File No. 230026 **Committee Item No.** 6
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Erica Major **Date** June 8, 2023
Completed by: Erica Major **Date** _____

FILE NO. 230026 SUBSTITUTED 5/16/2023 ORDINANCE NO.

[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.

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 Section 21000 *et seq.*). Said determination is on file with the Clerk of the Board of Supervisors in File No. 230026 and is incorporated herein by reference. The Board affirms this determination.

(b) On June 1, 2023, the Planning Commission, in Resolution No. 21327, 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. 230026, 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. 21327, 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. 230026 and is incorporated herein by reference.

Section 2. General 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.

(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 the Bay Area. The City's Chief Economist has estimated that approximately 5,000 new market-rate housing units per year would be required to keep housing prices in San Francisco constant with the general rate of inflation. To this end, 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.

(e) Moreover, San Francisco will be challenged to meet increased Regional Housing Needs Allocation ("RHNA") goals in the 2023-2031 Housing Element cycle, which total 82,069 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.

(f) 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 2019 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) listed as a Landmark under Article 10;

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

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

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

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

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

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

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

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

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

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

*(d) **Other Controls**.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Pursuant to Sections 106 and 302(c) of the Planning Code, Sheets SU 1, 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 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	

between Capitol and Ashton; Ashton between Lakeview and Holloway; Holloway between Ashton and Junipero Serra; Junipero Serra between Holloway and 19th Avenue; 19th Avenue between Junipero Serra and Eucalyptus; Eucalyptus between 19th Avenue and Middlefield; Middlefield between Eucalyptus and Lake Merced Boulevard; Lake Merced Boulevard between Middlefield and Skyline Boulevard; Skyline between Lake Merced Boulevard and Sloat; Sloat between Skyline and the Great Highway.	

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

SEC. 1359. PARCEL MAP.

* * * *

(c) In the case of Conversions where a Tentative Map is not required, the requirements of Section 1314 and the requirements of Article 9 on Conversions shall apply, provided that hearings as provided in Sections 1313 and 1332 shall not be required, and provided further that Article 9 shall not be applied to two-unit buildings where both units are 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

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

(1) The applicant(s) for the subject building seeking to convert dwelling units to condominiums or subdivide dwelling units into condominiums under this subsection shall pay the fee specified in Section 1315 of this Code.

(2) In addition to all other provisions of this Section 1396.7, the applicant(s) shall comply with all of the following:

(A) The requirements of Subdivision Code Article 9, Sections 1381, 1382, 1383, 1386, 1387, 1388, 1389, 1390, 1391(a) and (b), 1392, 1393, 1394, and 1395.

(B) The applicant(s) must certify that within the 60 months preceding the date of the subject application, no tenant resided at the property.

(C) The applicant(s) must certify that to the extent any tenant vacated their unit after March 31, 2013, and before recordation of the final parcel or subdivision map, such tenant did so voluntarily or if an eviction or eviction notice occurred it was not pursuant to Administrative Code Sections 37.9(a)(8)-(12) and 37.9(a)(14). If a temporary eviction occurred under Sections 37.9(a)(11) or 37.9(a)(14), then the applicant(s) shall certify that the original tenant reoccupied the unit after the temporary eviction.

(3) If the Department finds that a violation of this Section 1396.7 occurred prior to recordation of the final map or final parcel map, the Department shall disapprove the application or subject map. If the Department finds that a violation of this Section occurred after recordation of the final map or parcel map, the Department shall take such enforcement actions as are available and within its authority to address the violation.

(4) This Section 1396.7 shall not prohibit a subdivider who has lawfully exercised the subdivider's rights under Administrative Code Section 37.9(a)(13) from submitting a condominium conversion application under this Section 1396.7.

(d) Decisions and Hearing on the Application.

(1) The applicant shall obtain a final and effective tentative map or tentative parcel map approval for the condominium subdivision or parcel map within one year of paying the fee specified in subsection (e) of this Section 1396.7. The Director of the Department of Public Works or the Director's designee is authorized to waive the time limits set forth in this subsection (d)(1) as it applies to a particular building due to extenuating or unique circumstances. Such waiver may be granted only after a public hearing and in no case shall the time limit extend beyond two years after submission of the application.

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

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

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

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

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

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

SEC. 37.2. DEFINITIONS.

* * * *

(r) **Rental Units**. All residential dwelling units in the City 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.

* * * *

The term "rental units" shall not include:

* * * *

(4) Except as provided in subsections (A)-(E), dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, excepting those unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development; provided, however, that units in unreinforced masonry buildings which have undergone seismic strengthening in accordance with Building Code Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the ordinance is not in conflict with the seismic strengthening bond program or with the program's loan agreements or with any regulations promulgated thereunder;

* * * *

(E) The term "rental units" shall include any new dwelling units created pursuant to the density exception*s* set forth in Section*s* 207(c)(8) *and 249.94* of the Planning Code.

SEC. 37.3. RENT LIMITATIONS.

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

* * * *

(d) **Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.).** Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.) and regardless of whether otherwise provided under Chapter 37:

(1) **Property Owner Rights to Establish Initial and All Subsequent Rental Rates for Separately Alienable Parcels**.

(A) An owner or residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit which is alienable separate from the title to any

other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d), or (f) of Section 11004.5 of the California Business and Professions Code. The owner's right to establish subsequent rental rates under this paragraph shall not apply to a dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to California Civil Code Section 1946 or has been terminated upon a change in the terms of the tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new tenancy in that dwelling or unit.

* * * *

(D) An owner's right to establish subsequent rental rates under subsection 37.3(d)(1) shall not apply to a dwelling or unit that is a new dwelling unit created pursuant to the density exception<u>s</u> set forth in Section<u>s</u> 207(c)(8) <u>*and 249.94*</u> of the Planning Code.

* * * *

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

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

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

Section 9. 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 10. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

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

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FILE NO. 230026

REVISED LEGISLATIVE DIGEST

(Substituted, 5/16/2023)

[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.

Existing Law

The General Plan consists of goals, policies and programs for the future physical development of San Francisco. The Housing Element is a component of the General Plan and serves as the City's plan for accommodating its Regional Housing Needs Allocation during an eight-year planning cycle. The 2023-2031 Housing Element identifies Well-Resourced Neighborhoods, comprised of high-resource and highest-resource areas, as defined by the California Tax Credit Allocation Committee and the Department of Housing and Community Development's Fair Housing Taskforce.

The Planning Code sets forth different zoning districts, including Special Use Districts, throughout the City, where different uses are permitted, conditionally permitted, or prohibited, and where various controls (such as density, height and bulk standards, rear yard setback, and open space requirements) apply.

The Planning Code prescribes a process to grant conditional use authorizations, which may be required in a variety of circumstances, including but not limited to the demolition, removal, or merger of dwelling units (Planning Code Section 317). The Planning Code also sets forth

the procedures for neighborhood notification for building permit applications and the process for members of the public to initiate discretionary review (Section 311).

Amendments to Current Law

This ordinance amends the Planning Code and Zoning Map to create the Family Housing Opportunity Special Use District (SUD). The boundaries of the SUD are generally coterminous with the Well-Resourced Neighborhoods identified in the 2023-2031 Housing Element.

This ordinance exempts qualifying development projects in the SUD from all conditional use authorizations, including, but not limited to, demolition, removal, or merger of dwelling units (Section 317). Qualifying projects are also exempt from neighborhood notification procedures and public-initiated discretionary review (Section 311).

A qualifying project is one that meets all of the following criteria:

- located in an RH zone in the Family Housing Opportunity SUD;
- is not seeking or receiving a density bonus under the provisions of Planning Code Sections 206.3, 206.5, or 206.6;
- is not located on a parcel resulting from a lot split under California Government Code Section 66411.7;
- proposes the construction, including the alteration of an existing structure, of one of the following project types:
    - a "Single-Lot Development Project" 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. For a project proposing fewer than four dwelling units, up to one unit may be located in the rear yard.
    - a "Lot-Merger Development Project" of up to three merged lots in the RH-1, RH-1(D), and RH-1(S) districts and the construction on the resulting lot of at least nine and no more than 12 dwelling units for a three-lot merger project, or at least six and no more than eight dwelling units for a two-lot merger project.
    - a "Group Housing Development Project" consisting of a single-lot project or a lot-merger project that proposes the construction of Group Housing up to the density limit prescribed in the SUD or currently permitted under the Planning Code, whichever is greater.
- includes more dwelling units than are existing on site at the time of application, or in the case of Group Housing, at least as many bedrooms as exist on site at the time of application;
- does not propose the demolition of certain historic buildings, as defined in the SUD;
- complies with the Planning Code and any applicable design guidelines;
- complies with the requirements of Section 66300(d) of the California Government Code, as may be amended from time to time;

- demonstrates that the project sponsor has owned the subject lot for a minimum of one year prior to the time of the submittal of their application, subject to certain exceptions, as defined in the SUD.

Qualifying projects shall receive a density exception of up to four dwelling units per lot, eight units on a lot resulting from a two-lot merger, or 12 units on a lot resulting from a three-lot merger. Qualifying projects shall also receive a density exception of up to one Group Housing unit per 415 square feet of lot area in RH-1, RH-1(D), and RH-1(S) districts. These density exceptions are not inclusive of any accessory dwelling units.

The height limit for a qualifying project is 40 feet, provided that 40 feet is permitted in the Height Map of the Planning Code. Qualifying projects must provide rear yard setbacks equal to 30% of the total depth of the lot. Qualifying projects that construct a dwelling unit in the rear yard are subject to reduced rear yard setback, dwelling unit exposure, and open space requirements.

In addition, special requirements apply to lot-merger projects. Lot-merger projects are eligible for reduced open space requirements. Lots that are merged pursuant to this ordinance are subject to minimum densities that govern future development on the merged lot. These minimum densities are six units per lot, if the lot results from a two-lot merger, or nine units per lot, if the lot results from a three-lot merger.

Projects that utilize the density exceptions must subject the units created pursuant to those exceptions to rent control, minus any affordable units required by Planning Code Section 415. Project sponsors must enter into a regulatory agreement with the City, agreeing that the incentives they are receiving constitutes adequate consideration to waive their rights under the Costa-Hawkins Rental Housing Act. (California Civil Code Sections 1954.50 et seq.) The ordinance makes parallel amendments to the Administrative Code.

The ordinance also amends the Subdivision Code to authorize a subdivider of a one-unit building that has obtained a permit to build one or more new dwelling units under the SUD, resulting in two or more dwelling units, to submit an application for condominium conversion or a condominium map that includes the existing dwelling unit as well as the new dwelling units created under the SUD. This conversion program does not include projects that propose Group Housing units. Applicants must meet certain requirements specified in the ordinance. Eligible projects in the SUD that propose Group Housing units are not eligible for condominium maps or the conversion procedures set forth in the ordinance.

The ordinance provides incentives for property owners who sign an affidavit stating their intent to reside on their properties for three years after the issuance of the Certificate of Final Completion and Occupancy for the new dwelling units.

This ordinance requires the Planning Department to report on the outcomes of this SUD in the Housing Inventory Report, in addition to a report containing recommendations for modifications to the SUD to further the goals of the next Housing Element Cycle.

Background Information

The ordinance contains findings setting forth the need to promote housing development in San Francisco's well-resourced neighborhoods. It states that the City faces a severe crisis of housing affordability and availability, characterized by dramatic increases in rent and home sale prices over recent years and historic underproduction of new housing units across income levels, particularly in the City's well-resourced neighborhoods. This ordinance also contains findings setting forth the need to affirmatively further fair housing, by increasing density in a manner that meaningfully addresses significant disparities in housing needs and access to opportunity, in addition to streamlining the approval process to promote certainty in development outcomes in these well-resourced neighborhoods.

The ordinance also includes findings to support consideration and approval of the ordinance with respect to the California Environmental Quality Act ("CEQA"), as authorized under Senate Bill 10 (Wiener) ("SB 10").

This ordinance is a substitute for an ordinance that was introduced on January 10, 2023. This substitute ordinance contains new eligibility criteria and refined development standards for eligible projects. This substitute ordinance also includes an obligation to rent restrict units created pursuant to the density exception and authorizes certain property owners to apply for condominium conversion or condominium maps that include existing residential units as well as new units created under the SUD.

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San Francisco Planning

49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

June 9, 2023

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

Re: Transmittal of Planning Department Case Number 2023-000413PCAMAP
Family Housing Opportunity Special Use District; Design Controls and Review Procedures
Board File No. 230026

Planning Commission Recommendation: **Approval with Modification**

Dear Ms. Calvillo and Supervisor Melgar,

On June 1, 2023, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Melgar that would amend Planning Code Section 249.94. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. Amend eligibility criterion to also allow projects within the RM-1 Zoning District.

2. Amend the density exceptions for Single-Lot and Lot-Merger projects to also allow up to one unit per 1,000 square feet of lot area, whichever is greater.

3. For the Single-Lot Density Exception, allow four units to be proposed in primary structure.

4. For the Lot-Merger Density Exception, require at least one of the following:

	Two-Lot Merger	Three-Lot Merger
Two-Bedroom Units	Two (2)	Three (3)
Three-Bedroom Units	One (1)	Two (2)

San Francisco Planning

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PLANNING COMMISSION RESOLUTION NO. 21327

HEARING DATE: JUNE 1, 2023

Project Name:	Family Housing Opportunity Special Use District; Design Controls and Review Procedures
Case Number:	2023-000413PCAMAP [Board File No. 230026]
Initiated by:	Supervisor Melgar / Introduced January 10, 2023
Staff Contact:	Veronica Flores, Legislative Affairs veronica.flores@sfgov.org, 628-652-7525
Reviewed by:	Aaron D Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, (628) 652-7533

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND 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 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) 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) 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) 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.

WHEREAS, on January 10, 2023 Supervisor Melgar introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 230026, which amend 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 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) 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) 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; and 6) the Zoning Map to show the Family Housing Opportunity Special Use District (SUD);

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 1, 2023; and,

WHEREAS, the proposed amendments were covered in the San Francisco Housing Element 2022 Update Environmental Impact Report (EIR) certified on November 17, 2022; and

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

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

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

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

MOVED, that the Planning Commission hereby approves with modifications the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Amend eligibility criterion to also allow projects within the RM-1 Zoning District.

2. Amend the density exceptions for Single-Lot and Lot-Merger projects to also allow up to one unit per 1,000 square feet of lot area, whichever is greater.

3. For the Single-Lot Density Exception, allow four units to be proposed in primary structure.

4. For the Lot-Merger Density Exception, require at least one of the following:

	Two-Lot Merger	Three-Lot Merger
Two-Bedroom Units	Two (2)	Three (3)
Three-Bedroom Units	One (1)	Two (2)

5. Add eligibility criteria to the SUD protecting rent-controlled buildings and prohibiting buildings with tenants and a no-fault eviction history from taking part in the proposed program.

   (1) No more than two units subject to rent control are being demolished.

   (2) The units to be demolished are not tenant occupied and are without a history of evictions under Administrative Code Sections 37.9(a)(8)-(12) or 37.9(a)(14)-(16) *(aka No-Fault Evictions)* within last 5 years.

6. Clerical changes:

   a. Revise "Group Housing unit" to state "Group Housing bedroom".

   b. Clarify that projects cannot propose a combination of Dwelling Units and Group Housing.

   c. Clarify that Unauthorized Dwelling Units do not count for the purposes of calculating existing Dwelling Units on the property at the time of application.

   d. Clarify that existing Dwelling Units qualify for the two-bedroom (and/or three-bedroom) requirement.

Findings

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

The proposed Ordinance will streamline review of qualifying housing projects.

The proposed Ordinance focuses on increasing housing production in the Well-Resourced neighborhoods.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1.A
Ensure housing stability and healthy homes.

OBJECTIVE 3.B
Create a sense of belonging for all communities of color within well-resourced neighborhoods through expanded housing choice.

OBJECTIVE 4.A

Substantially expand the amount of permanently affordable housing for extremely low- to moderate-income households.

OBJECTIVE 4.B

Expand small and mid-rise multi-family housing production to serve our workforce, prioritizing middle-income households.

OBJECTIVE 4.C

Diversify housing types for all cultures, family structures, and abilities.

POLICY 19

Enable low and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-resourced Neighborhoods by increasing the number of permanently affordable housing units in those neighborhoods.

POLICY 20

Increase mid-rise and small multi-family housing types by adopting zoning changes or density bonus programs in Well-resourced Neighborhoods and adjacent lower-density areas near transit, including along SFMTA Rapid Network33 and other transit.

POLICY 25

Reduce governmental constraints on development in Well-resourced Neighborhoods to enable small and mid-rise multi-family buildings providing improved housing choice and affordability.

POLICY 26

Streamline and simplify permit processes to provide more equitable access to the application process, improve certainty of outcomes, and ensure meeting State- and local-required timelines, especially for 100% affordable housing and shelter projects.

POLICY 32

Promote and facilitate aging in place for seniors and multi-generational living that supports extended families and communal households.

POLICY 33

Prevent the outmigration of families with children and support the needs of families to grow.

The proposed Ordinance aligns with the Housing Element's goal of providing a diverse stock of housing to meet existing and future residents' needs. This legislation especially responds to Policy 26 by eliminating procedural barriers through new streamlining opportunities for qualifying projects within the proposed Family Housing Opportunity SUD. The proposed Ordinance also focuses development opportunities within the Well-Resourced Neighborhoods identified in San Francisco. This directly supports Policy 25 by eliminating development constraints within the Well-Resourced Neighborhoods and Policy 19 by increasing small-and mid-rise buildings within the Well-Resourced Neighborhoods or within low-density neighborhoods. Collectively, this Ordinance supports the Housing Element's goal of "housing for all".

Planning Code Section 101 Findings

The proposed amendments to the Planning Code and Zoning Map are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

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

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

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

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

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

   The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

   The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

   The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

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

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

7. That the landmarks and historic buildings be preserved;

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

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

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

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 1, 2023.

Jonas P. Ionin
Commission Secretary

AYES: Braun, Diamond, Koppel, Imperial, Moore, Tanner

NOES: None

ABSENT: Ruiz

ADOPTED: June 1, 2023

5. Add eligibility criteria to the SUD protecting rent-controlled buildings and prohibiting buildings with tenants and a no-fault eviction history from taking part in the proposed program.
    a. No more than two units subject to rent control are being demolished.
    b. The units to be demolished are not tenant occupied and are without a history of evictions under Administrative Code Sections 37.9(a)(8)-(12) or 37.9(a)(14)-(16) (aka No-Fault Evictions) within last 5 years.

6. Clerical changes:
    a. Revise "Group Housing unit" to state "Group Housing bedroom".
    b. Clarify that projects cannot propose a combination of Dwelling Units and Group Housing.
    c. Clarify that Unauthorized Dwelling Units do not count for the purposes of calculating existing Dwelling Units on the property at the time of application.
    d. Clarify that existing Dwelling Units qualify for the two-bedroom (and/or three-bedroom) requirement.

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

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

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

Sincerely,

Aaron D. Starr
Manager of Legislative Affairs

cc: Giulia Gualco-Nelson, Deputy City Attorney
Michael Farrah, Aide to Supervisor Melgar
Erica Major, Office of the Clerk of the Board

Attachments :
Planning Commission Resolution
Planning Department Executive Summary

San Francisco Planning

49 South Van Ness Avenue, Suite 1400
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628.652.7600
www.sfplanning.org

EXECUTIVE SUMMARY
PLANNING CODE TEXT & ZONING MAP AMENDMENT

HEARING DATE: June 1, 2023

90-Day Deadline: August 20, 2023

Project Name:	Family Housing Opportunity Special Use District; Design Controls and Review Procedures
Case Number:	2023-000413PCAMAP [Board File No. 230026]
Initiated by:	Supervisor Melgar / Introduced January 10, 2023
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Recommendation:	Approval with Modifications

Planning Code and Zoning Map Amendment

The proposed Ordinance would amend 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 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) 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) 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; and 6) the Zoning Map to show the Family Housing Opportunity Special Use District (SUD).

The Way It Is Now:

The RH Districts are composed of five separate classes of districts, defined by the number of units permitted in each (see below). Projects trigger a Conditional Use Authorization (CUA) if the project is tantamount to demolition and neighborhood notification if the proposal involves a building expansion.

RH-1(D) Districts	1 unit max. per lot
RH-1 Districts	1 unit max. per lot **or** 1 unit per every 3,000sqft of lot area with a CUA, but in no case more than 3 units per lot
RH-1(S) Districts	1 unit max. per lot, though a small second unit is allowed if it is 600sqft or less, **or** 1 unit per every 3,000sqft of lot area with CUA, but in no case more than 3 units per lot
RH-2 Districts	2 unit max. per lot **or** 1 unit per every 1,500sqft of lot area with CUA;
RH-3 Districts	3 unit max. per lot, **or** 1 unit per every 1,000sqft of lot area with CUA

Accessory Dwelling Units (ADUs) may also be built in addition to the base density allowances in RH districts.

The Way It Would Be:

The proposed Ordinance would establish the Family Housing Opportunity SUD. The boundaries would be generally coterminous with the areas designated as high-resource and highest-resource neighborhoods in the "Well-Resourced Neighborhoods Map" of the 2023-2031 Housing Element (see Exhibit C). Eligible projects would be exempt from CUAs per Section 303, and the neighborhood notification and public-initiated Discretionary Review (DR) procedures in Section 311. All projects would be required to record a Notice of Special Restrictions (NSR) describing the approved uses, restrictions, and development controls. Such NSR would need to be signed by the City and recorded against the property prior to building permit issuance.

The Family Housing Opportunity SUD would allow projects with the following densities (exclusive of any Accessory Dwelling Units (ADUs)):

- Single-Lot Development Project: The construction, including 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. For a project proposing fewer than four dwelling units, up to one unit may be in the rear yard.
- Lot-Merger Development Project in RH-1 Districts. A merger of up to three lots in RH-1, RH-1(D), or RH-1(S) districts and the construction of at least six units but no more than eight units on a two-lot merger or at least nine units but no more than 12 dwelling units on a three-lot merger.
- Group Housing Development Project: A Single-Lot project and a Lot-Merger project may also propose the construction of up to one Group Housing unit per 415 square feet of lot area or currently permitted under the Planning Code, whichever is greater.

To be eligible for this residential density limit exception, projects must demonstrate the following criteria:

- is located in an RH district within the Family Housing Opportunity SUD;
- not combined with the State Density Bonus or HOME-SF programs;
- not proposed on a property resulting from a lot-split under Senate Bill 9;
- contains at least two dwelling units with two or more bedrooms (not applicable to Group Housing);
- includes more dwelling units than are existing on the site at the time of application (Group Housing projects need to provide at least as many bedrooms as the project would demolish);

- does not propose the demolition of a known historic building;
- complies with Code and applicable design guidelines and strives for consistency with the Residential Design Guidelines (RDGs);
- complies with Senate Bill 330 unit replacement requirements for protected units; and
- the project sponsor needs to have owned the property for one year prior to application submittal.

The Ordinance also include other controls for these projects:

- the height limit shall be 40 feet, notwithstanding Section 261 special height requirements;
- for Single-Lot projects proposing a detached rear yard unit:
  - the detached rear yard units would require a four-foot setback from the rear and side property lines and be no greater than 20 feet tall as measured from grade;
  - open space requirements for each unit on the property shall be at least 100 square feet for private, and 133 square feet if common;
  - the units shall face onto an open space that is no less than 25 feet and such open area is not required to expand in every horizontal dimension at each subsequent floor;
- for Lot-Mergers projects: the minimum densities shall be at least six units for a two-lot merger and at least nine units for a three-lot merger;
  - open space requirements for each unit on the property shall be at least 100 square feet for private, and 133 square feet if common;
- the required rear yard shall be 30% (except when proposing a detached rear yard unit, in which case a minimum of 25 feet separation is required); and
- Dwelling Units built over the base density are subject to price controls and eviction controls under the Rent Ordinance (except Affordable Units provided through the Inclusionary Affordable Housing Program).

The Department shall include an update on the location and number of the units resulting from this SUD within the Housing Inventory Report. Additionally, the Department shall prepare a report containing recommendations to this SUD, including recommendations on the boundaries, prior to December 31, 2030 which is the conclusion of the current Housing Element Cycle.

Background

The City recently passed legislation (Four-plex Program) allowing increased density of up to four Dwelling Units per lot, and up to six Dwelling Units per lot in Corner Lots, in all RH zoning districts;[1] however, this Ordinance kept in place all existing procedural requirements, such as neighborhood notification (311 Notification) and Conditional Use requirements for demolishing existing housing (Planning Code Section 317). The process requirements help make housing construction less feasible by increasing time and costs associated with the project. This Ordinance seeks to eliminate these constraints by creating a Family Housing Opportunity SUD to streamline qualifying housing projects seeking such density limit exceptions. The proposed Ordinance also expands on the density limit exception by carving out a new Lot-Merger density exception described later in this report.

[1] Ordinance 210-22, Board File No. 210866

Competing Ordinances

Mayoral Executive Directive 23-01 centered on the goal of "Housing for All" and called on all City agencies to create clear action plans to implement the 2022 Housing Element. Specifically, the mayor sought ways to eliminate procedures to streamline housing construction. As part of this effort, Mayor Breed and Supervisor Engardio introduced separate legislation under Board File 230446 to reduce housing constraints and eliminate procedural barriers. The mayor's Ordinance goes beyond the scope of Supervisor Melgar's Ordinance and includes changes like standardizing rear yard requirements and setting minimum lot size and lot frontage for the entire city; however, there are significant overlaps between the two Ordinances.

Within that overlap, there are three main differences between Supervisor Melgar's Ordinance and the mayor's Ordinance. The first is that Supervisor Melgar's Ordinance creates an SUD based on the Well-Resourced Neighborhoods within which projects are exempt from procedural requirements if they meet the eligibility requirements. The mayor's Ordinance also creates an SUD but bases it off the Priority Equity Geographies and uses it to preserve existing review procedures within that area; moreover, both Ordinances seek to increase development within Well-Resourced Neighborhoods. The second main difference is that Supervisor Melgar's Ordinance applies only to RH zoning district within the proposed SUD, while the mayor's process changes are not limited to RH zoning districts. The third main difference is that Supervisor Melgar's Ordinance seeks to replicate the density bonus provisions in the recently passed Four-plex Ordinance to create process improvements for those projects. The mayor's Ordinance does not increase density, but instead relies on existing density, the framework of the existing Four-plex Ordinance, and anticipated zoning changes from the Housing Element implementation process. A comparison of the two Ordinances can be found in Exhibit D. The mayor's Ordinance is scheduled to be heard by this commission on June 15, 2023.

Issues and Considerations

Housing Affordability Crisis

San Francisco has faced housing affordability challenges for decades including prices and rents that have increased to be among the highest in the nation. Most lower income renters struggle to afford their rent and homeownership is out of reach to all but those with the highest incomes or wealth. Over 85,000 renters and 39,000 owners spend more than 30% of income on housing and are considered cost burdened.[2, 3] The most recent Point-in-Time (PIT) Count in 2022 found 7,754 people experiencing homelessness, more than 4,000 of whom are unsheltered.[4] This was a slight decrease compared to the 2019 PIT Count, partially due to the mayor's Homelessness Recovery Plan; however, housing for all is still an issue, nonetheless.

Households of many types face housing challenges; however, the most heavily impacted households are people living alone, who make up most severely burdened renters (spending 50% or more on rent) and families with children. This latter group faces elevated rates of cost burden and makes up nearly half of overcrowded households despite being just 18% of all households. People impacted by lack of housing options are extremely diverse. They include seniors on fixed incomes, people with physical and mental disabilities who want to live

[2] Housing Needs Assessment and Assessment of Fair Housing, Housing Element 2022 Update, page 68

[3] HUD defines cost-burdened families as those "who pay more than 30% of their income for housing" and "may have difficulty affording necessities such as food, clothing, transportation, and medical care." Severe rent burden is defined as paying more than 50% of one's income on rent.

[4] 2022 Homeless Count and Survey Comprehensive Report, page 19

independently, college students, young adults trying to move out of their parents' homes, low- and moderate-income workers, middle-income homebuyers, families with children including single parents, and extended families with multiple generations living together.

People of color in San Francisco have substantially lower incomes than White residents and less housing access due to discriminatory policies. Today, Black, American Indian, and Latino residents have lower rates of home ownership than average, higher rates of cost burden, and experience homelessness at disproportionate rates. Asian residents also have higher cost burdens and, along with Latino residents, face higher rates of housing overcrowding than average.

Recent Development Patterns

In recent decades, housing was primarily built in nine neighborhoods located on the eastern half of the city where form-based, multi-family housing is more widely allowed. These neighborhoods include the Financial District / South Beach, South of Market, Mission Bay, Potrero Hill, Bayview Hunters Point, the Mission, Tenderloin, Hayes Valley, and Western Addition (see darker areas on map). Sixty percent (60%) of San Francisco's affordable units are in five neighborhoods on the eastern side of the city: the Tenderloin, South of Market, Western Addition, Mission, and Bayview-Hunters Point.[5] The concentration of affordable housing in neighborhoods that are historically lower income and predominantly communities of color has helped stabilize vulnerable communities. However, it has also meant that affordable housing has been concentrated in neighborhoods that may lack access to good environmental quality, schools, job opportunities or transportation, as well as other services and amenities.

The neighborhoods where multi-family housing is allowed often have larger lots and higher permitted heights, resulting in larger housing projects. Because much of the rest of the city has far more restrictive rules on housing, few smaller projects on smaller lots are possible. The tendency toward larger projects on larger parcels limits options for adding housing, especially for smaller property owners, contractors, and builders who do not have the capital or scale to work on larger developments. Residents ultimately bear the brunt of these restrictions, finding limited available and affordable housing options, particularly in higher opportunity areas of the city.

Well-Resourced Neighborhoods

The proposed Ordinance focuses on development opportunities within Well-Resourced Neighborhoods as defined as the high- and highest-resource by the California Tax Credit Allocation Committee (TCAC). Well-Resourced Neighborhoods have a higher concentration of and greater access to parks, quality schools, better environmental conditions, and have higher median incomes. Collectively, these identified characteristics have

[5] Housing Needs Assessment and Assessment of Fair Housing, Housing Element 2022 Update, page 46

been shown by research to support positive economic, educational, and health outcomes for low-income families – particularly long-term outcomes for children.

> Despite having a higher concentration of resources, the Well-Resourced Neighborhoods have had low rates of housing production.

Since 2005, just 10% of all new housing in San Francisco and 10% of new affordable housing has been built in Well-Resourced Neighborhoods though these areas cover almost 52% of all the residential zoned land in the city.[6] Exhibit C, which is based off the 2021 Opportunity Map, shows that the Well-Resourced Neighborhoods are mostly concentrated on the western side of the city. Well-Resourced Neighborhoods have experienced the lowest rates of new housing development over the last few decades. This may be partially due to recent rezoning in the inverse geographies since much of the eastern side of the city has established form-based zoning. Additionally, small projects have historically faced strong neighborhood opposition on the western side of the city.

The proposed Ordinance seeks to increase housing production within these Well-Resourced Neighborhoods by providing density limit exceptions as of right and adding more development opportunities through a Lot-Merger density exception. Additionally, this proposed Ordinance helps combat the housing affordability crisis by creating new rent-controlled and Affordable Units.

Eliminating Procedural Barriers for Increased Housing Production

The proposed Ordinance expands on prior legislation that created density limit exceptions throughout the city by removing development hurdles that often delay or kill housing projects, particularly on the west side. This proposed legislation removes the CUA and neighborhood notification requirements, as well as eliminates the public-initiated DR process for all qualifying projects. All these projects would need to comply with the criteria and development controls of the Family Housing Opportunity SUD to have the streamlined benefits. These streamlining benefits are available to projects not seeking a density exception. For example, if a project proposes a total of three units on an RH-3 lot, they will still receive the same streamlining benefits and development controls of the proposed Ordinance.

Development Controls

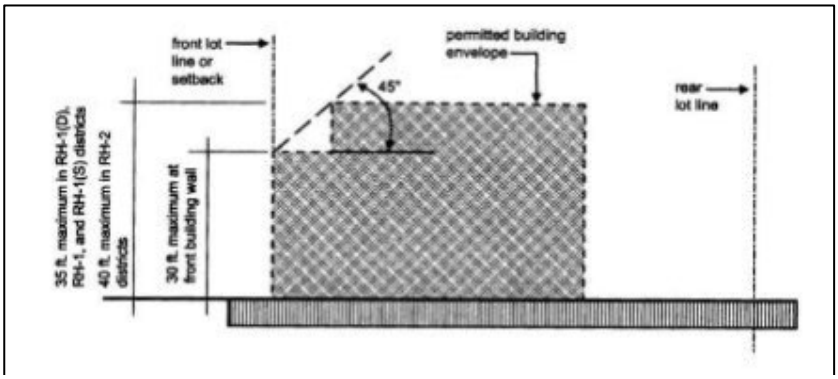
Height/Bulk Districts

Each parcel in the city has a designated Height/Bulk District outlining the maximum height for development. Section 261 includes additional controls within the RH districts including:

- no portion of a dwelling in any RH-1(D), RH-1 or RH-1(S) District shall exceed a height of 35 feet (with some exceptions due to topographical limitations of the parcel) and
- the height limit for RH-1(D), RH-1, RH-1(S) and RH-2 Districts shall be 30 feet at the front lot line, legislated setback line, or required front setback, and shall increase at an angle of 45 degrees from the horizontal toward the rear of the lot until the height limit (see Figure A).

[6] San Francisco Housing Element 2022 Update, page 39

Figure A: Height Limits Applicable to Front Portion of the Property



Source: San Francisco Planning Code, Section 261

These additional height restrictions limit some development opportunity to build a Dwelling Unit or residential building up to 40 feet tall despite being located within a Height/Bulk District of 40-X. The proposed Ordinance seeks to alleviate some of these development constraints and make it easier to construct housing, particularly when eliminating the restrictions at the front of the property.

Design Review

The proposed Ordinance does not bypass design review and the RDGs would still apply to the extent compliance with the guidelines is feasible; however, to further achieve streamlining benefits, the city needs to move away from subjective design review (such as the RDGs) and instead review housing projects against objective design standards. The Department is currently working on objective design standards in conjunction with the rezoning effort to implement the Housing Element. Once adopted, this could further expedite review of all housing projects.

Rent Control

The Rent Ordinance provides two major types of tenant protections including 1) limits on rent increases and 2) eviction protections. The first piece limits a landlord to increasing annual rent by a certain percentage each year based on the Bay Area Consumer Price Index. It is important to note that rent control does not limit the rental price when a unit first comes onto the market or after a tenant vacates the unit. This contrasts with Inclusionary Housing where rents are limited throughout the life of the building. Even without this price cap, rent control is still highly attractive for tenants as it guarantees that the rent is only increased based on the Consumer Price Index. This helps protect against extreme or arbitrary rent increases.

The second piece related to eviction protections means a landlord can only evict a tenant based on the 16 “just causes” outlined in the Rent Ordinance. One example of a “just cause” includes nonpayment of rent or habitually late payments from a tenant, and another example includes owner move-in. These “just cause” eviction protections mean that a landlord cannot wrongfully evict a tenant based on arbitrary reasons. If there are any grievances related to these protections, a tenant can file a petition with the Rent Board. The Rent Board would then conduct an evidentiary hearing to make an official determination.

For many San Franciscans, having a rent-controlled apartment is the only way they are able move to or stay in the city. Rent-controlled units are highly sought after with only a limited stock of units based on the unit's first Certificate of Occupancy (COO). Generally, only dwelling units within a pre-1979 building or added as an ADU through the Local ADU Program are subject to rent control. In the past year, the City also passed the Four-plex program and amendments to the City's local bonus program (HOME-SF) that include provisions for new rent-controlled units. There is also the Housing Crisis Act of 2019 and Senate Bill 330 also allows a City to replace any rent-controlled units that are demolished as part of a housing development. Prior to this, replacing rent-controlled units was done only intermittently through Development Agreements limiting the number of new protected units.

As drafted, the Ordinance requires units seeking a density exception to be subject to rent control. The only exception would be for units that are required to be Affordable Units. Using the same example as described earlier, if a project proposes a total of three units on an RH-3 lot, it would not be required to provide rent-controlled units. in this scenario, the project is not seeking a density exception but is taking advantage of the proposed streamlining benefits. Under the Lot-Merger project path, the Ordinance would potentially yield larger batches of rent-controlled units (sans any required Affordable Units).

General Plan Compliance

The proposed Ordinance aligns with the Housing Element's goal of providing a diverse stock of housing to meet existing and future residents' needs. This legislation especially responds to Policy 26 by eliminating procedural barriers through new streamlining opportunities for qualifying projects within the proposed Family Housing Opportunity SUD. The proposed Ordinance also focuses development opportunities within the Well-Resourced Neighborhoods identified in San Francisco. This directly supports Policy 25 by eliminating development constraints within the Well-Resourced Neighborhoods and Policy 19 by increasing small-and mid-rise buildings within the Well-Resourced Neighborhoods or within low-density neighborhoods. Collectively, this Ordinance supports the Housing Element's goal of "housing for all".

Racial and Social Equity Analysis

This analysis builds on the efforts to review Supervisor Mandelman's recent legislation to create the four-unit density exception for Residential Districts. That analysis found that the most likely existing housing typology to be affected by the legislation was small, single-family homes. This was because demolition of multi-unit buildings to increase the existing density by a few units was not financially feasible. This proposed Ordinance alleviates some of those financial constraints by allowing qualifying housing projects as of right, instead of requiring additional CUA entitlements.

<u>Reduce Potential Vulnerability of Single-Family Homeowners</u>
Despite high home prices, 50% of single-family homes are owned by moderate- or low-income owners. Single-family homes have much lower turnover than multi-family ownership units or rental units. 46% of single-family homes have been occupied for 20 years or more and 70% occupied for 10 years or more. Length of ownership may explain why so many single-family homes have owners with low and moderate incomes even though

current housing prices are unaffordable. These households may have purchased a house when prices were lower, inherited a home, or their income may have been higher when they purchased the property (*i.e., retirees*).[7]

Over 39,000 owners report facing cost burdens, comprising about 30% of all owners. A little less than half of burdened owners experience severe burdens, paying more than 50% of income in housing costs (over 19,000 owners).[8] Middle income owners are more likely to be cost burdened than renters but more than 80% of severely burdened owners are lower income. People of color are disproportionately impacted by owner cost burden, likely due to disproportionately lower incomes. Black or African American owners, as well as Hispanic or Latino, Native Hawaiian or Pacific Islander, and Asian owners, experience elevated rates of owner cost burden. While rents have dropped, the single-family home market has been highly active. Prices have only gone up in the past couple of years indicating that the pressures that might encourage these homeowners to sell their properties is powerfully in action *now*. Changing density limits is unlikely to make a significant difference in the choices these families currently face.

Aging In Place

Asian and Hispanic households are typically more likely than White households to opt into multi-generational living. The proposed density limit exceptions are especially appealing for multi-generational families looking to live collectively under one roof but still maintain their own independence by having distinct Dwelling Units. This also provides additional opportunities for seniors to age in place by relocating to a new unit on the ground floor or even a detached unit in the rear yard.

The Lot-Merger projects is envisioned to provide homeowners with limited liquid savings to be able to pool their resources together and increase housing opportunities and communal amenities on site. This requires a convergence of financial mechanisms, potential public-private partnerships, and interested property owners or available lots adjacent to each other to be able to pursue such lot mergers. If achieved, this increases the flexibility for the building configurations and unit types within a proposed housing project. This could also help families increase their equity in the long run, further cementing or enhancing their ability to age in place.

Making Well-Resourced Neighborhoods More Inclusive

The proposed Ordinance concentrates on increasing housing production within Well-Resourced Neighborhoods. Traditionally, low-income households are limited in their housing choices, often only able to rent or purchase in neighborhoods with fewer resources. The proposed Ordinance aligns with the Housing Element goal to open wealthy, predominantly white, and well-resourced neighborhoods to all communities of color and low-income households. This initiative seeks to provide access to high-quality neighborhood resources that foster positive economic and health outcomes.

Implementation

The Department has determined that this Ordinance eliminates procedural barriers and streamlines review for qualifying projects within the proposed Family Housing Opportunity SUD. Additionally, the proposed Ordinance will impact our current implementation procedures in the following ways:

[7] Housing Needs Assessment and Assessment of Fair Housing, Housing Element 2022 Update, page 37
[8] Housing Needs Assessment and Assessment of Fair Housing, Housing Element 2022 Update, page 73

- Create a new Family Housing Opportunity SUD Informational and Supplemental Application Packet;
- Require applications to submit the above Supplemental Application prior to submitting a Lot Line Adjustment (LLA) application to Public Works;
- Create a Regulatory Agreement template to designate rent-controlled units; and
- Create a new NSR template outlining the approved uses, restrictions, and development controls.

The items described above will take lead time at the front end and should not increase staff review time or costs. These efforts will be beneficial for the applicants as they will better understand upfront the new options available to them. Additionally, the revisions to the Regulatory Agreement designating the new rent-controlled units can also use the Below Market Rate designation process as a model. Therefore, staff does not anticipate revising the Regulatory Agreements will require a lengthy process.

Recommendation

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

1. Amend eligibility criterion to also allow projects within the RM-1 Zoning District.
2. Amend the density exceptions for Single-Lot and Lot-Merger projects to also allow up to one unit per 1,000 square feet of lot area, whichever is greater.
3. Eliminate the reference to RDGs ***or*** replace with "adopted objective design standards".
4. Eliminate the one-year ownership requirement.
5. For the Single-Lot Density Exception, allow four units to be proposed in primary structure.
6. For the Lot-Merger Density Exception, require at least one of the following:

	Two-Lot Merger	Three-Lot Merger
Two-Bedroom Units	Two (2)	Three (3)
Three-Bedroom Units	One (1)	Two (2)

7. Add eligibility criteria to the SUD protecting rent-controlled buildings and prohibiting buildings with tenants and a no-fault eviction history from taking part in the proposed program.

   (1) No more than two units subject to rent control are being demolished.

   (2) The units to be demolished are not tenant occupied and are without a history of evictions under Administrative Code Sections 37.9(a)(8)-(12) or 37.9(a)(14)-(16) *(aka No-Fault Evictions)*

within last 5 years.

8. Clerical changes:

    a. Revise "Group Housing unit" to "Group Housing bedroom".

    b. Clarify that projects cannot propose a combination of Dwelling Units and Group Housing.

    c. Clarify that Unauthorized Dwelling Units do not count for the purposes of calculating existing Dwelling Units on the property at the time of application.

    d. Clarify that existing Dwelling Units qualify for the two-bedroom (and/or three-bedroom) requirement.

Basis for Recommendation

The Department supports the proposed Ordinance because it supports the Housing Element's goals of increasing housing production and diversifying the housing stock, particularly within the Well-Resourced Neighborhoods. This Ordinance also supports the Mayoral Executive Directive's goal of "Housing for All". However, the Department believes the Ordinance would be more effective with the following modifications:

Recommendation 1: Amend eligibility criterion to also allow projects within the RM-1 Zoning District.
The RM-1 Zoning District has a mixture of Dwelling Unit types found within RH Districts, but in addition have a significant number of apartment buildings that broaden the range of unit sizes and the variety of structures. The RM-1 Zoning District permits a density of three units per lot or up to one unit per 800 square feet of lot area. A typical lot in the Sunset neighborhood, for example, has a parcel area of 2,500 square feet and would allow up to three Dwelling Units. The proposed Ordinance should be expanded to include RM-1 so that this zoning district is not less dense than what the proposed density limit exceptions would allow.

Recommendation 2: Amend the density exceptions for Single-Lot and Lot-Merger projects to also allow up to one unit per 1,000 square feet of lot area, whichever is greater.
The proposed Ordinance includes minimum densities for both Single-Lot and Lot-Merger projects but does not consider development potential on larger lots. The legislation should be revised to allow an additional density exemption of up to one unit per 1,000 square feet of lot area or the prescribed density minimum in the proposed Ordinance, whichever is greater (see examples in tables below). This 1,000 square feet threshold is modeled after the current CUA requirement for large lots on RH-3 parcels.

Single-Lot Project Example:

Lot Area in Square Feet	Density exception under proposed Ordinance	Density exception per 1,000 square feet of lot area (recommended modification)
2,500 (typical lot)	Four (4)	Three (3)
7,000	Four (4)	Seven (7)

Three-Lot Merger Project Example:

Lot Area in Square Feet	Density exception under proposed Ordinance	Density exception per 1,000 square feet of lot area (recommended modification)
7,500 (typical lots)	Twelve (12)	Eight (8)
16,000	Twelve (12)	**Sixteen (16)**

The greater density exception is **bolded** in each example above. This recommendation modification would allow a greater density exception as-of-right in cases of large parcels or resulting lot-mergers.

Recommendation 3: Eliminate the reference to RDGs *or* replace it with "adopted objective design standards".
The Department is working on moving away from subjective design review such as the RDGs and instead review housing projects against objective design standards. The Department is currently working on objective design standards in conjunction with the rezoning effort to implement the Housing Element. Once adopted, this could further expedite review of all housing projects.

Recommendation 4: Eliminate the one-year ownership requirement.
The ownership requirement was originally included in the Four-plex program to discourage speculative projects and developers; however, it's not clear that this stops speculative development or that the City should be discouraging people from investing in housing construction based on how long someone has owned the property. It could take up to a year for an applicant to finalize development plans, but that could also be done in a matter of months. Not allowing the applicant to submit plans when they are ready increases holding costs and ultimately the cost of housing. It also slows down the pace of housing development, and since the City needs 82,000 housing units in the next 8 years setting an arbitrary holding time is counterproductive. Eliminating the ownership requirement allows applicants to start their projects sooner and helps produce housing the housing we desperately need now. This recommendation would also align with Mayor Breed's a streamlining legislation which eliminates the ownership requirement in the Four-plex program.

Recommendation 5: For the Single-Lot Density Exception, allow four units to be proposed in primary structure.
The current provision for Single-Lot Density Exception only allows four-unit developments to have a three-unit building at the front of the lot, and one unit in the rear yard. This requirement was initially based on the understanding that the building code necessitates an elevator in four-unit buildings. The concern was that the additional height required for an elevator posed challenges during the Supervisor's outreach. However, there is no prohibition on installing an elevator in a one- or two-unit 40' building, and an applicant could propose a State ADU within the front building, which may trigger the need for an elevator. Allowing the entire development to take place at the front of the lot maintains the City's historic development pattern, which offers several environmental benefits and health benefits to residents. Additionally, constructing side yards or fire protected pathways through the front building would be necessary to accommodate development in the rear yard. Given our zero-lot line development pattern and the narrowness of our 25' lots, developing the rear yard becomes less practical.

Recommendation 6: For the Lot-Merger Density Exception, require at least one of the following:

	Two-Lot Merger	Three-Lot Merger

Two-Bedroom Units	Two (2)	Three (3)
Three-Bedroom Units	One (1)	Two (2)

The minimum of two units providing at least two bedrooms makes sense for the Single-Lot development projects but should be expanded for the Lot-Merger projects. This recommendation expands the proposed two-bedroom requirement by 1) increasing the number of required two-bedroom units when three lots are merged and 2) allowing an additional option for Lot-Merger projects to comply with unit type requirements. The idea is that a Lot-Merger project will yield more units than a Single-Lot project and thus there is more flexibility in the types of units offered. The recommended amendments align with the intent of the proposed Ordinance to create family-sized Dwelling Units.

Recommendation 7: Add eligibility criteria to the SUD protecting rent-controlled buildings and prohibiting buildings with tenants and a no-fault eviction history from taking part in the proposed program.

> (1) No more than two units subject to rent control are being demolished.
> (2) The units to be demolished are not tenant occupied and are without a history of evictions under Administrative Code Sections 37.9(a)(8)-(12) or 37.9(a)(14)-(16) *(aka No-Fault Evictions)* within last 5 years.

While Supervisor Melgar's ordinance includes a prohibition on condo conversion for buildings that have a history of no-fault evictions, we believe that this criterion should be used to determine eligibility for the program. We also want to protect multi-unit buildings (three or more units) from being demolished to reduce the loss of existing housing stock and minimize displacement. Supervisor Melgar's ordinance specifies that replacement, relocation and first right of refusal per SB 330 must be adhered to; however, it does not set a limit on the number of units in this category that could be demolished.

Recommendation 8: Clerical changes:
These changes are recommended to correct the nomenclature and language used within the proposed Ordinance. All changes are more clerical in nature and will not change the intent of the legislation.

Recommendation 8a: Revise "Group Housing unit" to "Group Housing bedroom".
Group Housing is a different use than a Dwelling Unit. The correct term is "Group Housing bedroom".

Recommendation 8b: Clarify that projects cannot propose a combination of Dwelling Units and Group Housing.
Density is calculated differently between Dwelling Units and Group Housing bedrooms. Additionally, Group Housing projects require different common space and communal kitchen requirements which should not be applied to Dwelling Units. This clarifies that the separate uses cannot be combined within the proposed SUD.

Recommendation 8c: Clarify that Unauthorized Dwelling Units do not count for the purposes of calculating existing Dwelling Units on the property at the time of application.
Unauthorized Dwelling Units should not be counted as an existing Dwelling Unit because the intent of the legislation is to increase the number of legal Dwelling Units. For example, if there is currently a single-family dwelling with an Unauthorized Dwelling Unit, the final project should include at least two Dwelling Units. This property should not need be required to propose a project with at least three Dwelling Units.

Recommendation 8d: Clarify that existing Dwelling Units qualify for the two-bedroom (and/or three-bedroom) requirement.

The Ordinance should not discount existing Dwelling Units when reviewing for the project's unit types against the eligibility criterion because not all proposed projects would be new construction. For example, if there are currently two (2) two-bedroom units at the property, the project should already meet the eligibility criterion even if they are proposing to add only one (1) new one-bedroom to the property. The eligibility criterion should review the resulting project, not just *new* Dwelling Units.

Required Commission Action

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

Environmental Review

The proposed amendments were covered in the San Francisco Housing Element 2022 Update Environmental Impact Report (EIR) certified on November 17, 2022.

Public Comment

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

Attachments:

Exhibit A: Draft Planning Commission Resolution
Exhibit B: Board of Supervisors File No. 230026
Exhibit C: Proposed Family Housing Opportunity SUD boundaries
Exhibit D: Comparison of Melgar and the mayor's proposed Ordinances

San Francisco Planning

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PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: June 1, 2023

Project Name:	Family Housing Opportunity Special Use District; Design Controls and Review Procedures
Case Number:	2023-000413PCAMAP [Board File No. 230026]
Initiated by:	Supervisor Melgar / Introduced January 10, 2023
Staff Contact:	Veronica Flores, Legislative Affairs veronica.flores@sfgov.org, 628-652-7525
Reviewed by:	Aaron D Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, (628) 652-7533

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND 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 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) 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) 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) 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.

WHEREAS, on January 10, 2023 Supervisor Melgar introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 230026, which amend 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 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) 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) 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; and 6) the Zoning Map to show the Family Housing Opportunity Special Use District (SUD);

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 1, 2023; and,

WHEREAS, the proposed amendments were covered in the San Francisco Housing Element 2022 Update Environmental Impact Report (EIR) certified on November 17, 2022; and

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

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

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

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

MOVED, that the Planning Commission hereby approves with modifications the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Amend eligibility criterion to also allow projects within the RM-1 Zoning District.

2. Amend the density exceptions for Single-Lot and Lot-Merger projects to also allow up to one unit per

1,000 square feet of lot area, whichever is greater.

3. Eliminate the reference to RDGs ***or*** replace with "adopted objective design standards".

4. Eliminate the one-year ownership requirement.

5. For the Single-Lot Density Exception, allow four units to be proposed in primary structure.

6. For the Lot-Merger Density Exception, require at least one of the following:

	Two-Lot Merger	Three-Lot Merger
Two-Bedroom Units	Two (2)	Three (3)
Three-Bedroom Units	One (1)	Two (2)

7. Add eligibility criteria to the SUD protecting rent-controlled buildings and prohibiting buildings with tenants and a no-fault eviction history from taking part in the proposed program.

   (1) No more than two units subject to rent control are being demolished.

   (2) The units to be demolished are not tenant occupied and are without a history of evictions under Administrative Code Sections 37.9(a)(8)-(12) or 37.9(a)(14)-(16) *(aka No-Fault Evictions)* within last 5 years.

8. Clerical changes:

   a. Revise "Group Housing unit" to state "Group Housing bedroom".

   b. Clarify that projects cannot propose a combination of Dwelling Units and Group Housing.

   c. Clarify that Unauthorized Dwelling Units do not count for the purposes of calculating existing Dwelling Units on the property at the time of application.

   d. Clarify that existing Dwelling Units qualify for the two-bedroom (and/or three-bedroom) requirement.

Findings

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

The proposed Ordinance will streamline review of qualifying housing projects.

The proposed Ordinance focuses on increasing housing production in the Well-Resourced neighborhoods.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1.A
Ensure housing stability and healthy homes.

OBJECTIVE 3.B
Create a sense of belonging for all communities of color within well-resourced neighborhoods through expanded housing choice.

OBJECTIVE 4.A
Substantially expand the amount of permanently affordable housing for extremely low- to moderate-income households.

OBJECTIVE 4.B
Expand small and mid-rise multi-family housing production to serve our workforce, prioritizing middle-income households.

OBJECTIVE 4.C
Diversify housing types for all cultures, family structures, and abilities.

POLICY 19
Enable low and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-resourced Neighborhoods by increasing the number of permanently affordable housing units in those neighborhoods.

POLICY 20
Increase mid-rise and small multi-family housing types by adopting zoning changes or density bonus programs in Well-resourced Neighborhoods and adjacent lower-density areas near transit, including along SFMTA Rapid Network33 and other transit.

POLICY 25
Reduce governmental constraints on development in Well-resourced Neighborhoods to enable small and mid-rise multi-family buildings providing improved housing choice and affordability.

POLICY 26
Streamline and simplify permit processes to provide more equitable access to the application process, improve certainty of outcomes, and ensure meeting State- and local-required timelines, especially for 100% affordable housing and shelter projects.

POLICY 32

Promote and facilitate aging in place for seniors and multi-generational living that supports extended families and communal households.

POLICY 33

Prevent the outmigration of families with children and support the needs of families to grow.

The proposed Ordinance aligns with the Housing Element's goal of providing a diverse stock of housing to meet existing and future residents' needs. This legislation especially responds to Policy 26 by eliminating procedural barriers through new streamlining opportunities for qualifying projects within the proposed Family Housing Opportunity SUD. The proposed Ordinance also focuses development opportunities within the Well-Resourced Neighborhoods identified in San Francisco. This directly supports Policy 25 by eliminating development constraints within the Well-Resourced Neighborhoods and Policy 19 by increasing small-and mid-rise buildings within the Well-Resourced Neighborhoods or within low-density neighborhoods. Collectively, this Ordinance supports the Housing Element's goal of "housing for all".

Planning Code Section 101 Findings

The proposed amendments to the Planning Code and Zoning Map are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

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

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

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

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

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

   The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

   The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

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

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

7. That the landmarks and historic buildings be preserved;

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

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

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

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 1, 2023.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: June 1, 2023

EXHIBIT B

[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.

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 Section 21000 *et seq.*). Said determination is on file with the Clerk of the Board of Supervisors in File No. ___ and is incorporated herein by reference. The Board affirms this determination.

(b) On _____, the Planning Commission, in Resolution No. _____, 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. _____, 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. _____, 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. _____and is incorporated herein by reference.

Section 2. General 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.

(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 the Bay Area. The City's Chief Economist has estimated that approximately 5,000 new market-rate housing units per year would be required to keep housing prices in San Francisco constant with the general rate of inflation. To this end, 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.

(e) Moreover, San Francisco will be challenged to meet increased Regional Housing Needs Allocation ("RHNA") goals in the 2023-2031 Housing Element cycle, which total 82,069 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.

(f) 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 2019 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) listed as a Landmark under Article 10;

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

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

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

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

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

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

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

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

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

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

*(d) **Other Controls**.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Pursuant to Sections 106 and 302(c) of the Planning Code, Sheets SU 1, 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 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

Kearny between Vallejo and Filbert; Filbert between Kearny and Columbus; Columbus between Filbert and Greenwich; Mason between Greenwich and Green; Green between Mason and Leavenworth; Leavenworth between Green and Washington; Washington between Leavenworth and Powell; Powell between Washington and California; California between Powell and Leavenworth; Leavenworth between California and Bush; Bush between Leavenworth and Van Ness; Van Ness between Bush and California; California between Van Ness and Steiner; Steiner between California and Sutter; Sutter between Steiner and Gough; Gough between Sutter and Geary; Geary between Gough and Baker; St. Joseph's Avenue between Geary and Turk; Turk between St. Joseph's Avenue and Scott; Scott between Turk and McAllister; McAllister between Scott and Steiner; Steiner between McAllister and Fulton; Fulton between Steiner and Laguna; Laguna between Fulton and Oak; Oak between Laguna and	

Fillmore; Fillmore between Oak and Page; Page between Fillmore and Webster; Webster between Page and Haight; Haight between Webster and Laguna; Laguna between Haight and Market; Market between Laguna and Castro; Castro between Market and 21st Street; 21st Street between Castro and Dolores; Dolores between 21st Street and Cesar Chavez; Cesar Chavez between Dolores and Noe; Noe between Cesar Chavez and Laidley; Harry Street Stairs between Laidley and Beacon; Beacon between Harry Street Stairs and Miguel; Miguel between Beacon and Bemis; Bemis between Miguel and Castro; Sussex between Castro and Diamond; Diamond between Sussex and Surrey; Surrey between Diamond and Bosworth; Bosworth between Surrey and San Jose; San Jose between Bosworth and Ocean; Ocean between San Jose and Howth; Howth between Ocean and Mt. Vernon; Mt. Vernon between Howth and Harrold; Grafton between Harold and Capitol; Capitol between Grafton and Lakeview; Lakeview	

between Capitol and Ashton; Ashton between Lakeview and Holloway; Holloway between Ashton and Junipero Serra; Junipero Serra between Holloway and 19th Avenue; 19th Avenue between Junipero Serra and Eucalyptus; Eucalyptus between 19th Avenue and Middlefield; Middlefield between Eucalyptus and Lake Merced Boulevard; Lake Merced Boulevard between Middlefield and Skyline Boulevard; Skyline between Lake Merced Boulevard and Sloat; Sloat between Skyline and the Great Highway.	

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

SEC. 1359. PARCEL MAP.

* * * *

(c) In the case of Conversions where a Tentative Map is not required, the requirements of Section 1314 and the requirements of Article 9 on Conversions shall apply, provided that hearings as provided in Sections 1313 and 1332 shall not be required, and provided further that Article 9 shall not be applied to two-unit buildings where both units are 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

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

(1) The applicant(s) for the subject building seeking to convert dwelling units to condominiums or subdivide dwelling units into condominiums under this subsection shall pay the fee specified in Section 1315 of this Code.

(2) In addition to all other provisions of this Section 1396.7, the applicant(s) shall comply with all of the following:

(A) The requirements of Subdivision Code Article 9, Sections 1381, 1382, 1383, 1386, 1387, 1388, 1389, 1390, 1391(a) and (b), 1392, 1393, 1394, and 1395.

(B) The applicant(s) must certify that within the 60 months preceding the date of the subject application, no tenant resided at the property.

(C) The applicant(s) must certify that to the extent any tenant vacated their unit after March 31, 2013, and before recordation of the final parcel or subdivision map, such tenant did so voluntarily or if an eviction or eviction notice occurred it was not pursuant to Administrative Code Sections 37.9(a)(8)-(12) and 37.9(a)(14). If a temporary eviction occurred under Sections 37.9(a)(11) or 37.9(a)(14), then the applicant(s) shall certify that the original tenant reoccupied the unit after the temporary eviction.

(3) If the Department finds that a violation of this Section 1396.7 occurred prior to recordation of the final map or final parcel map, the Department shall disapprove the application or subject map. If the Department finds that a violation of this Section occurred after recordation of the final map or parcel map, the Department shall take such enforcement actions as are available and within its authority to address the violation.

(4) This Section 1396.7 shall not prohibit a subdivider who has lawfully exercised the subdivider's rights under Administrative Code Section 37.9(a)(13) from submitting a condominium conversion application under this Section 1396.7.

(d) Decisions and Hearing on the Application.

(1) The applicant shall obtain a final and effective tentative map or tentative parcel map approval for the condominium subdivision or parcel map within one year of paying the fee specified in subsection (e) of this Section 1396.7. The Director of the Department of Public Works or the Director's designee is authorized to waive the time limits set forth in this subsection (d)(1) as it applies to a particular building due to extenuating or unique circumstances. Such waiver may be granted only after a public hearing and in no case shall the time limit extend beyond two years after submission of the application.

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

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

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

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

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

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

SEC. 37.2. DEFINITIONS.

* * * *

(r) **Rental Units**. All residential dwelling units in the City 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.

* * * *

The term "rental units" shall not include:

* * * *

(4) Except as provided in subsections (A)-(E), dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, excepting those unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development; provided, however, that units in unreinforced masonry buildings which have undergone seismic strengthening in accordance with Building Code Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the ordinance is not in conflict with the seismic strengthening bond program or with the program's loan agreements or with any regulations promulgated thereunder;

* * * *

(E) The term "rental units" shall include any new dwelling units created pursuant to the density exception*s* set forth in Section*s* 207(c)(8) *and 249.94* of the Planning Code.

SEC. 37.3. RENT LIMITATIONS.

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

* * * *

(d) **Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.).** Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.) and regardless of whether otherwise provided under Chapter 37:

(1) **Property Owner Rights to Establish Initial and All Subsequent Rental Rates for Separately Alienable Parcels**.

(A) An owner or residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit which is alienable separate from the title to any

other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d), or (f) of Section 11004.5 of the California Business and Professions Code. The owner's right to establish subsequent rental rates under this paragraph shall not apply to a dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to California Civil Code Section 1946 or has been terminated upon a change in the terms of the tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new tenancy in that dwelling or unit.

* * * *

(D) An owner's right to establish subsequent rental rates under subsection 37.3(d)(1) shall not apply to a dwelling or unit that is a new dwelling unit created pursuant to the density exception<u>s</u> set forth in Section<u>s</u> 207(c)(8) <u>*and 249.94*</u> of the Planning Code.

* * * *

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

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

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

Section 9. 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 10. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

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

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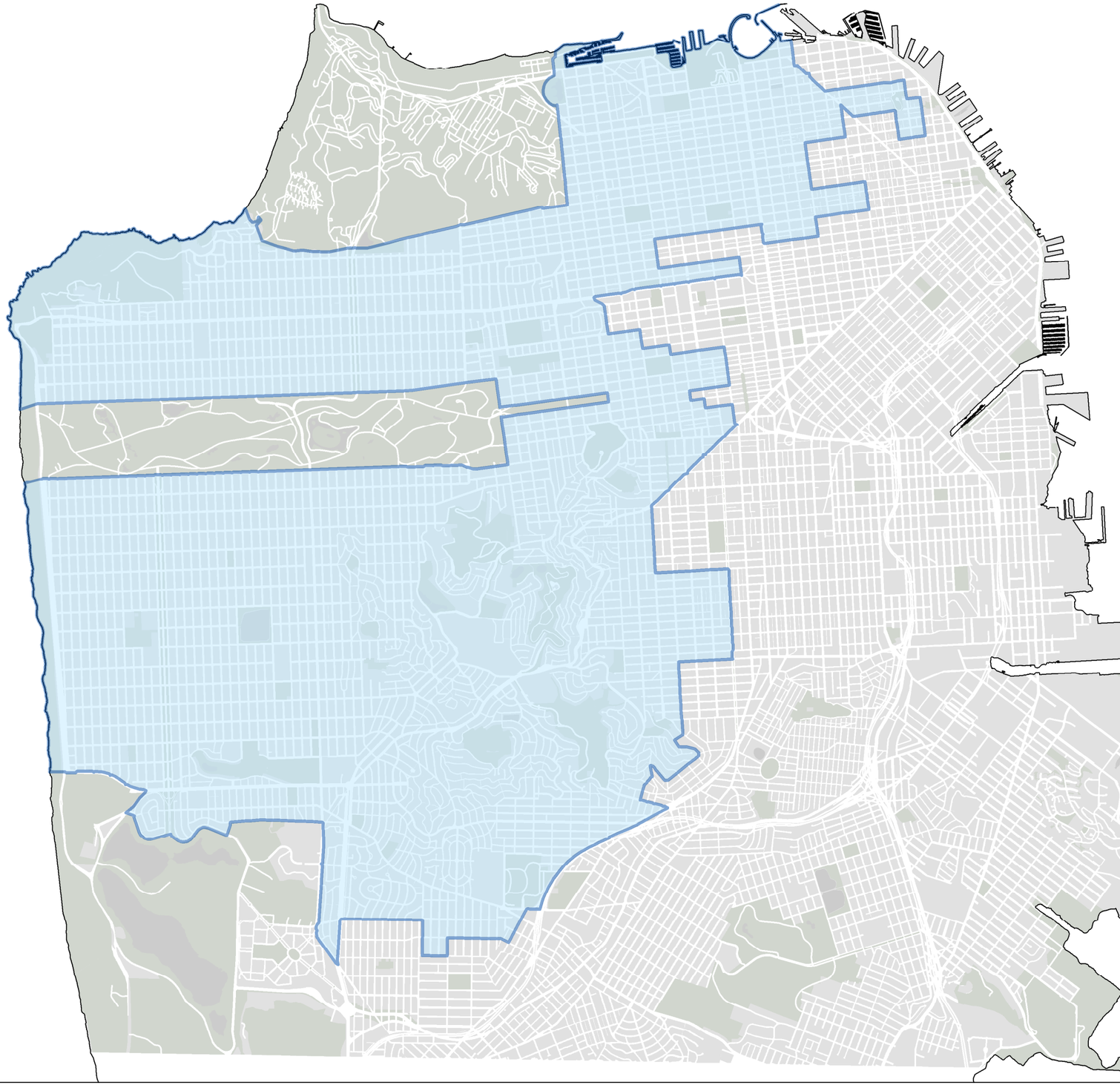
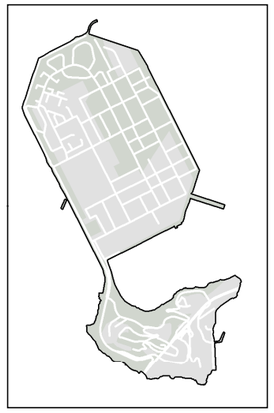
EXHIBIT C





2010 San Francsico Census Tracts:
102, 103, 104, 109, 110, 111, 112, 126.01, 126.02, 127, 128, 129.01, 129.02, 130, 131.01, 131.02, 132, 133, 134, 135, 153, 154, 155, 156, 157, 158.02, 163, 164, 165, 166, 167, 168.01, 169, 170, 171.01, 171.02, 204.01, 204.02, 205, 211, 212, 213, 214, 216, 217, 301.01, 301.02, 302.01, 302.02, 303.01, 303.02, 304, 305, 306, 307, 308, 309, 310, 311, 312.01, 326.01, 326.02, 327, 328.01, 328.02, 329.01, 329.02, 330, 331, 351, 352.01, 352.02, 353, 354, 401, 402, 426.01, 426.02, 427, 428, 451, 452, 476, 477.01, 477.02, 478.01, 478.02, 479.01, 479.02, 9802

Proposed Family Opportunity SUD

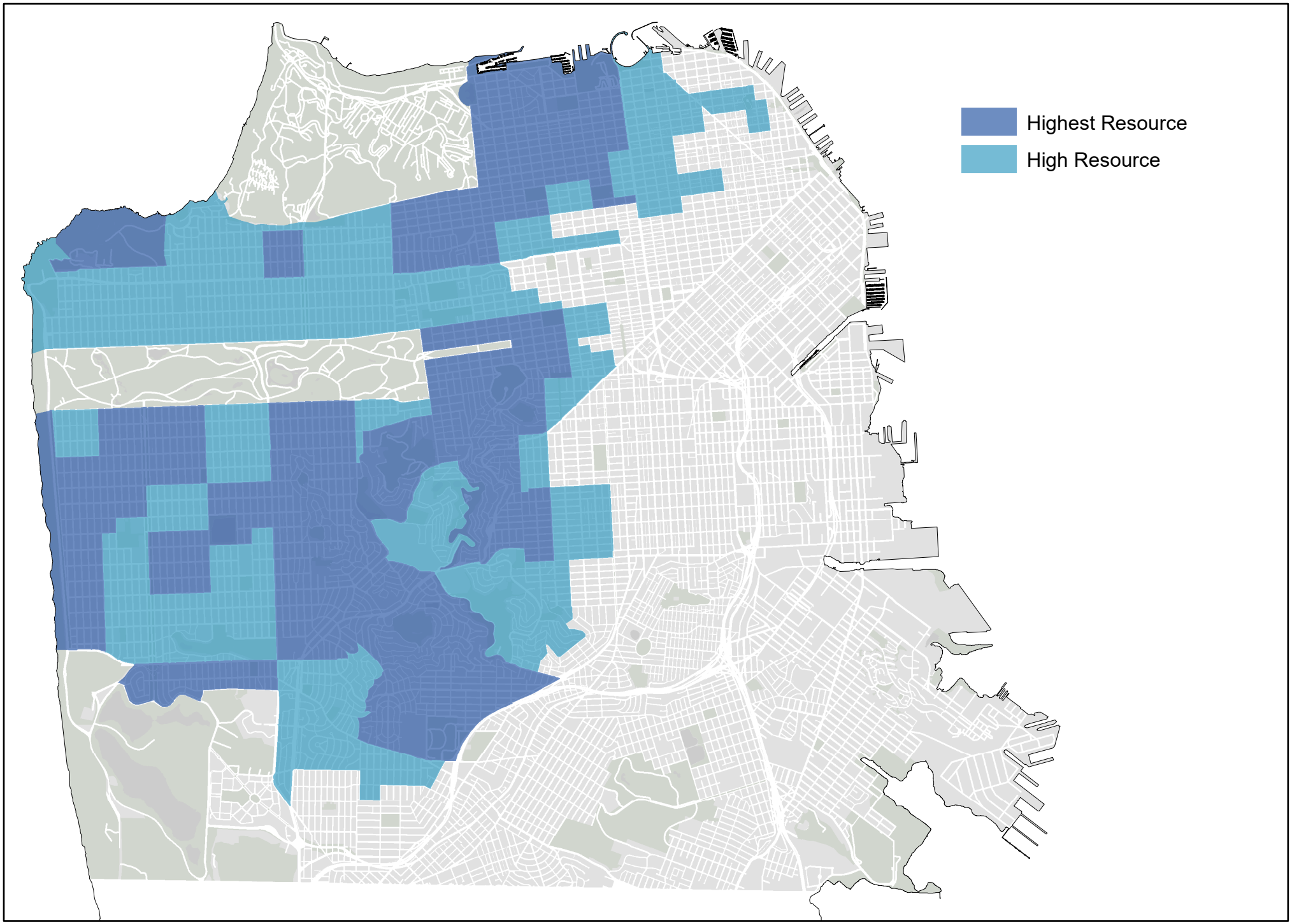
SAN FRANCISCO

0 0.5 1 2 Miles

EXHIBIT D

	Supervisor Melgar	Mayor Breed	Analysis
SUD	Creates an SUD based on Well-Resourced Neighborhoods map.	Creates a SUD based on Priority Equity Geographies map (excluding areas that overlap with Well-Resourced Neighborhoods).	Some areas of the city aren't covered by either area, and some parts overlap. Using the Priority Equity Geographies as a basis to maintain existing 311 and 317 controls exempts slightly more neighborhoods from 311 and 317 controls, while using the Well-Resourced Neighborhoods as a basis subjects slightly fewer neighborhoods to the proposed exemptions.
Purpose of SUD	Uses the SUD to provide exemptions from 317 and 311 requirements, and additional density allowances based on specific criteria for properties within the Well-resourced Neighborhoods.	Uses the SUD to maintain existing 311 and 317 requirements for the Priority Equity Geographies.	
311 - Neighborhood Notification	Exempts projects from 311 only if the project is eligible under the criteria outlined in the SUD. (see below)	Exempts all projects from 311 notifications, unless they are located with the Priority Equity Geographies SUD.	More projects would be exempt from 311 under the mayor's ordinance, as 311 would only apply to projects within the Priority Equity Geographies. If the mayor's ordinance is adopted as is, it would negate this provision in Melgar's proposed SUD.
317-CU Requirement for Demo or Alteration	Exempts projects from 317 only if the project is eligible under the criteria outlined in the SUD. (1) is located in an RH District in the Family Housing Opportunity Special Use District; (2) is not seeking or receiving approval under HOME SF, State Density Bonus, or Affordable Housing Bonus projects. (3) is not located on lots resulting from a lot split from SB 9 (4) proposes a specific list of project types (see below). (5) contains at least two dwelling units with two or more bedrooms. (6) includes more dwelling units than are existing on the site at the time of application. (7) does not propose the demolition of a known historic building. (8) Is not seeking a variance, complies applicable design guidelines, complies with the SUD and "strives" to comply with the RDG; (9) Complies with the 3 Rs in SB 330; (10) The project sponsor has owned the property for at least one year.	Exempts project from 317 if they are not located with the Priority Equity Geographies and meet the following criteria: (1) The units to be demolished are not tenant occupied and are without a history of no fault evictions within the last 5 years; (2) No more than two units that are required to be replaced per subsection (5) below would be removed or demolished; (3) The building proposed for demolition of a known Historic Building; (4) The proposed project is adding at least one more unit than would be demolished; and, (5) The project complies the 3 Rs in SB 330	Several of Melgar criteria (1, 2, 4, 5, 10) appear to be in response to allowing increased density and mirror the four-plex legislation. Whereas the mayor's ordinance relies on the provisions already outlined in the four-plex ordinance, existing zoning and anticipated zoning changes. The mayor's ordinance does not have a one-year ownership requirement to take advantage of process improvements, and projects seeking a variance would still be able to take advantage of process relief (but would still need to be granted a variance). If the mayor's ordinance passed as is, it would negate the 317 exemption controls in Melgar's ordinance.
Additional Density	Allows additional density on lots in RH Districts that meet the criteria in the SUD. Additional density is similar to what is allowed in the Four-plex Program, but also includes merger provisions that allow additional density.	Does not provide any additional density beyond what is allowed in existing zoning or the Four-plex Program.	
Lot Size	Requires eligible projects to have a minimum lot size of 2,400 or greater in order to construct a unit in the required rear yard.	Reduces the minimum lot size city wide to 1,200 sq. ft. and minimum lot frontage to 20'	Because Melgar's SUD only sets a minimum lot size for rear yard development and the mayor's change is to minimum lot sizes city-wide, these two provisions do not conflict.

Height	Limits eligible projects to 40' in height. Also eliminates 35' height limit on residential buildings in RH-1 Districts, the reduced height limit based on topographical conditions and the required sun plane at the front of the property.	Removes the CU to exceed 40' in RH Districts.	Very few lots in RH districts exceed 40', however there are some. The mayor's ordinance removes the CU requirement for projects in RH districts above 40'. Essentially Sup. Melgar would be creating a new control in her program that would limit eligible projects to 40'. These two provisions do not conflict.
Rear Yard	Allows for a 30% rear yard for projects that are eligible under the SUD (except on single-lot developments that are proposing a rear unit in which case the project requires a separation of at least 25 feet)	Changes the rear yard to 30% in RH and RM-1 and RM-2 properties. No eligibility requirement	If the mayor's ordinance passes with this provision, the 30% rear yard requirement in Sup. Melgar's ordinance would be unnecessary; however if they both move forward there isn't a conflict.
Rear Yard Development	Allows qualifying projects to add a unit in the rear yard, with a 25-foot rear yard between buildings	Allows development in the rear yard only for through lots and corner lots.	Sup. Melgar's ordinance outlines very specific types of projects and configurations that are eligible for the streamlined review process. This includes allowing eligible projects to construct detached units in the rear yard on lots greater than or equal to 2,400 sq. ft. The mayor's ordinance relaxes some development controls more widely, like allowing buildings in the required rear yard on through and corner lots without any qualifiers; however, unlike Melgar's it would not permit units in the rear yard on interior lots. Under both programs, a detached State ADU would still be allowed regardless of the lot type. If both ordinances moved forward as is, there would not be a conflict.
Open Space	Reduces open space requirements for qualifying projects to 100 sq. ft. per unit or 133 sq. ft. if common	Does not amend useable open space requirements (excluding minimum dimensions)	Since the mayor's ordinance does not allow for increased density, it does not amend the amount of usable open space that is required per unit. Instead it relies on existing zoning controls for the district, or programs like the four-plex ordinance.
Rent Control	Requires units above the base density to be rent controlled	N/A	Since the mayor's ordinance is not providing for additional density it cannot impose rent control on units above the base density; however, projects that utilize the four plex ordinance would still have a rent control requirement.
Displacement Protections	Includes SB 330 protections for displaced tenants (the 3 Rs) as a criterion to be eligible for the program, and if the property has had a no-fault eviction the units cannot be condo converted.	Includes SB 330 protections for displaced tenants (the 3 Rs), and a prohibition on no-fault evictions within the past 5 years to qualify for exception from 317.	Sup. Melgar is creating Section 1396.7 of the Subdivision Code to prohibit condo conversions for units created by her program where there has been a no fault eviction. They mayor's ordinance makes this a criterion in order to be exempt from 317 CU requirements.
Group Housing	Permits Group Housing in the SUD at 1 room for 415 sq ft. of lot area	Amends the four-plex program to allow Group Housing at 1 room per 415 sq ft of lot area.	Both Amendments can move forward without conflict. Melgar is mirroring the densities allowed in the four-plex ordinance, so it makes sense that both programs should be amended to allow group housing at the same density.



Well-Resourced Neighborhoods: State Department of Housing and Community Development

SAN FRANCISCO

BOARD of SUPERVISORS

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

MEMORANDUM

Date: May 22, 2023

To: Planning Department / Commission

From: Erica Major, Clerk of the Land Use and Transportation Committee

Subject: Board of Supervisors Legislation Referral - File No. 230026-2
Planning, Subdivision, and Administrative Codes and Zoning Map - Family Housing Opportunity Special Use District

☒ California Environmental Quality Act (CEQA) Determination
(California Public Resources Code, Sections 21000 et seq.)
☒ Ordinance / Resolution
☐ Ballot Measure

The proposed amendments were covered in the San Francisco Housing Element 2022 Update Environmental Impact Report (EIR) certified on November 17, 2022.

05/31/2023 Joy Navarrete

☒ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☐ General Plan ☒ Planning Code, Section 101.1 ☒ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
☐ Landmark *(Planning Code, Section 1004.3)*
☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
☐ Mills Act Contract *(Government Code, Section 50280)*
☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

BOARD of SUPERVISORS

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(California Public Resources Code, Sections 21000 et seq.)
- ☒ Ordinance / Resolution
- ☐ Ballot Measure

☒ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☐ General Plan ☒ Planning Code, Section 101.1 ☒ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
- ☐ Landmark *(Planning Code, Section 1004.3)*
- ☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
- ☐ Mills Act Contract *(Government Code, Section 50280)*
- ☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

BOARD of SUPERVISORS

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

M E M O R A N D U M

TO: Youth Commission

FROM: Angela Calvillo, Clerk of the Board

DATE: May 22, 2023

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS

The Board of Supervisors has received the following, which at the request of the Youth Commission is being referred as per Charter Section 4.124 for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 230026-2

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.

Board of Supervisors
Land Use and Transportation Committee
Referral – File No. 230026

Please return this cover sheet with the Commission's response to Erica Major, Assistant Clerk, Land Use and Transportation Committee at **Erica.Major@sfgov.org.**

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RESPONSE FROM YOUTH COMMISSION **Date: _____**

____ No Comment

____ Recommendation Attached

_____
Chairperson, Youth Commission

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NOTICE OF PUBLIC HEARING

LAND USE AND TRANSPORTATION COMMITTEE
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard.

Date: **June 12, 2023**

Time: **1:30 p.m.**

Location: **IN-PERSON MEETING INFORMATION**
Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

REMOTE ACCESS
Watch: www.sfgovtv.org
Public Comment Call-In: https://sfbos.org/remote-meeting-call

Subject: **File No. 230026.** 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.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available with the Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (https://sfbos.org/legislative-research-center-lrc). Agenda information relating to this matter will be available for public review on Friday, June 9, 2023.

For any questions about this hearing, please contact the Assistant Clerk for the Land Use and Transportation Committee:

Erica Major (Erica.Major@sfgov.org ~ (415) 554-4441)

Please Note: *The Department is open for business, but employees may be working from home. Please allow 24 hours for us to return your call or email.*

Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco

em:bjj

DATED/POSTED/PUBLISHED: June 2, 2023

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ERICA MAJOR
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

EXM# 3707554

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description
EDM 06.12.2023 Land Use - 230026 Zoning Map (Melgar)

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

06/02/2023

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Publication	$447.72
Total	$447.72

NOTICE OF PUBLIC HEARING SAN FRANCISCO BOARD OF SUPERVISORS LAND USE AND TRANSPORTATION COMMITTEE MONDAY, JUNE 12 - 1:30 PM

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard. File No. 230026. 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. Location: IN-PERSON MEETING INFORMATION Legislative Chamber, Room 250, located at City Hall 1 Dr. Carlton B. Goodlett Place, San Francisco, CA REMOTE ACCESS Watch: www.sfgovtv.org Public Comment Call-In: https://sfbos.org/remote-meeting-call In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available with the Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (https://sfbos.org/legislative-research-center-lrc). Agenda information relating to this matter will be available for public review on Friday, June 9, 2023. For any questions about this hearing, please contact the Assistant Clerk for the Land Use and Transportation Committee: Erica Major (Erica.Major@sfgov.org ~ (415) 554-4441)

EXM-3707554#

BOARD of SUPERVISORS

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San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
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TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: January 17, 2023

To: Planning Department / Commission

From: Erica Major, Clerk of the Land Use and Transportation Committee

Subject: Board of Supervisors Legislation Referral - File No. 230026
Planning Code, Zoning Map - Family Housing Opportunity Special Use District; Design Controls and Review Procedures

☒ California Environmental Quality Act (CEQA) Determination
(California Public Resources Code, Sections 21000 et seq.)
- ☒ Ordinance / Resolution
- ☐ Ballot Measure

☒ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☐ General Plan ☒ Planning Code, Section 101.1 ☒ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
- ☐ Landmark *(Planning Code, Section 1004.3)*
- ☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
- ☐ Mills Act Contract *(Government Code, Section 50280)*
- ☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

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M E M O R A N D U M

TO: Youth Commission

FROM: Angela Calvillo, Clerk of the Board

DATE: January 24, 2023

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS

The Board of Supervisors has received the following, which at the request of the Youth Commission is being referred as per Charter Section 4.124 for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 230026

Ordinance amending the Planning Code to create the Family Housing Opportunity Special Use District, authorize up to four dwelling units for eligible projects, exempt eligible projects from certain height restrictions, conditional use authorizations, and neighborhood notification requirements, and eliminate a Planning Commission discretionary review hearing for eligible projects upon delegation by the Planning Commission; 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.

Please return this cover sheet with the Commission's response to Erica Major, Assistant Clerk, Land Use and Transportation Committee at **Erica.Major@sfgov.org.**

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RESPONSE FROM YOUTH COMMISSION Date: _____

____ **No Comment**

____ **Recommendation Attached**

_____

Chairperson, Youth Commission