

[Planning, Subdivision, and Administrative Codes and Zoning Map - Family Housing Opportunity Special Use District]

Ordinance amending 1) the Planning Code to create the Family Housing Opportunity Special Use District; 2) the Planning Code to authorize up to four units on individual lots, up to twelve units on merged lots in RH-1 (Residential-House, One Family) districts, and Group Housing in RH-1 districts for eligible projects in the Special Use District; 3) the Planning Code to exempt eligible projects in the Special Use District from certain height, open space, dwelling unit exposure, and rear-yard setback requirements, conditional use authorizations, and neighborhood notification requirements; 4) amending the Subdivision Code to authorize eligible projects in the Special Use District to qualify for condominium conversion or a condominium map that includes the existing dwelling units and the new dwelling units that constitute the project; 5) amending the Administrative Code to require new dwelling or group housing units constructed pursuant to the density limit exception to be subject to the rent increase limitations of the Rent Ordinance; 6) amending the Zoning Map to show the Family Housing Opportunity Special Use District; and 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.

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

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

2
3 Section 1. CEQA and Land Use Findings.

4 (a) The Planning Department has determined that the actions contemplated in this
5 ordinance comply with the California Environmental Quality Act (California Public Resources
6 Code Section 21000 *et seq.*). Said determination is on file with the Clerk of the Board of
7 Supervisors in File No. 230026 and is incorporated herein by reference. The Board affirms
8 this determination.

9 (b) On June 1, 2023, the Planning Commission, in Resolution No. 21327, adopted
10 findings that the actions contemplated in this ordinance are consistent, on balance, with the
11 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
12 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
13 Board of Supervisors in File No. 230026, and is incorporated herein by reference.

14 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code
15 amendments will serve the public necessity, convenience, and welfare for the reasons set
16 forth in Planning Commission Resolution No. 21327, and the Board adopts such reasons as
17 its own. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File
18 No. 230026 and is incorporated herein by reference.

19
20 Section 2. General Findings.

21 (a) California faces a severe crisis of housing affordability and availability, prompting
22 the Legislature to declare, in Section 65589.5 of the Government Code, that the state has "a
23 housing supply and affordability crisis of historic proportions. The consequences of failing to
24 effectively and aggressively confront this crisis are hurting millions of Californians, robbing
25

1 future generations of a chance to call California home, stifling economic opportunities for
2 workers and businesses, worsening poverty and homelessness, and undermining the state's
3 environmental and climate objectives.”

4 (b) This crisis of housing affordability and availability is particularly severe in San
5 Francisco. It is characterized by dramatic increases in rent and home sale prices over recent
6 years.

7 (c) According to the Planning Department's 2020 Housing Inventory, the cost of
8 housing in San Francisco has increased dramatically since the Great Recession of 2008-
9 2009, with the median sale price for a two-bedroom house more than tripling from 2011 to
10 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to 2020 alone,
11 even in the face of the COVID-19 pandemic. The median rental price for a two-bedroom
12 apartment saw similar although slightly smaller increases, nearly doubling from \$2,570 to
13 \$4,500 per month, from 2011 to 2019, before declining in 2020 due to the pandemic.

14 (d) These housing cost trends come after decades of underproduction of housing in
15 the Bay Area. The City's Chief Economist has estimated that approximately 5,000 new
16 market-rate housing units per year would be required to keep housing prices in San Francisco
17 constant with the general rate of inflation. To this end, the City's COVID-19 Economic
18 Recovery Task Force included a recommendation in its October 2020 report to support
19 construction of small multifamily buildings in low density areas to support “missing middle”
20 housing opportunities.

21 (e) Moreover, San Francisco will be challenged to meet increased Regional Housing
22 Needs Allocation (“RHNA”) goals in the 2023-2031 Housing Element cycle, which total 82,069
23 units over eight years, more than 2.5 times the goal of the previous eight-year cycle. At the
24 same time, relatively new State laws like Senate Bill 35 (2017) would limit San Francisco's
25

1 local zoning control and discretion if the City does not meet these RHNA housing production
2 goals.

3 (f) San Francisco's new housing production in recent years has been heavily
4 concentrated in the eastern and southeastern parts of the City, with 90% of all new housing
5 produced in just ten eastside and central neighborhoods, according to the 2019 Housing
6 Affordability Strategies Report. These neighborhoods are home to many of the City's most
7 established communities of color and communities most vulnerable to displacement
8 pressures.

9 (g) The California Fair Housing Task Force annually updates the Tax Credit Allocation
10 Committee/Department of Housing and Community Development Opportunity Map
11 ("TCAC/HCD Opportunity Map"). The TCAC/HCD Opportunity Map identifies high-resource
12 and highest-resource areas in the state whose concentration of resources have been shown
13 to support positive economic, educational, and health outcomes for low-income families —
14 particularly long-term outcomes for children. The 2020 TCAC/HCD Opportunity Map is the
15 basis for the Well-Resourced Neighborhoods Map in the 2023-2031 Housing Element, on file
16 with the Clerk of the Board of Supervisors in File No. 230001. The Well-Resourced
17 Neighborhoods Map is also on file with the Clerk of the Board of Supervisors in File No.
18 _____ and is incorporated herein by reference.

19 (h) Since 2005, just 10% of all new housing in San Francisco and 10% of new
20 affordable housing in San Francisco has been built in high- and highest-resource
21 neighborhoods, though these areas cover nearly 52% of the residential land in the city. In
22 these high-resource neighborhoods, 65% of the land is limited to one or two units. Permitting
23 additional units in high-resource areas will increase the supply of available housing, including
24 the supply of modestly-sized family units that are more affordable than large, single-family
25 homes.

1 (i) While recent legislation has authorized multi-family homes in these neighborhoods,
2 additional procedural requirements may render them too expensive to deliver. Streamlining
3 and simplifying permit processes will help provide more equitable access to the application
4 process and improve certainty of development outcomes for small multifamily buildings in
5 high- and highest-resource neighborhoods.

6 (j) This ordinance creates the Family Housing Opportunity Special Use District (SUD),
7 whose boundaries are generally coterminous with the Well-Resourced Neighborhoods Map in
8 the 2023-2031 Housing Element. This legislation expands upon and complements recently
9 enacted state legislation, such as SB 9, that aims to promote multifamily housing development
10 in single-family neighborhoods. To this end, the legislation provides project sponsors
11 flexibility to choose from a menu of incentives to fit their project needs – be it relief from
12 procedural requirements like conditional use authorizations, neighborhood notification, and
13 public-initiated discretionary review, relief from development standards like density, or a
14 combination of the two.

15 (k) The Family Housing Opportunity SUD permits development of up to four units on
16 an individual parcel in an RH District, provided that the proposed project complies with the
17 heights and bulk specified in the City's Zoning Maps (Height & Bulk Maps HT01 through
18 HT14), in addition to other eligibility criteria detailed in this ordinance. The SUD also permits
19 up to one Group Housing unit per 415 square feet of lot area in RH-1, RH-1(D), and RH-1(S)
20 districts. In those same districts, the SUD permits up to 12 units if the lot is the result of a
21 merger of three lots, or eight units if the lot is the result of a merger of two lots. This
22 ordinance also streamlines approval by exempting eligible projects from conditional use
23 authorization and neighborhood notification requirements and public-initiated discretionary
24 review hearings in Planning Code Section 311.

1 (l) All parcels affected by this ordinance are considered urban infill sites under
2 California Government Code Section 65913(e)(3). This Board therefore declares that this
3 ordinance is enacted pursuant to California Government Code Section 65913(e)(3).

4 (m) This Board finds that this ordinance is consistent with San Francisco's obligation to
5 affirmatively further fair housing pursuant to California Government Code Section 8899.50, by
6 increasing density for projects that enter into regulatory agreements with the City
7 acknowledging that, in consideration for the density exceptions, the new units shall be subject
8 to local rent control notwithstanding the Costa-Hawkins Rental Housing Act (California Civil
9 Code Section 1954.50 *et seq.*). Increasing density in this manner meaningfully addresses
10 significant disparities in housing needs and access to opportunity. Additionally, this ordinance
11 streamlines the approval process to promote certainty in development outcomes in high- and
12 highest-resource neighborhoods.

13 (n) This Board finds that it is in the public interest to encourage the production of a
14 variety of unit types, sizes, and tenure to accommodate people in different living situations,
15 including a mix of smaller units that can help young adults secure housing and seniors to
16 downsize, and larger units that can help growing or multi-generational families stay
17 adequately housed.

18 (o) This Board recognizes that additional development opportunities may lead to
19 speculative real estate investments that may seek to displace current residents, demolish
20 existing housing stock, build new units, and quickly sell those units. To discourage such
21 speculation, demolition of existing units, and displacement of current residents, this ordinance
22 makes the benefit of the streamlining and development incentives available only to persons
23 who have owned their properties for one year prior to the date of their application, including
24 the ownership duration of their Eligible Predecessor, as defined herein, subject to exceptions
25 for multiple ownership structures and vacant buildings described further in the ordinance.

Section 3. Article 2 of the Planning Code is hereby amended by adding Section 249.94, to read as follows:

SEC. 249.94. FAMILY HOUSING OPPORTUNITY SPECIAL USE DISTRICT.

(a) Purpose. To incentivize the development of multifamily housing in the City's well-resourced neighborhoods, a special use district entitled "Family Housing Opportunity Special Use District" is hereby established.

(b) Boundaries. The boundaries of the Family Housing Opportunity Special Use District are shown on Special Use District Maps Sheets SU 1, SU 2, SU 3, SU 4, SU 5, SU 6, SU 7, SU 11, SU 12, and SU 13. These boundaries consist generally of the areas designated as high-resource and highest-resource on the Well-Resourced Neighborhoods Map of the 2023-2031 Housing Element.

(c) Eligibility. An eligible project under this Section 249.94 shall be a project that complies with all the following criteria:

(1) is located in an RH District in the Family Housing Opportunity Special Use District;

(2) is not seeking or receiving approval under the provisions of Planning Code Sections 206.3, 206.5, or 206.6;

(3) is not located on a parcel resulting from a lot split under California Government Code Section 66411.7;

(4) proposes any of the following project types:

(A) Single-Lot Development Project. The construction, including through the alteration of an existing structure, of at least two and no more than four dwelling units on a single lot, inclusive of any existing dwelling units on the site. For a project proposing four dwelling units, the fourth dwelling unit shall be constructed in the rear yard pursuant to subsection (d)(3) of this Section

1 249.94. For a project proposing fewer than four dwelling units, up to one unit may be located in the
2 rear yard pursuant to subsection (d)(3) of this Section 249.94.

3 (B) **Lot-Merger Development Project in RH-1 Districts.** A merger of up to
4 three lots in RH-1, RH-1(D), or RH-1(S) districts and the construction on the resulting lot of at least
5 nine and no more than 12 dwelling units for a three-lot merger project, or at least six and no more than
6 eight dwelling units for a two-lot merger project. A project proposing a lot merger shall not be eligible
7 to construct a rear-yard unit pursuant to subsection (d)(3) of this Section 249.94.

8 (C) **Group Housing Development Project.** A single-lot project pursuant to
9 subsection (c)(4)(A) of this Section 249.94 and a lot-merger project pursuant to subsection (c)(4)(B) of
10 this Section 249.94 may also propose the construction of Group Housing up to the density limits
11 prescribed in subsection (d)(1)(C) of this Section 249.94 or currently permitted under the Planning
12 Code, whichever is greater. Projects proposing Group Housing units shall not be eligible for
13 condominium subdivision, including but not limited to conversion pursuant to Subdivision Code Section
14 1396.7.

15 (5) contains at least two dwelling units with two or more bedrooms. This provision
16 does not apply to projects where all of the units qualify as Group Housing;

17 (6) includes more dwelling units than are existing on the site at the time of application.
18 In the case of Group Housing, projects utilizing this Section 249.94 shall provide more bedrooms than
19 are existing on the site at the time of application;

20 (7) does not propose the demolition of a building that is:

21 (A) listed as a Contributor to Article 10 Historic Districts;

22 (B) listed as a Landmark under Article 10;

23 (C) located in an Article 11 Conservation District, where the building has a
24 rating of Category I, II, III or IV

1 (D) listed in or determined eligible for listing in the California Register of
2 Historical Resources; or,

3 (E) listed in or determined eligible for listing in the National Register of
4 Historic Places;

5 (8) complies with the Planning Code and any applicable design guidelines, including
6 but not limited to the provisions of this Section 249.94. Notwithstanding the previous sentence, an
7 eligible project shall strive for consistency with the Residential Design Guidelines to the extent
8 feasible;

9 (9) complies with the requirements of Section 66300(d) of the California Government
10 Code, as may be amended from time to time, including but not limited to requirements to replace all
11 protected units and to offer existing occupants of any protected units that are lower income households
12 relocation benefits and a right of first refusal for a comparable unit, as those terms are defined therein;
13 and

14 (10) demonstrates that the project sponsor has owned the subject lot for a minimum of
15 one year prior to the time of the submittal of their application, subject to the following:

16 (A) **Eligible Predecessor.** A property owner who has inherited the subject lot,
17 including any inheritance in or through a trust, from a blood, adoptive, or step family relationship,
18 specifically from either (i) a grandparent, parent, sibling, child, or grandchild, or (ii) the spouse or
19 registered domestic partner of such relations, or (iii) the property owner's spouse or registered
20 domestic partner (each an "Eligible Predecessor"), may add an Eligible Predecessor's duration of
21 ownership of the subject lot to the property owner's duration of ownership of the same lot.

22 (B) **Multiple Ownership.** Whenever property proposed for development is
23 jointly owned, owned as common property or is otherwise subject to multiple ownership, the durational
24 requirements of this subsection (c)(10) must be satisfied by: (i) the majority ownership, whether
25 represented by stock, membership interest, partnership interest, co-tenancy interest, or otherwise, in

1 the case of projects proposed under subsection (c)(4)(A); or (ii) the majority ownership of each lot to
2 be merged, whether represented by stock, membership interest, partnership interest, co-tenancy
3 interest, or otherwise, in the case of projects proposed under subsection (c)(4)(B).

4 (C) **Vacant or Abandoned Property.** The requirement in this subsection (c)(10)
5 that the project sponsor has owned the subject lot for a minimum of one year prior to the time of the
6 submittal of their application shall not apply if the property has been vacant for one or more years at
7 the time of application, or if the property has been registered as a vacant or abandoned building
8 pursuant to Building Code Section 103A.4 et seq.

9 (d) **Other Controls.**

10 (1) **Density Exceptions.** Projects that meet the eligibility criteria in subsection (c) of
11 this Section 249.94 are exempt from residential density limits, calculation of which shall not include
12 any Accessory Dwelling Units permitted under Section 207, as follows:

13 (A) **Single-Lot Density Exception.** For projects eligible under subsection
14 (c)(4)(A), up to four dwelling units per lot are allowable;

15 (B) **Lot-Merger Density Exception.** For projects eligible under subsection
16 (c)(4)(B), up to twelve dwelling units per lot are allowable, if the lot is the result of a merger of three
17 lots, or up to eight dwelling units per lot are allowable, if the lot is the result of a merger of two lots;

18 (C) **Group Housing Density Exception.** For both Single-Lot and Lot-Merger
19 Development Projects under subsection (c)(4)(A) or (B), up to one Group Housing unit per 415 square
20 feet of lot area is allowable in RH-1, RH-1(D), and RH-1(S) districts.

21 (2) **Height.** Notwithstanding any other provision of this Code, including but not limited
22 to Section 261, the height limit for a project that meets the eligibility criteria in subsection (c) of this
23 Section 249.94 shall be 40 feet, if 40 feet is authorized by the Height Map of the Zoning Map.

24 (3) **Construction of Rear-Yard Unit.** Construction of a rear-yard unit shall be
25 governed by the following standards:

1 (A) The subject parcel must be at least 2,400 square feet;

2 (B) The rear-yard unit shall be located at least four feet from the side and rear
3 lot lines and shall not share structural walls with any other structure on the lot;

4 (C) Compliance with minimum rear-yard requirements shall not be required,
5 except that a minimum 25 feet separation shall be provided between the facades that face each other;

6 (D) The dwelling unit exposure requirements of Section 140(a)(2) may be
7 satisfied through qualifying windows facing an unobstructed open area that is no less than 25 feet in
8 every horizontal dimension, and such open area is not required to expand in every horizontal
9 dimension at each subsequent floor;

10 (E) The rear-yard building height shall be limited to 20 feet measured from
11 existing grade at any given point to either i) the highest point of a finished roof in the case of a flat roof
12 or ii) the average height of a pitched roof or stepped roof, or similarly sculptured roof form. The rear-
13 yard building shall not be eligible for any height exemptions in subsection (d)(2) of this Section 249.94
14 or in Section 260(b); and

15 (F) Each dwelling unit shall have at least 100 square feet of usable open space
16 if private, and 133 square feet if common.

17 (4) **Rear-Yard Setback Requirements.** For projects that do not construct a rear-yard
18 unit pursuant to subsection (d)(3) of this Section 249.94, the basic rear yard setback shall be equal to
19 30% of the total depth of the lot on which the building is situated, but in no case less than 15 feet.

20 (5) **Open Space Requirements for Lot-Merger Projects.** For projects eligible under
21 subsection (c)(4)(B) of this Section 249.94, each dwelling unit shall have at least 100 square feet of
22 usable open space if private, and 133 square feet if common.

23 (6) **Minimum Density Requirement on Merged Lots.** For lots merged pursuant to
24 subsection (c)(4)(B) of this Section 249.94, any development on the resulting lot shall be subject to the
25 following minimum densities:

1 (A) six units per lot, if the lot results from a two-lot merger, or

2 (B) nine units per lot, if the lot results from a three-lot merger.

3 **(e) Applicability of Rent Ordinance; Regulatory Agreements.**

4 (1) Sponsors of projects utilizing any of the density exceptions in subsection (d)(1) of
5 this Section 249.94 shall enter into a regulatory agreement with the City subjecting the new units
6 created pursuant to such density exception, except for any required Affordable Units as defined in
7 Planning Code Section 401, to the Residential Rent Stabilization and Arbitration Ordinance (Chapter
8 37 of the Administrative Code), as a condition of approval of the density exception (“Regulatory
9 Agreement”).

10 (2) The property owner and the Planning Director, or the Director’s designee, on
11 behalf of the City, will execute the Regulatory Agreement, which is subject to review and approval by
12 the City Attorney’s Office. The Regulatory Agreement shall be executed prior to the City’s issuance of
13 the First Construction Document for the project, as defined in Section 107 A.13.1 of the Building Code.
14 Following execution of the Regulatory Agreement by all parties and approval by the City Attorney, the
15 Regulatory Agreement or a memorandum thereof shall be recorded in the title records in the Office of
16 the Assessor-Recorder against the property and shall be binding on all future owners and successors in
17 interest.

18 (3) At a minimum, the Regulatory Agreement shall contain the following:

19 (A) A description of the total number of units approved, including the number of
20 units subject to the Rent Stabilization and Arbitration Ordinance and other restricted units, if any, and
21 the location, square footage of dwelling units, and number of bedrooms in each unit;

22 (B) A statement that the new units created pursuant to the density exception are
23 not subject to the Costa-Hawkins Rental Housing Act (California Civil Code Section 1954.50 et seq.)
24 because under Section 1954.52(b), the property owner has entered into and agreed to the terms of the
25 agreement with the City in consideration for an exception from residential density limits, or other

1 direct financial contribution or other forms of assistance specified in California Government Code
2 Section 65915 et seq.;

3 (C) A description of the residential density exception or other direct financial
4 contribution or forms of assistance provided to the property owner; and

5 (D) A description of the remedies for breach of the agreement and other
6 provisions to ensure implementation and compliance with the agreement.

7 (f) **Review and Approvals.** Notwithstanding any other provision of this Code and irrespective
8 of whether a project is utilizing a density exception pursuant to subsection (d)(1) of this Section 249.94,
9 for any project that meets the eligibility criteria in subsection (c) of this Section 249.94 the following
10 shall apply:

11 (1) No conditional use authorization shall be required, including but not limited to the
12 requirements of Sections 303 and 317 of this Code;

13 (2) Compliance with Section 311 of this Code shall not be required; and

14 (3) A Notice of Special Restrictions (“NSR”) shall be recorded on the title of any
15 property receiving approval under this Section 249.94. The NSR shall:

16 (A) Describe the uses, restrictions, and development controls approved under
17 Planning Code Section 249.94, including but not limited to the minimum density restrictions set forth in
18 subsection (d)(6);

19 (B) State that the NSR runs with the land and is binding on all future owners and
20 successors in interest;

21 (C) Provide the Planning Department with the ability to enforce the provisions
22 of this Section 249.94;

23 (D) Describe any other conditions that the Planning Director deems appropriate
24 to ensure compliance with this Section 249.94; and

1 (E) Be signed by the City and recorded prior to issuance of the building permit
2 for the project receiving approval under this Section 249.94.

3 (g) **Review of Program.** The Planning Department shall include the location and number of
4 units of projects using this Section 249.94 in the Housing Inventory Report. Prior to December 31,
5 2030, the Planning Department shall prepare a report containing recommendations for modifications
6 to this Section 249.94, including modifications to the boundaries described in subsection (b), to further
7 the goals of the City's Seventh Housing Element Cycle.

8
9 Section 4. Pursuant to Sections 106 and 302(c) of the Planning Code, Sheets SU 1,
10 SU 2, SU 3, SU 4, SU 5, SU 6, SU 7, SU 11, SU 12, and SU 13 of the Zoning Map of the City
11 and County of San Francisco are hereby amended, as follows:

Description of Property	Special Use District Hereby Approved
All parcels within the westernmost boundary of the Great Highway; the northernmost boundary of the City; and the area bounded by Leavenworth between Jefferson and North Point; Columbus between North Point and Chestnut; Chestnut between Taylor and Montgomery; Montgomery between Chestnut and Greenwich; Greenwich between Montgomery and Sansome; Sansome between Greenwich and Vallejo; Vallejo between Sansome and Kearny;	Family Housing Opportunity Special Use District

1	Kearny between Vallejo and Filbert; Filbert	
2	between Kearny and Columbus; Columbus	
3	between Filbert and Greenwich; Mason	
4	between Greenwich and Green; Green	
5	between Mason and Leavenworth;	
6	Leavenworth between Green and	
7	Washington; Washington between	
8	Leavenworth and Powell; Powell between	
9	Washington and California; California	
10	between Powell and Leavenworth;	
11	Leavenworth between California and Bush;	
12	Bush between Leavenworth and Van Ness;	
13	Van Ness between Bush and California;	
14	California between Van Ness and Steiner;	
15	Steiner between California and Sutter; Sutter	
16	between Steiner and Gough; Gough	
17	between Sutter and Geary; Geary between	
18	Gough and Baker; St. Joseph's Avenue	
19	between Geary and Turk; Turk between St.	
20	Joseph's Avenue and Scott; Scott between	
21	Turk and McAllister; McAllister between	
22	Scott and Steiner; Steiner between	
23	McAllister and Fulton; Fulton between	
24	Steiner and Laguna; Laguna between Fulton	
25	and Oak; Oak between Laguna and	

1	Fillmore; Fillmore between Oak and Page;	
2	Page between Fillmore and Webster;	
3	Webster between Page and Haight; Haight	
4	between Webster and Laguna; Laguna	
5	between Haight and Market; Market between	
6	Laguna and Castro; Castro between Market	
7	and 21st Street; 21st Street between Castro	
8	and Dolores; Dolores between 21st Street	
9	and Cesar Chavez; Cesar Chavez between	
10	Dolores and Noe; Noe between Cesar	
11	Chavez and Laidley; Harry Street Stairs	
12	between Laidley and Beacon; Beacon	
13	between Harry Street Stairs and Miguel;	
14	Miguel between Beacon and Bemis; Bemis	
15	between Miguel and Castro; Sussex	
16	between Castro and Diamond; Diamond	
17	between Sussex and Surrey; Surrey	
18	between Diamond and Bosworth; Bosworth	
19	between Surrey and San Jose; San Jose	
20	between Bosworth and Ocean; Ocean	
21	between San Jose and Howth; Howth	
22	between Ocean and Mt. Vernon; Mt. Vernon	
23	between Howth and Harrold; Grafton	
24	between Harold and Capitol; Capitol	
25	between Grafton and Lakeview; Lakeview	

1 between Capitol and Ashton; Ashton
2 between Lakeview and Holloway; Holloway
3 between Ashton and Junipero Serra;
4 Junipero Serra between Holloway and 19th
5 Avenue; 19th Avenue between Junipero
6 Serra and Eucalyptus; Eucalyptus between
7 19th Avenue and Middlefield; Middlefield
8 between Eucalyptus and Lake Merced
9 Boulevard; Lake Merced Boulevard between
10 Middlefield and Skyline Boulevard; Skyline
11 between Lake Merced Boulevard and Sloat;
12 Sloat between Skyline and the Great
13 Highway.
14

15
16 Section 5. Article 9 of the Subdivision Code is hereby amended by amending Sections
17 1359, 1396.4, 1396.5 and adding Section 1396.7, to read as follows:

18
19 **SEC. 1359. PARCEL MAP.**

20 * * * *

21 (c) In the case of Conversions where a Tentative Map is not required, the
22 requirements of Section 1314 and the requirements of Article 9 on Conversions shall apply,
23 provided that hearings as provided in Sections 1313 and 1332 shall not be required, and
24 provided further that Article 9 shall not be applied to two-unit buildings where both units are
25 owner-occupied for one year prior to the application for Conversion. This exemption for

owner-occupied two-unit buildings shall not apply to units legalized pursuant to Section 207.3 of the Planning Code or units constructed pursuant to Section 249.94 of the Planning Code.

* * * *

**SEC. 1396.4. CONDOMINIUM CONVERSION FEE AND EXPEDITED
CONVERSION PROGRAM.**

(a) Findings. The findings of Planning Code Section 415.1 concerning the City's inclusionary affordable housing program are incorporated herein by reference and support the basis for charging the fee set forth herein as it relates to the conversion of dwelling units into condominiums.

(b) Any building may be exempted from the annual lottery provisions of Section 1396 if the building owners for said building comply with either: (1) Section 1396.3(g)(1) and all the requirements of this Section 1396.4; ~~or~~ (2) all the requirements of Section 1396.6; or (3) all the requirements of Section 1396.7. Notwithstanding the foregoing sentence, no property or applicant subject to any of the prohibitions on conversions set forth in Section 1396.2, in particular a property with the eviction(s) set forth in Section 1396.2(b), is eligible for the Expedited Conversion program under this Section 1396.4. Eligible buildings as set forth in this subsection (b) may exercise their option to participate in this program according to the following requirements:

* * * *

**SEC. 1396.5. SUSPENSION OF THE LOTTERY PENDING PRODUCTION OF
REPLACEMENT UNITS FOR EXPEDITED CONVERSION UNITS.**

* * * *

(c) Except as otherwise authorized under Section 1396.6 or Section 1396.7, the Department shall not accept an application for the conversion of residential units under Section 1396 nor conduct a lottery under this Article prior to January 1, 2024. Thereafter, the lottery shall resume upon the earlier of the following: (1) the first February following the Mayor's Office of Housing and Community Development report pursuant to subsection (b) showing that the total number of Conversion Replacement Units produced in the City of San Francisco exceeded the total number of units converted as identified in the Department's report prepared pursuant to Subsection (a); or (2) completion of the "Maximum Suspension Period" as defined below.

* * * *

**SEC. 1396.7. CONDOMINIUM CONVERSION ASSOCIATED WITH PROJECTS
CONSTRUCTED PURSUANT TO PLANNING CODE SECTION 249.94.**

(a) Findings. The findings of Planning Code Section 415.1 concerning the City's inclusionary affordable housing program are incorporated herein by reference and support the basis for charging the fee set forth herein as it relates to the conversion of dwelling units into condominiums.

(b) Definition. "Existing Dwelling Unit" shall mean the dwelling unit in existence on a lot at the time of the submittal of an application to construct a new dwelling unit pursuant to Planning Code Section 249.94.

(c) Notwithstanding Section 1396.4 of this Code and Ordinance No. 117-13, a subdivider of a one-unit building that has obtained a permit to build one or more new dwelling units pursuant to Planning Code Section 249.94, which results in two or more dwelling units, and that has signed an affidavit stating the subdivider's intent to reside in one of those resulting dwelling units, or in the Existing Dwelling Unit, for a period of three years after the approval of the Certificate of Final Completion and Occupancy for the new dwelling units, shall (1) be exempt from the annual lottery

1 provisions of Section 1396 of this Code with respect to the dwelling units built as part of the Project
2 and (2) be eligible to submit a condominium conversion application for the Existing Dwelling Units
3 and/or include the Existing Dwelling Units in a condominium map application for the project approved
4 pursuant to Planning Code Section 249.94. Notwithstanding the foregoing sentence, no property or
5 applicant subject to any of the prohibitions on conversions set forth in Section 1396.2 of this Code,
6 including but not limited to a property with the eviction(s) set forth in Section 1396.2(b), shall be
7 eligible for condominium conversion under this Section 1396.7. Eligible buildings as set forth in this
8 subsection (c) may exercise their option to participate in this program according to the following
9 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 of this Code.

13 (2) In addition to all other provisions of this Section 1396.7, the applicant(s) shall
14 comply 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
18 of 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 Sections 37.9(a)(8)-(12) and 37.9(a)(14). If a temporary eviction occurred under Sections 37.9(a)(11)
23 or 37.9(a)(14), then the applicant(s) shall certify that the original tenant reoccupied the unit after the
24 temporary eviction.

1 (3) If the Department finds that a violation of this Section 1396.7 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 1396.7 shall not prohibit a subdivider who has lawfully exercised the
7 subdivider's rights under Administrative Code Section 37.9(a)(13) from submitting a condominium
8 conversion application under this Section 1396.7.

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) of this Section 1396.7. The Director of the Department of Public Works or
13 the Director's designee is authorized to waive the time limits set forth in this subsection (d)(1) as it
14 applies to a particular building due to extenuating or unique circumstances. Such waiver may be
15 granted only after a public hearing and in no case shall the time limit extend beyond two years after
16 submission of the application.

17 (2) No less than 20 days prior to the Department's proposed decision on a tentative
18 map or tentative parcel map, the Department shall publish the addresses of buildings being considered
19 for approval and post such information on its website. During this time, any interested party may file a
20 written objection to an application and submit information to the Department contesting the eligibility
21 of a building. In addition, the Department may elect to hold a public hearing on said tentative map or
22 tentative parcel map to consider the information presented by the public, other City department, or an
23 applicant. If the Department elects to hold such a hearing it shall post notice of such hearing and
24 provide written notice to the applicant, all tenants of such building, any member of the public who
25 submitted information to the Department, and any interested party who has requested such notice. In

1 the event that an objection to the conversion application is filed in accordance with this subsection
2 (d)(2), and based upon all the facts available to the Department, the Department shall approve,
3 conditionally approve, or disapprove an application and state the reasons in support of that decision.

4 (3) Any map application subject to a Departmental public hearing on the subdivision
5 or a subdivision appeal shall receive a six-month extension on the time limit set forth in subsection
6 (d)(1) of this Section 1396.7.

7 (e) Should the subdivision application be denied or be rejected as untimely in accordance with
8 the dates specified in subsection (d)(1) of this Section 1396.7, or should the tentative subdivision map
9 or tentative parcel map be disapproved, the City shall refund the entirety of the application fee.

10 (f) Conversion of buildings pursuant to this Section 1396.7 shall have no effect on the terms
11 and conditions applicable to such buildings under Section 1385A or 1396 of this Code.

12
13 Section 6. Chapter 37 of the Administrative Code is hereby amended by revising
14 Sections 37.2 and 37.3, to read as follows:

15
16 **SEC. 37.2. DEFINITIONS.**

17 * * * *

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

22 * * * *

23 The term “rental units” shall not include:

24 * * * *

1 (4) Except as provided in subsections (A)-(E), 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 new dwelling units created
11 pursuant to the density exception_s set forth in Section_s 207(c)(8) and 249.94 of the Planning
12 Code.

14 **SEC. 37.3. RENT LIMITATIONS.**

15 (a) **Rent Increase Limitations for Tenants in Occupancy.** Landlords may impose
16 rent increases upon tenants in occupancy only as provided below and as provided by
17 subsections 37.3(d) and 37.3(g):

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 new dwelling unit created
12 pursuant to the density exception_s set forth in Section_s 207(c)(8) and 249.94 of the Planning
13 Code.

14 * * * *

15
16 Section 7. The Planning Department, the Department of Public Works, and the Rent
17 Board are authorized to adopt regulations to implement this ordinance.

18
19 Section 8. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
20 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
21 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
22 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
23 additions, and Board amendment deletions in accordance with the "Note" that appears under
24 the official title of the ordinance.

1 Section 8. Severability. If any section, subsection, sentence, clause, phrase, or word
2 of this ordinance, or any application thereof to any person or circumstance, is held to be
3 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
4 shall not affect the validity of the remaining portions or applications of the ordinance. The
5 Board of Supervisors hereby declares that it would have passed this ordinance and each and
6 every section, subsection, sentence, clause, phrase, and word not declared invalid or
7 unconstitutional without regard to whether any other portion of this ordinance or application
8 thereof would be subsequently declared invalid or unconstitutional.

9
10 Section 9. No Conflict with Federal or State Law. Nothing in this ordinance shall be
11 interpreted or applied so as to create any requirement, power, or duty in conflict with any
12 federal or state law.

13
14 Section 10. Effective Date. This ordinance shall become effective 30 days after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor's veto of the ordinance.

18
19 APPROVED AS TO FORM:
20 DAVID CHIU, City Attorney

21 By: /s/ Giulia Gualco-Nelson
22 GIULIA GUALCO-NELSON
23 Deputy City Attorney

24
25
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