2(b), shall be eligible for condominium conversion under this Section 1396.6. Eligible buildings
8	as set forth in this subsection (c) may exercise their option to participate in this program according to
9	the following requirements:
10	(1) The applicant(s) for the subject building seeking to convert dwelling units to
11	condominiums or subdivide dwelling units into condominiums under this subsection shall pay the fee
12	specified in Section 1315.
13	(2) In addition to all other provisions of this Section 1396.6, the applicant(s) comply
14	with all of the following:
15	(A) The requirements of Subdivision Code Article 9, Sections 1381, 1382, 1383,
16	1386, 1387, 1388, 1389, 1390, 1391(a) and (b), 1392, 1393, 1394, and 1395.
17	(B) The applicant(s) must certify that within the 60 months preceding the date of
18	the subject application, no tenant resided at the property.
19	(C) The applicant(s) must certify that to the extent any tenant vacated their unit
20	after March 31, 2013, and before recordation of the final parcel or subdivision map, such tenant did so
21	voluntarily or if an eviction or eviction notice occurred it was not pursuant to Administrative Code
22	<u>Sections 37.9(a)(8)-(12) and 37.9(a)(14)</u> . If an eviction has taken place under Sections 37.9(a)(11) or
23	37.9(a)(14), then the applicant(s) shall certify that the original tenant reoccupied the unit after the
24	temporary eviction.
25	

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

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

shall cause the reference to the abolished district or districts to be removed from the Municipal Code, with the reference to RH-2 retained.

- (b) The City Attorney shall provide written notice to the Clerk of the Board of Supervisors of the changes to the Municipal Code resulting from the implementation of subsection (a). The Clerk shall place the City Attorney's notice in Board File No. 220447, the 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.

12 Se

Section 89. 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.

1	Section 1011. Effective Date. This ordinance shall become effective 30 days after
2	enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4	of Supervisors overrides the Mayor's veto of the ordinance.
5	
6	Section 1112. Scope of Ordinance. Except as stated in Sections 4 and 7 of this
7	ordinance, in enacting this ordinance, the Board of Supervisors intends to amend only those
8	words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks,
9	charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly
10	shown in this ordinance as additions, deletions, Board amendment additions, and Board
11	amendment deletions in accordance with the "Note" that appears under the official title of the
12	ordinance.
13	
14	APPROVED AS TO FORM:
15	DAVID CHIU, City Attorney
16	By: /s/ Andrea Ruiz-Esquide
17	ANDREA RUIZ-ESQUIDE Deputy City Attorney
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