

[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 the greater of up to four units or one unit per 1,000 square feet of lot area on individual lots in the RH (Residential, House) District, the greater of up to twelve units or one unit per 1,000 square feet of lot area on three merged lots and the greater of up to eight units or one unit per 1,000 square feet of lot area on two 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~~.

1 **Board amendment additions** are in double-underlined Arial font.
2 **Board amendment deletions** are in ~~striketrough Arial font~~.
3 **Asterisks (* * * *)** indicate the omission of unchanged Code
 subsections or parts of tables.

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

5
6 Section 1. CEQA and Land Use Findings.

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

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

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

22
23 Section 2. General Findings.

24 (a) California faces a severe crisis of housing affordability and availability, prompting
25 the Legislature to declare, in Section 65589.5 of the Government Code, that the state has "a

1 housing supply and affordability crisis of historic proportions. The consequences of failing to
2 effectively and aggressively confront this crisis are hurting millions of Californians, robbing
3 future generations of a chance to call California home, stifling economic opportunities for
4 workers and businesses, worsening poverty and homelessness, and undermining the state's
5 environmental and climate objectives."

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

9 (c) According to the Planning Department's 2020 Housing Inventory, the cost of
10 housing in San Francisco has increased dramatically since the Great Recession of 2008-
11 2009, with the median sale price for a two-bedroom house more than tripling from 2011 to
12 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to 2020 alone,
13 even in the face of the COVID-19 pandemic. The median rental price for a two-bedroom
14 apartment saw similar although slightly smaller increases, nearly doubling from \$2,570 to
15 \$4,500 per month, from 2011 to 2019, before declining in 2020 due to the pandemic.

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

23 (e) Moreover, San Francisco will be challenged to meet increased Regional Housing
24 Needs Allocation ("RHNA") goals in the 2023-2031 Housing Element cycle, which total 82,069
25 units over eight years, more than 2.5 times the goal of the previous eight-year cycle. At the

1 same time, relatively new State laws like Senate Bill 35 (2017) would limit San Francisco's
2 local zoning control and discretion if the City does not meet these RHNA housing production
3 goals.

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

10 (g) The California Fair Housing Task Force annually updates the Tax Credit Allocation
11 Committee/Department of Housing and Community Development Opportunity Map
12 ("TCAC/HCD Opportunity Map"). The TCAC/HCD Opportunity Map identifies high-resource
13 and highest-resource areas in the state whose concentration of resources have been shown
14 to support positive economic, educational, and health outcomes for low-income families —
15 particularly long-term outcomes for children. The ~~2020~~2021 TCAC/HCD Opportunity Map is
16 the basis for the Well-Resourced Neighborhoods Map in the 2023-2031 Housing Element, on
17 file with the Clerk of the Board of Supervisors in File No. 230001. The Well-Resourced
18 Neighborhoods Map is also on file with the Clerk of the Board of Supervisors in File No.
19 ~~_____~~230026 and is incorporated herein by reference.

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

1 the supply of modestly-sized family units that are more affordable than large, single-family
2 homes.

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

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

17 (k) The Family Housing Opportunity SUD permits development of the greater of up to
18 four units or one unit per 1,000 square feet of lot area on an individual parcel in an RH District,
19 provided that the proposed project complies with the heights and bulk specified in the City's
20 Zoning Maps (Height & Bulk Maps HT01 through HT14), in addition to other eligibility criteria
21 detailed in this ordinance. The SUD also permits up to one Group Housing unit bedroom per
22 415 square feet of lot area in RH-1, RH-1(D), and RH-1(S) districts. In those same districts,
23 the SUD permits the greater of up to 12 units or one unit per 1,000 square feet of lot area if the
24 lot is the result of a merger of three lots, or the greater of eight units or one unit per 1,000
25 square feet of lot area if the lot is the result of a merger of two lots. This ordinance also

1 streamlines approval by exempting eligible projects from conditional use authorization and
2 neighborhood notification requirements and public-initiated discretionary review hearings in
3 Planning Code Section 311.

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

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

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

21 (o) This Board recognizes that additional development opportunities may lead to
22 speculative real estate investments that may seek to displace current residents, demolish
23 existing housing stock, build new units, and quickly sell those units. To discourage such
24 speculation, demolition of existing units, and displacement of current residents, this ordinance
25 makes the benefit of the streamlining and development incentives available only to persons

1 who have owned their properties for one year prior to the date of their application, including
2 the ownership duration of their Eligible Predecessor, as defined herein, subject to exceptions
3 for multiple ownership structures and vacant buildings described further in the ordinance.

4
5 Section 3. Article 2 of the Planning Code is hereby amended by adding Section
6 249.94, to read as follows:

7
8 **SEC. 249.94. FAMILY HOUSING OPPORTUNITY SPECIAL USE DISTRICT.**

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

12 (b) **Boundaries.** The boundaries of the Family Housing Opportunity Special Use District are
13 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,
14 and SU 13. These boundaries consist generally of the areas designated as high-resource and highest-
15 resource on the Well-Resourced Neighborhoods Map of the 2023-2031 Housing Element.

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

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

20 (2) is not seeking or receiving approval under the provisions of Planning Code Sections
21 206.3, 206.5, or 206.6;

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

24 (4) proposes any of the following project types:
25

1 (A) Single-Lot Development Project. The construction on a single lot,
2 including through the alteration of an existing structure, of at least two dwelling units and no more
3 than the maximum number of four dwelling units on a single lot prescribed in subsection
4 (d)(1)(A) of this Section 249.94, inclusive of any existing dwelling units on the site. For a project
5 proposing four dwelling units, the fourth dwelling unit shall be constructed in the rear yard pursuant to
6 subsection (d)(3) of this Section 249.94. For a project proposing fewer than four dwelling units, up to
7 one unit may be located in the rear yard pursuant to subsection (d)(3) of this Section 249.94.

8 (B) Lot-Merger Development Project in RH-1 Districts. A merger of up to
9 three lots in RH-1, RH-1(D), or RH-1(S) districts and the construction on the resulting lot of at least
10 nine dwelling units and no more than the maximum number of 42 dwelling units prescribed in
11 subsection (d)(1)(B) of this Section 249.94 for a three-lot merger project, or at least six dwelling
12 units and no more than the maximum number of eight dwelling units prescribed in subsection
13 (d)(1)(B) of this Section 249.94 for a two-lot merger project. A project proposing a lot merger shall
14 not be eligible to construct a rear-yard unit pursuant to subsection (d)(3) of this Section 249.94.

15 (C) Group Housing Development Project. A single-lot project pursuant to
16 subsection (c)(4)(A) of this Section 249.94 and a lot-merger project pursuant to subsection (c)(4)(B) of
17 this Section 249.94 may also propose the construction of Group Housing up to the density limits
18 prescribed in subsection (d)(1)(C) of this Section 249.94 or currently otherwise permitted under the
19 Planning Code, whichever is greater. A project shall not propose both dwelling units and Group
20 Housing bedrooms. Projects proposing Group Housing units bedrooms shall not be eligible for
21 condominium subdivision, including but not limited to conversion pursuant to Subdivision Code Section
22 1396.7.;

23 (5) contains the following bedroom configurations:

24 (A) for single-lot projects under subsection (c)(4)(A) of this Section
25 249.94, at least two dwelling units with two or more bedrooms;

1 (B) for two-lot merger projects under subsection (c)(4)(B) of this Section
2 249.94, at least two dwelling units with two bedrooms, or at least one dwelling unit with three
3 bedrooms;

4 (C) for three-lot merger projects under subsection (c)(4)(B) of this
5 Section 249.94, at least three dwelling units with two bedrooms, or at least two dwelling units
6 with three bedrooms.

7 (D) The requirements of this subsection (c)(5) may be satisfied by
8 existing dwelling units retained on site. ~~This provision~~ subsection (c)(5) does not apply to
9 projects where all of the units qualify as Group Housing projects;

10 (6) includes more dwelling units than are existing on the site at the time of application.
11 For the purposes of this subsection (c)(6), an Unauthorized Unit, as that term is defined in
12 Planning Code Section 317, shall not be considered an existing dwelling unit. ~~In the case of~~
13 Group Housing, projects utilizing this Section 249.94 shall provide more bedrooms than are existing on
14 the site at the time of application;

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

16 (A) ~~listed as a Contributor to~~ located in an Article 10 Historic District;

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

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

20 (D) listed in or determined eligible for listing in the California Register of
21 Historical Resources individually and/or as a contributor to a historic district; or,

22 (E) listed in or determined eligible for listing in the National Register of
23 Historic Places individually and/or as a contributor to a historic district;

24 (8) complies with the Planning Code and any applicable design guidelines, including
25 but not limited to the provisions of this Section 249.94. Notwithstanding the previous sentence, an

1 eligible project shall strive for consistency with the Residential Design Guidelines to the extent
2 feasible;

3 (9) complies with the requirements of Section 66300(d) of the California Government
4 Code, as may be amended from time to time and as are in effect at the time a complete project
5 application is submitted, except as otherwise specified herein, including but not limited to
6 requirements to replace all protected units and to offer existing occupants of any protected units that
7 are lower income households relocation benefits and a right of first refusal for a comparable unit, as
8 those terms are defined therein. Notwithstanding the foregoing sentence, if California
9 Government Code Section 66300 becomes inoperative, the project shall comply with the last
10 operative version of Section 66300 before it became inoperative. This subsection (c)(9) does
11 not modify or supersede any other City requirements related to relocation, including but not
12 limited to the requirements of Chapter 37 of the Administrative Code; and

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

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

21 (B) **Multiple Ownership.** Whenever property proposed for development is
22 jointly owned, owned as common property or is otherwise subject to multiple ownership, the durational
23 requirements of this subsection (c)(10) must be satisfied by: (i) the majority ownership, whether
24 represented by stock, membership interest, partnership interest, co-tenancy interest, or otherwise, in
25 the case of projects proposed under subsection (c)(4)(A); or (ii) the majority ownership of each lot to

1 be merged, whether represented by stock, membership interest, partnership interest, co-tenancy
2 interest, or otherwise, in the case of projects proposed under subsection (c)(4)(B).

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

8 (11) does not propose the demolition of:

9 (A) three or more dwelling units that are or were:

10 (i) subject to a recorded covenant, ordinance, or law that restricts
11 rents to levels affordable to persons and families of lower or very low income within the past
12 five years; or

13 (ii) subject to limits on rent increases under the Residential Rent
14 Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code) within the past
15 five years; or

16 (iii) rented by lower or very low income households within the past
17 five years; or

18 (B) a dwelling unit occupied by a tenant at the time of application; or

19 (C) a dwelling unit from which a tenant has been evicted under
20 Administrative Code Sections 37.9(a)(8)-(12) or 37.9(a)(14)-(16) within the past five years or a
21 dwelling unit that has been vacated within the past five years pursuant to a Buyout
22 Agreement, as defined in Administrative Code Section 37.9E, as it may be amended from
23 time to time.

1 (D) For the purposes of this subsection (c)(11) of Section 249.94, “lower
2 or very low income households” shall have the same meaning as in Government Code
3 Section 66300-; and

4 (12) conduct one pre-application meeting prior to filing a development
5 application. The Planning Department shall not accept a development application under this
6 Section 249.94 without confirmation that the project sponsor has held at least one pre-
7 application meeting conforming to the requirements of this subsection (c)(12) and any
8 additional procedures established by the Planning Department. The project sponsor shall
9 provide mailed notice of the pre-application meeting to the individuals and neighborhood
10 organizations specified in Planning Code Section 333(e)(2)(A) and (C). The Planning
11 Department shall establish additional procedures to administer this subsection (c)(12).

12 **(d) Other Controls.**

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

16 **(A) Single-Lot Density Exception.** For projects eligible under subsection
17 (c)(4)(A), the greater of up to four dwelling units per lot or one dwelling unit per 1,000 square feet
18 of lot area are allowable;

19 **(B) Lot-Merger Density Exception.** For projects eligible under subsection
20 (c)(4)(B), the greater of up to twelve dwelling units per lot or one dwelling unit per 1,000 square
21 feet of lot area are allowable, if the lot is the result of a merger of three lots, or the greater of up to
22 eight dwelling units per lot or one dwelling unit per 1,000 square feet of lot area are allowable, if
23 the lot is the result of a merger of two lots;

1 (C) Group Housing Density Exception. For both Single-Lot and Lot-Merger
2 Development Projects under subsection (c)(4)(A) or (B), up to one Group Housing unitbedroom per
3 415 square feet of lot area is allowable in RH-1, RH-1(D), and RH-1(S) districts.

4 (2) Height. Notwithstanding any other provision of this Code, including but not limited
5 to Section 261(b), the height limit for a project that meets the eligibility criteria in subsection (c) of this
6 Section 249.94 shall be 40 feet, if 40 feet is authorized by the Height Map of the Zoning Map.
7 Notwithstanding the foregoing sentence, a project shall comply with the requirements of
8 Section 261(c).

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

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

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

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

16 (D) For the rear-yard unit and units in the primary building that obtain
17 their only Code-complying exposure from the rear yard, The dwelling unit exposure
18 requirements of Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed
19 open area that is no less than 25 feet in every horizontal dimension, and such open area is not required
20 to expand in every horizontal dimension at each subsequent floors;

21 (E) The rear-yard building height shall be limited to 20 feet measured from
22 existing grade at any given point to either i) the highest point of a finished roof, in the case of a flat
23 roof, or ii) the average height of a pitched roof or stepped roof, or similarly sculptured roof form. The
24 rear-yard building shall not be eligible for any height exemptions in subsection (d)(2) of this Section
25 249.94 or in Section 260(b); and

1 (F) Each dwelling unit or group housing bedroom shall have at least 100
2 square feet of usable open space if private, ~~and~~ or 133 square feet if common.

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

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

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

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

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

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

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

22 (2) The property owner and the Planning Director, or the Director's designee, on
23 behalf of the City, will execute the Regulatory Agreement, which is subject to review and approval by
24 the City Attorney's Office. The Regulatory Agreement shall be executed prior to the City's issuance of
25 the First Construction Document for the project, as defined in Section 107 A.13.1 of the Building Code.

1 Following execution of the Regulatory Agreement by all parties and approval by the City Attorney, the
2 Regulatory Agreement or a memorandum thereof shall be recorded in the title records in the Office of
3 the Assessor-Recorder against the property and shall be binding on all future owners and successors in
4 interest.

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

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

9 (B) A statement that the new units created pursuant to the density exception are
10 not subject to the Costa-Hawkins Rental Housing Act (California Civil Code Section 1954.50 et seq.).
11 Further, because that under Section 1954.52(b), the property owner has entered into and agreed to
12 the terms of the agreement with the City in consideration for an exception from residential density
13 limits, or other direct financial contribution or other forms of assistance specified in California
14 Government Code Section 65915 et seq.;

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

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

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

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

1 (A) a project would demolish two units that are subject to limits on rent
2 increases under the Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of
3 the Administrative Code); or

4 (B) a project requires a conditional use authorization pursuant to
5 Sections 249.77 or 249.92.

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

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

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

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

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

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

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

20 (g) **Review of Program.** The Planning Department shall include the location and number of
21 units of projects using this Section 249.94 in the Housing Inventory Report. Prior to December 31,
22 2030, the Planning Department shall prepare a report containing recommendations for modifications
23 to this Section 249.94, including modifications to the boundaries described in subsection (b), to further
24 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; 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	Family Housing Opportunity Special Use District

1	Washington and California; California	
2	between Powell and Leavenworth;	
3	Leavenworth between California and Bush;	
4	Bush between Leavenworth and Van Ness;	
5	Van Ness between Bush and California;	
6	California between Van Ness and Steiner;	
7	Steiner between California and Sutter; Sutter	
8	between Steiner and Gough; Gough	
9	between Sutter and Geary; Geary between	
10	Gough and Baker; St. Joseph's Avenue	
11	between Geary and Turk; Turk between St.	
12	Joseph's Avenue and Scott; Scott between	
13	Turk and McAllister; McAllister between	
14	Scott and Steiner; Steiner between	
15	McAllister and Fulton; Fulton between	
16	Steiner and Laguna; Laguna between Fulton	
17	and Oak; Oak between Laguna and	
18	Fillmore; Fillmore between Oak and Page;	
19	Page between Fillmore and Webster;	
20	Webster between Page and Haight; Haight	
21	between Webster and Laguna; Laguna	
22	between Haight and Market; Market between	
23	Laguna and Castro; Castro between Market	
24	and 21st Street; 21st Street between Castro	
25	and Dolores; Dolores between 21st Street	

1	and Cesar Chavez; Cesar Chavez between	
2	Dolores and Noe; Noe between Cesar	
3	Chavez and Laidley; Harry Street Stairs	
4	between Laidley and Beacon; Beacon	
5	between Harry Street Stairs and Miguel;	
6	Miguel between Beacon and Bemis; Bemis	
7	between Miguel and Castro; Sussex	
8	between Castro and Diamond; Diamond	
9	between Sussex and Surrey; Surrey	
10	between Diamond and Bosworth; Bosworth	
11	between Surrey and San Jose; San Jose	
12	between Bosworth and Ocean; Ocean	
13	between San Jose and Howth; Howth	
14	between Ocean and Mt. Vernon; Mt. Vernon	
15	between Howth and Harrold; Grafton	
16	between Harold and Capitol; Capitol	
17	between Grafton and Lakeview; Lakeview	
18	between Capitol and Ashton; Ashton	
19	between Lakeview and Holloway; Holloway	
20	between Ashton and Junipero Serra;	
21	Junipero Serra between Holloway and 19th	
22	Avenue; 19th Avenue between Junipero	
23	Serra and Eucalyptus; Eucalyptus between	
24	19th Avenue and Middlefield; Middlefield	
25	between Eucalyptus and Lake Merced	

1 Boulevard; Lake Merced Boulevard between
2 Middlefield and Skyline Boulevard; Skyline
3 between Lake Merced Boulevard and Sloat;
4 Sloat between Skyline and the Great
5 Highway.
6

7
8 Section 5. Article 9 of the Subdivision Code is hereby amended by amending Sections
9 1359, 1396.4, 1396.5 and adding Section 1396.7, to read as follows:
10

11 **SEC. 1359. PARCEL MAP.**

12 * * * *

13 (c) In the case of Conversions where a Tentative Map is not required, the
14 requirements of Section 1314 and the requirements of Article 9 on Conversions shall apply,
15 provided that hearings as provided in Sections 1313 and 1332 shall not be required, and
16 provided further that Article 9 shall not be applied to two-unit buildings where both units are
17 owner-occupied for one year prior to the application for Conversion. This exemption for
18 owner-occupied two-unit buildings shall not apply to units legalized pursuant to Section 207.3
19 of the Planning Code or units constructed pursuant to Section 249.94 of the Planning Code.

20 * * * *

21
22 **SEC. 1396.4. CONDOMINIUM CONVERSION FEE AND EXPEDITED**
23 **CONVERSION PROGRAM.**

24 (a) Findings. The findings of Planning Code Section 415.1 concerning the
25 City's inclusionary affordable housing program are incorporated herein by reference and

1 support the basis for charging the fee set forth herein as it relates to the conversion of
2 dwelling units into condominiums.

3 (b) Any building may be exempted from the annual lottery provisions of Section
4 1396 if the building owners for said building comply with either: (1) Section 1396.3(g)(1) and
5 all the requirements of this Section 1396.4; ~~or~~ (2) all the requirements of Section 1396.6; or
6 (3) all the requirements of Section 1396.7. Notwithstanding the foregoing sentence, no property or
7 applicant subject to any of the prohibitions on conversions set forth in Section 1396.2, in
8 particular a property with the eviction(s) set forth in Section 1396.2(b), is eligible for the
9 Expedited Conversion program under this Section 1396.4. Eligible buildings as set forth in this
10 subsection (b) may exercise their option to participate in this program according to the
11 following requirements:

12 * * * *

13
14 **SEC. 1396.5. SUSPENSION OF THE LOTTERY PENDING PRODUCTION OF**
15 **REPLACEMENT UNITS FOR EXPEDITED CONVERSION UNITS.**

16 * * * *

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

1 * * * *

2
3 **SEC. 1396.7. CONDOMINIUM CONVERSION ASSOCIATED WITH PROJECTS**
4 **CONSTRUCTED PURSUANT TO PLANNING CODE SECTION 249.94.**

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

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

11 (c) **Notwithstanding Section 1396.4 of this Code and Ordinance No. 117-13, a subdivider of a**
12 *one-unit building that has obtained a permit to build one or more new dwelling units pursuant to*
13 *Planning Code Section 249.94, which results in two or more dwelling units, and that has signed an*
14 *affidavit stating the subdivider's intent to reside in one of those resulting dwelling units, or in the*
15 *Existing Dwelling Unit, for a period of three years after the approval of the Certificate of Final*
16 *Completion and Occupancy for the new dwelling units, shall (1) be exempt from the annual lottery*
17 *provisions of Section 1396 of this Code with respect to the dwelling units built as part of the Project*
18 *and (2) be eligible to submit a condominium conversion application for the Existing Dwelling Units*
19 *and/or include the Existing Dwelling Units in a condominium map application for the project approved*
20 *pursuant to Planning Code Section 249.94. Notwithstanding the foregoing sentence, no property or*
21 *applicant subject to any of the prohibitions on conversions set forth in Section 1396.2 of this Code,*
22 *including but not limited to a property with the eviction(s) set forth in Section 1396.2(b), shall be*
23 *eligible for condominium conversion under this Section 1396.7. Eligible buildings as set forth in this*
24 *subsection (c) may exercise their option to participate in this program according to the following*
25 *requirements:*

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

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

6 (A) The requirements of Subdivision Code Article 9, Sections 1381, 1382, 1383,
7 1386, 1387, 1388, 1389, 1390, 1391(a) and (b), 1392, 1393, 1394, and 1395.

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

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

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

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

24 **(d) Decisions and Hearing on the Application.**
25

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

8 (2) No less than 20 days prior to the Department's proposed decision on a tentative
9 map or tentative parcel map, the Department shall publish the addresses of buildings being considered
10 for approval and post such information on its website. During this time, any interested party may file a
11 written objection to an application and submit information to the Department contesting the eligibility
12 of a building. In addition, the Department may elect to hold a public hearing on said tentative map or
13 tentative parcel map to consider the information presented by the public, other City department, or an
14 applicant. If the Department elects to hold such a hearing it shall post notice of such hearing and
15 provide written notice to the applicant, all tenants of such building, any member of the public who
16 submitted information to the Department, and any interested party who has requested such notice. In
17 the event that an objection to the conversion application is filed in accordance with this subsection
18 (d)(2), and based upon all the facts available to the Department, the Department shall approve,
19 conditionally approve, or disapprove an application and state the reasons in support of that decision.

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

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

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

3
4 Section 6. Chapter 37 of the Administrative Code is hereby amended by revising
5 Sections 37.2 and 37.3, to read as follows:

6
7 **SEC. 37.2. DEFINITIONS.**

8 * * * *

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

13 * * * *

14 The term "rental units" shall not include:

15 * * * *

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

24 * * * *

(D) The term “rental units” shall include (i) Accessory Dwelling Units constructed pursuant to Section 207(c)(4) of the Planning Code and that have received a complete or partial waiver of the density limits and the parking, rear yard, exposure, or open space standards from the Zoning Administrator pursuant to Planning Code Section 307(l); ~~and~~ (ii) New Unit(s) constructed and funded pursuant to Administrative Code Chapter 85; ~~(iii) new dwelling units created pursuant to the density exception set forth in Section 207(c)(8) of the Planning Code;~~ (iv) new dwelling units created pursuant to the HOME-SF Program set forth in Section 206.3(c)(1)(B) of the Planning Code; and (v) new dwelling units created pursuant to the density exception set forth in Section 249.94(d)(1) of the Planning Code.

~~(E) The term “rental units” shall include any new dwelling units created pursuant to the density exceptions set forth in Sections 207(c)(8) and 249.94 of the Planning Code.~~

~~(E) The term “rental units” shall include any new dwelling units created pursuant to the HOME-SF Program set forth in Section 206.3(c)(1)(B) 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 **(1) Property Owner Rights to Establish Initial and All Subsequent Rental**
2 **Rates for Separately Alienable Parcels.**

3 (A) An owner or residential real property may establish the initial and all
4 subsequent rental rates for a dwelling or a unit which is alienable separate from the title to any
5 other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b),
6 (d), or (f) of Section 11004.5 of the California Business and Professions Code. The owner's
7 right to establish subsequent rental rates under this paragraph shall not apply to a dwelling or
8 unit where the preceding tenancy has been terminated by the owner by notice pursuant to
9 California Civil Code Section 1946 or has been terminated upon a change in the terms of the
10 tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent
11 increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new
12 tenancy in that dwelling or unit.

13 * * * *

14 (D) An owner's right to establish subsequent rental rates under
15 subsection 37.3(d)(1) shall not apply to a dwelling or unit that is a new dwelling unit created
16 pursuant to the Code provisions specified in Section 37.2(r)(4)(D). ~~density exceptions set forth~~
17 ~~in Sections 207(c)(8) and 249.94 of the Planning Code.~~

18 * * * *

19 **(g) New Construction and Substantial Rehabilitation.**

20 (1) An owner of a residential dwelling or unit which is newly constructed and
21 first received a certificate of occupancy after the effective date of Ordinance No. 276-79 (June
22 13, 1979), or which the Rent Board has certified has undergone a substantial rehabilitation,
23 may establish the initial and all subsequent rental rates for that dwelling or unit, except:

24 (A) where rent restrictions apply to the dwelling or unit under Sections
25 37.3(d) or 37.3(f);

1 (B) where the dwelling or unit is a replacement unit under Section
2 37.9A(b);
3 (C) as provided for certain categories of units~~Accessory Dwelling Units~~
4 ~~and New Unit(s)~~ under Section 37.2(r)(4)(D); and
5 (D) as provided in a development agreement entered into by the City
6 under Administrative Code Chapter 56; ~~and,~~
7 ~~(E) as provided for certain categories of new dwelling units under Section~~
8 ~~37.2(r)(4)(E).~~
9

10 Section 7. The Planning Department, the Department of Public Works, and the Rent
11 Board are authorized to adopt regulations to implement this ordinance.
12

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

20 Section ~~8~~9. Severability. If any section, subsection, sentence, clause, phrase, or word
21 of this ordinance, or any application thereof to any person or circumstance, is held to be
22 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
23 shall not affect the validity of the remaining portions or applications of the ordinance. The
24 Board of Supervisors hereby declares that it would have passed this ordinance and each and
25 every section, subsection, sentence, clause, phrase, and word not declared invalid or

1 unconstitutional without regard to whether any other portion of this ordinance or application
2 thereof would be subsequently declared invalid or unconstitutional.

3
4 Section ~~9~~10. No Conflict with Federal or State Law. Nothing in this ordinance shall be
5 interpreted or applied so as to create any requirement, power, or duty in conflict with any
6 federal or state law.

7
8 Section ~~40~~11. Effective Date. This ordinance shall become effective 30 days after
9 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
10 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
11 of Supervisors overrides the Mayor's veto of the ordinance.

12
13 APPROVED AS TO FORM:
14 DAVID CHIU, City Attorney

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

17 n:\legana\as2023\2300112\01691082.docx
18
19
20
21
22
23
24
25