



July 20, 2023

Ms. Angela Calvillo, Clerk
Honorable Mayor Breed
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 2023-003676PCAMAP
Constraints Reduction Ordinance (AKA Housing Production Ordinance)
Board File No. 230446

Planning Commission Recommendation: **Approval with Modification**

Dear Ms. Calvillo and Mayor Breed,

On June 29, 2023, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Breed that would amend Planning Code to remove several process constraints on housing production in addition to other related amendments. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. For a project to be exempt from Planning Code Section 317 demolition controls, include a criterion that the units must not have had any tenant buyouts within the last five years.
2. Add the following language to Planning Code Section 132, Front Setback Requirements: (de) Maximum Requirements. The maximum required front setback in any of the cases described in this Section 132 shall be ~~15-10~~ feet from the property line along the Street or Alley, *except in the cases where more than 75% of the properties on the subject block face have a setback of 15 feet or greater, and both parcels adjacent to the subject property have a front setback of 15 feet or greater, in which case the maximum front setback shall be 15'.*

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.

Mayor Breed, 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,

A handwritten signature in black ink, appearing to read "Aaron D. Starr", with a long horizontal flourish extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc: Andrea Ruiz-Esquide, Deputy City Attorney
Lisa Gluckstein, Aide to Mayor Breed
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21342

HEARING DATE: JUNE 29, 2023

Project Name: Constraints Reduction (aka Housing Production)
Case Number: 2023-003676PCAMAP [Board File No. 230446]
Initiated by: Mayor Breed / Introduced April 18, 2023
Staff Contact: Aaron Starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ENCOURAGE HOUSING PRODUCTION, BY 1) EXEMPTING, UNDER CERTAIN CONDITIONS, SPECIFIED HOUSING PROJECTS FROM THE NOTICE AND REVIEW PROCEDURES OF SECTION 311 AND THE CONDITIONAL USE REQUIREMENT OF SECTION 317, IN AREAS OUTSIDE OF PRIORITY EQUITY GEOGRAPHIES, WHICH ARE IDENTIFIED IN THE HOUSING ELEMENT AS AREAS OR NEIGHBORHOODS WITH A HIGH DENSITY OF VULNERABLE POPULATIONS; 2) REMOVING THE CONDITIONAL USE REQUIREMENT FOR SEVERAL TYPES OF HOUSING PROJECTS, INCLUDING HOUSING DEVELOPMENTS ON LARGE LOTS, PROJECTS TO BUILD TO THE ALLOWABLE HEIGHT LIMIT, PROJECTS THAT BUILD ADDITIONAL UNITS IN LOWER DENSITY ZONING DISTRICTS, AND SENIOR HOUSING PROJECTS THAT SEEK TO OBTAIN DOUBLE DENSITY; 3) AMENDING REAR YARD, FRONT SETBACK, LOT FRONTAGE, MINIMUM LOT SIZE, AND RESIDENTIAL OPEN SPACE REQUIREMENTS IN SPECIFIED DISTRICTS; 4) ALLOWING ADDITIONAL USES ON THE GROUND FLOOR IN RESIDENTIAL BUILDINGS, HOMELESS SHELTERS, AND GROUP HOUSING IN RESIDENTIAL DISTRICTS, AND ADMINISTRATIVE REVIEW OF REASONABLE ACCOMMODATIONS; 5) EXPANDING THE ELIGIBILITY FOR THE HOUSING OPPORTUNITIES MEAN EQUITY - SAN FRANCISCO (HOME - SF) PROGRAM AND DENSITY EXCEPTIONS IN RESIDENTIAL DISTRICTS; 6) EXEMPTING CERTAIN AFFORDABLE HOUSING PROJECTS FROM CERTAIN DEVELOPMENT FEES; 7) AUTHORIZING THE PLANNING DIRECTOR TO APPROVE STATE DENSITY BONUS PROJECTS, SUBJECT TO DELEGATION FROM THE PLANNING COMMISSION; AND 8) MAKING CONFORMING AMENDMENTS TO OTHER SECTIONS OF THE PLANNING CODE; AMENDING THE ZONING MAP TO CREATE THE PRIORITY EQUITY GEOGRAPHIES SPECIAL USE DISTRICT; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS UNDER PLANNING CODE, SECTION 302, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1.

WHEREAS, on April 18, 2023 Mayor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 230446, which would amend the Planning Code to encourage housing production, by 1) exempting, under certain conditions, specified housing projects from the notice and review procedures of Section 311 and the Conditional Use requirement of Section 317, in areas outside of Priority Equity Geographies, which are identified in the Housing Element as areas or neighborhoods with a high density of vulnerable populations; 2) removing the Conditional Use requirement for several types of housing projects, including housing developments on large lots, projects to build to the allowable height limit, projects that build additional units in lower density zoning districts, and senior housing projects that seek to obtain double density; 3) amending rear yard, front setback, lot frontage, minimum lot size, and residential open space requirements in specified districts; 4) allowing additional uses on the ground floor in residential buildings, homeless shelters, and group housing in residential districts, and administrative review of reasonable accommodations; 5) expanding the eligibility for the Housing Opportunities Mean Equity - San Francisco (HOME - SF) program and density exceptions in residential districts; 6) exempting certain affordable housing projects from certain development fees; 7) authorizing the Planning Director to approve State Density Bonus projects, subject to delegation from the Planning Commission; and 8) making conforming amendments to other sections of the Planning Code; amending the Zoning Map to create the Priority Equity Geographies Special Use District; and

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 29, 2023; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); and

WHEREAS, the 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 Commission has reviewed the proposed Ordinance; and

WHEREAS, the 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 modifications are as follows:

1. For a project to be exempt from Planning Code Section 317 demolition controls, include a criterion

that the units must not have had any tenant buyouts within the last five years.

2. Add the following language to Planning Code Section 132, Front Setback Requirements:

(de) Maximum Requirements. The maximum required front setback in any of the cases described in this Section 132 shall be ~~15~~-10 feet from the property line along the Street or Alley, except in the cases where more than 75% of the properties on the subject block face have a setback of 15 feet or greater, and both parcels adjacent to the subject property have a front setback of 15 feet or greater, in which case the maximum front setback shall be 15'.

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 Commission supports the goals of this ordinance because it will implement several recently adopted Housing Element Policies and aims to streamline housing production in San Francisco. These changes will aid the City's efforts to build 82,000 units in the next eight years, as mandated by state law. By removing arbitrary processes for height and lot development, the proposed ordinance will not only save time but also bring predictability to the planning process.

The amendments to Section 317 refresh an outdated process based on subjective criteria and establish a standard for the types of housing projects that we want to encourage. The removal of 311 neighborhood notice requirements provides applicants with code-compliant projects greater predictability by reducing processing time and the subjective nature of the DR process. These changes also free up staff time to focus on more impactful housing projects.

The standardization and rationalization of the Planning Code's building standards also help streamline the review process and provide more flexibility to applicants in meeting code requirements. A simplified code also makes it easier for more people to participate in the planning process. Overall, the proposed ordinance will significantly reduce the time required for housing permits to navigate through the planning process.

Importantly, the ordinance also establishes the Priority Equity Geographies Specific Use District (SUD). This SUD maintains existing neighborhood notification and dwelling unit demolition controls. It can also be utilized in the future to implement zoning changes tailored to serve the specific needs of the communities residing in those areas. This approach prioritizes programs that stabilize communities and meet community needs.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 3.A

BUILD INTERGENERATIONAL WEALTH FOR AMERICAN INDIAN, BLACK, AND OTHER COMMUNITIES OF COLOR.

Policy 16

Improve access to well-paid jobs and business ownership for American Indian, Black and other communities of color, particularly those who live in Priority Equity Geographies, to build the wealth needed to afford and meet their housing needs.

Implementing Program 4.3.7

Change regulations and definitions in the current planning code to improve flexibility on allowing home-based businesses and work from home in residential districts, for example, create an accessory entrepreneurial use that allows up to two employees.

The proposed Ordinance amends the Planning Code to allow up to two employees not residing in the unit for home-based businesses.

OBJECTIVE 1.B

ADVANCE EQUITABLE HOUSING ACCESS.

POLICY 6

Advance equal housing access by eliminating discrimination based on race, ethnicity, immigration status, HIV+ status, gender identity, sexual orientation, disabilities, age, prior incarceration, or mental health and improving housing programs for underserved groups.

OBJECTIVE 4.C

DIVERSIFY HOUSING TYPES FOR ALL CULTURES, FAMILY STRUCTURES, AND ABILITIES.

POLICY 32

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

Implementing Program 6.3.10

Eliminate the requirement for a hearing for any Reasonable Accommodation requests making all requests administrative in nature, and clearly explain the review process for the public to seek a Reasonable Modification by January 31, 2024.

The proposed Ordinance would allow all reasonable accommodation requests to be approved by the Zoning Administrator ministerially.

POLICY 34

Encourage co-housing³⁴ to support ways for households to share space, resources, and responsibilities, especially to reinforce supportive relationships within and across communities and generations.

Implementing Program 7.2.6

Modify the definition of “dwelling unit” to comply with Health and Safety Code 17021.5. Evaluate and amend the definition of “family” to ensure that it provides zoning code occupancy standards specific to unrelated adults and complies with fair housing law. Permit group housing broadly throughout the city, particularly in zones allowing single-family uses, increase group housing density permitted in these districts, and remove Conditional Use Authorizations or other entitlement barriers to group housing. Changes should focus on special needs groups, including those with disabilities, by ensuring that intermediate care facilities or congregate living health facilities, with six or fewer residents are treated no differently than other by-right single-family housing uses as required in Health and Safety Code sections 1267.8, 1566.3, and 1568.08.

The proposed Ordinance amends the definition of a dwelling unit to comply with Health and Safety Code 17021.5

OBJECTIVE 4.B

EXPAND SMALL AND MID-RISE MULTI-FAMILY HOUSING PRODUCTION TO SERVE OUR WORKFORCE, PRIORITIZING MIDDLE-INCOME HOUSEHOLDS.

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 28

Affirm compliance in State housing law, requirements, and intent by strengthening data collection, clarifying definitions, and further supporting implementation.

Implementing Program 8.4.5

Eliminate Commission hearings on any code-complying project in the Well-Resourced Neighborhoods subject to the Housing Accountability Act by July 31, 2023 until January 31, 2027.

The proposed Ordinance would remove several hearing requirements for code-complying projects, such as the conditional use requirement to build to the allowable height limit, for large lot developments, for greater density in RH Districts, and to demolish housing when two or more units are being constructed. It would also remove neighborhood notification for code-complying projects, which often leads to a hearing before the Planning Commission.

Implementing Program 8.4.8

Remove Conditional Use Authorizations or other regulatory barriers for lot mergers and lots or proposed densities that exceed conditional use thresholds on housing applications that net two or more housing units, do not demolish existing rent-controlled units, and meet tenant protection, relocation, and replacement standards as recognized in Housing Crisis Act of 2019 to facilitate larger and more efficient housing projects by January 31, 2025.

The proposed Ordinance would remove the conditional use requirements for proposed densities that exceed conditional use thresholds in RH zoning districts.

Implementing Program 8.4.9

Remove Conditional Use Authorization requirement for demolition of single-family or multi-unit buildings that (1) are not tenant occupied and without history of tenant evictions, recent buyouts, no-fault, Ellis, or OMI Evictions; (2) net two or more housing units in the case of projects that construct less than 4 units or that net an increase of at least 50% in the number of existing units for projects that construct 4 or more units, (3) do not demolish existing rent-controlled units, and (4) meet tenant protection, relocation, and replacement standards as recognized in Housing Crisis Act of 2019 by January 31, 2025. Continue to apply Conditional Use requirements to demolition of tenant occupied buildings. Review "protected unit" standards in the Housing Crisis Act, and strengthen definitions for local use as necessary, to ensure that properties with a history of no-fault evictions, such as Ellis Act or Owner-Move-Ins, continue to require heightened scrutiny or prohibition of demolition. Planning staff will use the Rent Board's Housing Inventory data and seek input from tenants' organizations.

The proposed Ordinance would remove the conditional use requirement for the demolition of up to two units subject to rent control so long as they are not tenet occupied, the building is not a historic resource, there have been no no-fail evictions, and SB 330 protections are complied with.

Implementing Program 8.4.10

Remove Conditional Use Authorizations where required to achieve greater height for a housing project or replace height and bulk districts that require Conditional Use Authorizations to exceed the base height with one that allows the current maximum height by January 31, 2025.

The proposed Ordinance removes the CU requirement for greater height in RH, RM, RC, Broadway NCD, Van Ness SUD, and Lakeshore Plaza SUD, even if the height map allows for a greater height.

Implementing Program 8.4.11

Reduce the minimum lot size to 1,200 square feet and minimum lot width to 20 feet for proposed projects that net at least one housing unit.

The proposed Ordinance standardizes the lot area and minimum lot width throughout the City to 1,200 sq. ft. and 20' respectively.

Implementing Program 8.4.17

Amend the Planning Code to prohibit Discretionary Review requests for code compliant projects adding at least one net unit, except for projects affecting buildings with units that are tenant occupied, are located in Priority Equity Geographies, or meet the definition of protected units under the Housing Crisis Act of 2019. Remove neighborhood notification requirements for projects outside of Priority Equity Geographies that are code complying, net at least one housing unit, and only expand the rear or side of an existing building and for all non-discretionary ministerial projects.

The proposed Ordinance removes neighborhood notification for projects outside of the Priority Equity Geographies SUD, which reduces the likelihood of a Discretionary Review hearing before the Planning Commission.

Implementing Program 8.4.19

Whenever Planning Code amendments or revisions are proposed, advocate for ensure and promote simpler or an overall reduction of rules that affect housing approvals to reduce the specific or institutional knowledge needed by City staff, applicants, and members of the public to increase accessibility.

The proposed Ordinance simplifies many code provisions, including rear yard and front setback requirements, to reduce specific or institutional knowledge needed by City staff, applicants, and members of the public to increase accessibility.

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.

POLICY 28

Affirm compliance in State housing law, requirements, and intent by strengthening data collection, clarifying definitions, and further supporting implementation.

Implementing Program 8.5.2

Remove Commission hearings for program-compliant State Density Bonus projects that do not require additional entitlements in consultation with California Department of Housing and Community Development (HCD).

The ordinance amends the Planning Code to make it possible for the commission to waive their opportunity to hear State Density Bonus projects.

Implementing Program 8.6.1

Expand the impact fee exemption to a broader range of permanently affordable housing projects including those with units affordable up to 120 percent of Area Median Income or projects that rely on philanthropic capital.

The ordinance amends the Planning Code to allow all 100% permanently affordable housing projects with up to 120% AMI to qualify for impact fee exemptions.

Implementing Program 8.6.3

Make shelters, transitional housing, or crisis interventions (such as Safe Sleeping Sites) principally permitted in all zoning districts, regardless of the declaration of a shelter crisis.

The ordinance amends the Planning Code to allow homeless shelters in all areas of the City as of right.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code 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 maintain certain limits on housing demolition to help preserve existing housing, and it would allow for more housing development within the Well-resourced Neighborhoods SUD to enhance and preserve the cultural and economic diversity of our neighborhoods.

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

The proposed Ordinance introduced Planning Code changes that will help expand 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 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 29, 2023.



Jonas P. Ionin
Commission Secretary

AYES: Braun, Diamond, Koppel, Tanner

NOES: Imperial, and Moore

ABSENT: Ruiz

ADOPTED: June 29, 2023



EXECUTIVE SUMMARY

PLANNING CODE TEXT & ZONING MAP AMENDMENT

HEARING DATE: June 29, 2023

90-Day Deadline: July 25, 2023

Project Name: Constraints Reduction (AKA Housing Production)
Case Number: 2023-003676PCAMAP [Board File No. 230446]
Initiated by: Mayor Breed/ Introduced April 18, 2023
Staff Contact: Aaron Starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Recommendation: Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to encourage housing production, by 1) streamlining construction of housing citywide, but outside of Priority Equity Geographies, as defined; 2) streamlining development of housing on large lots 3) allowing construction of buildings to the allowable height limit; 4) streamlining review of State Density Bonus projects; 5) streamlining construction of additional units in lower density zoning districts; 6) streamlining process for senior housing; 7) exempting certain affordable housing projects from development fees; 8) amending rear yard, front setback, lot frontage and minimum lot size requirements; 9) amending residential open space requirements; 10) allowing additional uses on the ground floor in residential buildings; 11) allowing homeless shelters and group housing in residential districts; 12) expanding the eligibility for the Housing Opportunities Mean Equity - San Francisco (HOME - SF) program and density exceptions in residential districts; and 13) allowing administrative review of reasonable accommodations; and amending the Zoning Map to create the Priority Equity Geographies Special Use District.

	The Way It Is	The Way It Would Be
Map Changes		
1	The Housing Element of the General Plan uses maps of High-resourced Areas and Priority Equity Geographies as a basis for several of its goals and policies; however,	An SUD based on the Priority Equity Geographies, excluding areas that overlap with the High-resourced Neighborhoods, would be added to the City's zoning map as a tool to help

	these areas are not map in the planning code or zoning map.	implement the Housing Element's Goals and Policies. (See Exhibit C for the map)
Process		
2	Planning Code Section 317 requires applicants to obtain Conditional Use authorization for the demolition of any housing unit.	Housing demolition outside the Priority Equity Geographies SUD would be exempt from the Conditional Use process if all the following criteria are met: (A) 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) (<i>aka No-Fault Evictions</i>) within last 5 years. (B) No more than two units that are required to be replaced per subsection (E) below would be removed or demolished. (C) The building proposed for demolition is not an Historic Building as defined in Section 102; (D) The proposed project is adding at least one more unit than would be demolished; and (E) The project complies with the requirements of Section 66300(d) (<i>aka SB 330, replacement relocation and first right-of-refusal</i>) 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.
3	Conditional Use authorization is required for large lot developments (usually 10,000 sq. ft. or greater but lot size varies) in NC and Chinatown Mixed Use Districts	Conditional Use authorization would no longer be needed for large lot developments in these zoning districts.
4	Conditional Use authorization is required to exceed specified heights in RH, RM, RC, Broadway NCD, Van Ness SUD, and Lakeshore Plaza SUD, even if the height map allows for a greater height.	Conditional Use authorization would no longer be required to exceed a specific height in these districts. The height limit for that lot would control the allowable building height.
5	A hearing before the Planning Commission is required for State Density Bonus Projects, even though the Planning Commission's discretion is incredibly limited when it comes to denying any requested waivers, incentives, or concessions. In addition, if the project is code-complying, the Planning Commission's ability to	State Density Bonus projects would no longer require a hearing before the Planning Commissions regardless of any underlying entitlement (Conditional Use or Large Project Authorizations, for example).

	deny or reduce the density of the project is also incredibly limited by State law.	
6	The Code permits one unit in RH-1 Districts, 2 units in RH-2 Districts, and 3 units in RH-3 Districts. If you have a larger lot, you can build more units based on the lot area, but you must obtain Conditional Use authorization from the Planning Commission to do so.	The Conditional Use requirement to allow more units on larger lots in RH Districts would be removed.
7	For Senior Housing to qualify for double the permitted density, it must be located within ¼ mile of a mid-sized Neighborhood Commercial District (NC-2), RC District or higher density district or obtain Conditional Use authorization.	All senior housing would be eligible for double the density without Conditional Use authorization and regardless of location.
8	The Zoning Administrator may administratively approve a specific list of reasonable accommodations, such as the addition of a ramp, elevator, etc. beyond what the Planning Code would allow.	The Zoning Administrator would be able to approve all reasonable accommodation requests administratively.
9	The Planning Code Section 311 requires the Department to notify neighbors within 150' of new construction or expansion projects in any Residential, NC, NCT, and Eastern Neighborhoods Mixed Use Districts.	New construction or expansion projects located outside of the Priority Equity Geographies SUD would not require neighborhood notice under Planning Code Section 311.
Building and Zoning Standards		
10	The Planning Code requires a 30% rear yard for single-family districts, and a 45%-25% rear yard in RH-2, RH-3, RM-1, and RM-2 Zoning Districts. All other zoning districts have a 25% rear yard requirement.	The rear yard requirement in all RH Districts, RM-1 and RM-2 Districts would be 30%. All other zoning districts would have a required 25% rear yard.
11	The Planning Code requires applicants to average the front setback of the adjoining neighbors but limits the setback to a maximum of 15'.	Applicants would be able to match the shortest front setback of their adjoining neighbors instead of averaging and the maximum front setback would be 10'.
12	The Planning Code establishes a minimum lot frontage of 25' in most districts, and 33' in detached single-family districts (e.g., St. Francis Wood).	The minimum lot frontage would be 20' for all zoning districts.
13	The Planning Code establishes a minimum lot area of 2,500 sq. ft. in most districts, and 4,000 sq. ft. in detached single-family districts.	The minimum lot area would be 1,200 sq. ft for all zoning districts.
14	Only corner lots in Neighborhood Commercial Districts may locate their required rear yard at the inside corner of the lot. This allows someone to build along both the front and side street-facing property lines or "wrap the lot" with a building.	All corner lots would be able to locate their required rear yard at the inside corner of the lot.
15	Through lots (lots with frontage on two streets) are permitted to have a building fronting each street only if	All through lots would be allowed to have buildings fronting each street regardless of

	one of its adjacent lots also has a building fronting each street.	what is on the adjacent lots. The rear yard in this case would be in the middle of the lot.
16	Private open space for decks, balconies, porches, and roofs must be at least 36 sq. ft. and have a minimum horizontal dimension of six feet.	Minimum dimensions for decks, balconies, and porches would be 27 sq. ft. and have a minimum horizontal dimension of three feet.
17	An interior courtyard must provide setbacks at every level (the “inverted ziggurat”) to qualify for exposure and open space requirements.	This ordinance removes the required setbacks (the “inverted ziggurat”) but maintains existing dimensional requirements.
18	Ground floors must have a certain percentage of active uses. For residential buildings an active use includes fitness rooms and community rooms.	The list of what is considered an “active use” in a residential building would be expanded to include laundry, lobby, mail room, and bike room.
19	Homeless Shelters are restricted in our low-density, and industrial neighborhoods.	Homeless shelters would be principally permitted in all zoning districts.
20	Group Housing is prohibited in single-family neighborhoods.	Group Housing would be permitted in single-family neighborhoods via the Four-plex program, which prohibits the use of the State Density Bonus program.
21	To take advantage of the Four-plex Program, the applicant must have owned the property for at least one year.	The one-year ownership requirement would no longer apply.
22	Home-based businesses are prohibited from employing anyone that does not reside in the unit.	Up to two employees for home-based businesses that don’t live in the unit would be allowed.
23	The Codes’ current definition of a Dwelling Unit is not consistent with the State’s Health and Safety Code.	To bring the definitions in line with State law the definition for Dwelling Unit would be amended to include the following “A Dwelling Unit shall also include “employee housing” when providing accommodations for six or fewer employees, as provided in State Health and Safety Code §17021.5”
Expand Affordable Housing Incentives		
24	Only 100% affordable housing projects with units up to 80% AMI that are subsidized by specific city or regional agencies are eligible to receive a fee waiver.	Any 100% affordable housing project, regardless of the funding source, with units up to 120% AMI would be eligible to receive the fee waiver.

25	100% affordable housing projects can receive a fee waiver unless the project is using the State Density Bonus program.	100% affordable State Density Bonus project would be eligible for the fee waiver.
26	The Planning Code prohibits projects from using HOME SF if the project removes any dwelling unit.	This ordinance would allow projects to remove one dwelling unit and still qualify for HOME SF. The three Rs (Relocation, Replacement, and first Right of Refusal) would be required if a dwelling unit is removed.
27	HOME SF includes CEQA impacts in its eligibility criteria.	CEQA impacts would be removed as eligibility criteria; however, CEQA analysis would still occur as would any resulting mitigations.

Background

Housing Element Adoption

San Francisco recently adopted the Housing Element 2022 Update (2022 Update). The 2022 Update is San Francisco's first housing plan that is centered on racial and social equity. It includes policies and programs that express our city's collective vision and values for the future of housing in San Francisco. The 2022 Update articulates San Francisco's commitment to recognizing housing as a right, increasing housing affordability for low-income households and communities of color, opening small and mid-rise multifamily buildings across all neighborhoods, and connecting housing to neighborhood services like transportation, education, and economic opportunity.

The drafting of 2022 Update relied extensively on outreach and engagement to communities historically underrepresented including low-income communities of color and vulnerable groups. Three phases of outreach and engagement, over the course of two years, inform the 2022 Update. For the first time at this scale, the Department funded and supported focus groups led or co-hosted by community-based organizations representing American Indian, Black, Latino, Chinese, Japanese, Filipino, low- and moderate-income households, seniors, people with disabilities, LGBTQ+ and transgender, and homeless advocates. Outreach and engagement also included housing policy experts, advocates, affordable housing developers, labor organizations, architects, and developers.

Housing Element Implementation

If the housing element is the constitution on which future development in San Francisco is based, the Planning Code is how the City implements that vision. There are several efforts underway to implement the Housing Element, this ordinance being one of them. Others include the Department's effort to rezoning areas primarily in the Well-resourced Neighborhoods to meet the goals and policies in the Housing Element. This is necessary for the City to meet our state-mandated goal of constructing 82,00 housing units within the next eight years. That effort is scheduled to be completed by the end of this year or early next year. Supervisor Melgar also introduced an ordinance, which would remove several process requirements for housing development within the Well-

Resourced Neighborhoods. While not directly tied to the Departments housing element implementation efforts, it is taking its cues from the goals and policies set out in the Housing Element¹.

This ordinance is rooted in several policies from the Housing Element that direct the City to remove obstacles hindering housing construction, particularly when such requirements are based on subjective criteria. Many of the implementing programs for these policies come with specified implementation deadlines, typically set for January 31, 2025, although some have earlier dates. For instance, implementing program 8.4.5 calls for the elimination of Commission hearings on code-complying projects in the Well-Resourced Neighborhoods, subject to the Housing Accountability Act, by July 31, 2023. This ordinance plays a pivotal role in advancing the City's commitment to fulfill its obligations under the Housing Element by directly incorporating numerous Housing Element policies and implementation programs.

Issues and Considerations

Process Improvements

Housing Demolition Controls

Section 317 is based on a flawed assumption that preserving all existing housing is going to maintain housing affordability, requiring all demolitions, regardless of units being added, obtain conditional use authorization.

Section 317 is based on a flawed assumption that preserving all existing housing is going to maintain housing affordability, requiring all demolitions, regardless of units being added, to obtain conditional use authorization. There are many reasons to discourage the demolition of existing sound housing. This longstanding policy helps maintain affordable units offered through existing housing stock, it retains embodied energy in existing buildings to minimize resource use, and it preserves the neighborhood's aesthetic character; however, current controls fail to recognize that without some housing demolition, it's not possible to add to the City's housing stock and meet increasing demand for housing. Further, while the aesthetic character of the neighborhood may be maintained, the demographic make-up of the neighborhood, which is also a large part of neighborhood character, significantly changes. With fewer homes available, prices increase, and new renters and buyers tend to be wealthier and eventually what was a middle- or working-class neighborhood becomes an enclave for the wealthy. Further, studies have shown that new housing construction in San Francisco lowers rents and reduces the risk of displacement for nearby residents².

The proposed ordinance attempts to reform Section 317 by exempting projects outside of the Priority Equity Geographies SUD from the Conditional Use requirements. Eligible projects must add density and may not demolish a known historic resource. Additionally, projects may only qualify for the Section 317 exemption if they meet specified anti-displacement requirements, including: there cannot be a history of no-fault evictions, tenant buyouts, or owner move-in evictions in the past 5 years, the project cannot displace existing tenants, and the

¹ For a comparison of the Four-Plex Program, The Family Housing Opportunity SUD, SB 9, and this ordinance, please see Exhibit E.

² Pennington, Kate, Does Building New Housing Cause Displacement?: The Supply and Demand Effects of Construction in San Francisco (June 15, 2021.)

project cannot demolish more than two rent-controlled units. Further, any demolished rent-controlled units must be replaced in the new project. These types of exceptions are designed to encourage the redevelopment of lower density properties, such as single-family homes with an Unauthorized Dwelling Unit. Staff estimates that removing the Conditional Use process from these projects would reduce the average processing time by six to nine months. These significant time savings would also reduce permitting and holding costs for the applicants and make housing less expensive to build.

Large Lot Development

...the criteria used by the Department and Commission to evaluate and approve these applications are purely subjective, creating an arbitrary process for housing approval.

The proposed ordinance removes Conditional Use authorization requirements for large lot development in Neighborhood Commercial, Chinatown, and RH Districts. In the Neighborhood Commercial and Chinatown Districts, the Conditional Use requirement is based on the total area of the lot. So, for example in NC-2 Districts lots greater than 10,000 sq. ft. require Conditional Use hearing to develop that lot. This is true even when those lots already exist. To avoid the Conditional Use hearing and develop the lot as-of-right, the lot would need to be subdivided. Further, the criteria used by the Department and Commission to evaluate and approve these applications are purely subjective, creating an arbitrary process for housing approval.

In the case of RH-zoned lots, the Conditional Use requirement for large lot development is triggered when an applicant seeks to add more units than allowed under the base density. For example, in RH-1 districts, with Conditional Use authorization, projects are allowed to have up to one unit per 3,000 square feet of lot area, with no more than three units per lot. However, the additional units obtained from developing a larger lot result in approximately the same or even lower density compared to what is allowed as-of-right. A typical lot in San Francisco is 2,500 sq. ft.; therefore, the actual density allowed with Conditional Use authorization (1 unit per 3,000 sq. ft.) is less dense than what is permitted on a typical lot as of right (1 unit per 2,500 sq. ft.). While the City sees few Conditional Use authorization requests of this nature, removing it will provide more predictability for applicants and reduce the time it takes to process these applications by approximately six to nine months.

These changes are also consistent with Housing Element Implementation Program 8.4.8:

Remove Conditional Use authorizations or other regulatory barriers for lot mergers and lots or proposed densities that exceed conditional use thresholds on housing applications that net two or more housing units, do not demolish existing rent-controlled units, and meet tenant protection, relocation, and replacement standards as recognized in Housing Crisis Act of 2019 to facilitate larger and more efficient housing projects by January 31, 2025.

CU for Height

In RH, RM, RC, Broadway NCD, Van Ness SUD, and Lakeshore Plaza SUD applicants must obtain Conditional Use approval to meet the allowable mapped height. Like the CU requirement for large lot developments, these criteria are also subjective. Further, the Conditional Use process only allows applicants to meet the mapped height limit. Removing the Conditional Use requirement in these districts to meet the allow mapped height will provide more predictability for applicants and reduce the time it takes to process these applications by approximately six to nine months.

State Density Bonus Projects

The public hearing requirement creates an expectation among the public that the Planning Commission holds greater authority over these projects than it does. It also slows down the approval process, adding six to nine months to housing projects that provide affordable units above what is required by our local inclusionary program.

A hearing before the Planning Commission is required for State Density Bonus Projects, even though the Planning Commission's discretion is limited when it comes to denying requested waivers, incentives, or concessions. In addition, if the project is code-complying, the Planning Commission's ability to deny or reduce the density of the project is also incredibly limited by state law. The public hearing requirement creates an expectation among the public that the Planning Commission holds greater authority over these projects than it does. It also slows down the approval process, adding six to nine months to housing projects that provide affordable units above what is required by our local inclusionary program. The proposed ordinance would allow the Planning Director to approve concessions or incentives requested as part of the state density bonus program provided that the Planning Commission delegates authority to the director to do so. This delegation authority would need to be approved under a separate resolution and could be removed or modified by the Planning Commission at any time.

Senior Housing

Providing greater housing choice for seniors will allow them to age in place in familiar surroundings and where they may have existing community.

The proposed ordinance would remove the location requirement for Senior Housing to qualify for double the permitted density. Currently, to receive the density bonus, Senior Housing must be located within an RC District or a district with higher density allowances, or within a ¼ mile of an RC or NC-2 District. If located within an RH or RM Districts, Conditional Use is required to obtain double the density. It's not clear if this was done to ensure that there were sufficient goods and services within walking distance of proposed project or to make sure that denser housing was not placed within smaller scale neighborhoods; however, senior housing should be encouraged wherever housing is permitted in San Francisco. Providing greater housing choice for seniors will allow them to age in place in familiar surroundings and where they may have existing community. While not specifically called out as a policy in the housing element this change is consistent with its general direction.

Reasonable Accommodations

The proposed ordinance aims to make all reasonable accommodation requests ministerial. The Zoning Administrator may administratively approve a specific list of reasonable accommodation, such as the addition of a ramp, elevator, etc., beyond what the Planning Code would allow. Reasonable accommodations are intended to comply with the Americans with Disabilities Act by allowing deviations from the Planning Code to meet the accessibility needs of the occupancy. This proposed change is called for in Housing Element Implementation Program 6.3.10, which states "Eliminate the requirement for a hearing for any Reasonable Accommodation requests making all requests administrative in nature, and clearly explain the review process for the public to seek a Reasonable Modification by January 31, 2024."

Neighborhood Notification

The proposed ordinance would eliminate neighborhood notification (311 Notification) for projects outside the Priority Equity Geographies SUD. This notification requires the Department to inform neighbors within 150 feet of code-complying building expansions or significant internal remodels. The one-month notification period allows neighbors to file a Discretionary Review application, which then triggers a Planning Commission hearing. Removing neighborhood notification will not eliminate the ability for neighbors to file a Discretionary Review application, as there are still ways for the public to be informed about projects in their neighborhood including BBNs (Block Book Notifications) and Building Eye. Additionally, construction notices would still be provided to neighbors though the noticing process for certain building permits. The current neighborhood notification period is one month, but Staff also spends a significant time preparing the notification, and coordinating Discretionary Review hearings if such an appeal is filed. Staff estimates that removing this process would speed up approvals for code-complying additions and new construction permits by three to six months, reducing costs for applicants. It also frees up staff time allowing them to process more applications and focus on impactful housing projects.

Development Standards

The proposed ordinance introduces several changes to the Planning Code development standards aimed at improving compliance and streamlining the Code. These changes encompass the standardization of rear yards, lot width, and lot area. Additionally, it relaxes controls regarding open space requirements, building configuration and siting, and permitted elements within residential units. These modifications collectively contribute to making the Planning Code simpler and easier to navigate. This benefits not only the planners who implement the code, but also reduces specific knowledge needed by applicants and members of the public to increase accessibility. This is consistent with Housing Element Implementation Program 8.4.19:

Whenever Planning Code amendments or revisions are proposed, advocate for ensure and promote simpler or an overall reduction of rules that affect housing approvals to reduce the specific or institutional knowledge needed by City staff, applicants, and members of the public to increase accessibility.

Rear Yard

...essentially the planning code is setting a larger rear yard requirement for multi-unit buildings than single-family homes.

Currently the Planning Code allows a 30% rear yard for single-family homes, and a 25-45% rear yard for multifamily homes in RH and RM Districts. The 45% rear yard in RH-2, -3 and RM-1, and -2 districts can be reduced based on the average of the adjacent neighbors of up to 25% of the lot depth; however, essentially the planning code is setting a larger rear yard requirement for multi-unit buildings than single-family homes. This ordinance seeks to rationalize those controls by requiring a 30% rear yard in all our lower density neighborhoods, and a 25% rear yard in all our higher density neighborhoods. Rationalizing and standardizing the rear yard helps provide consistency for applicants and makes it possible to implement the code more efficiently.

Front Setback

Front setbacks offer numerous benefits for both the public realm and building occupants. They contribute to an aesthetically pleasing streetscape by allowing for landscaping, pedestrian amenities, and a sense of openness. Moreover, they enhance livability by providing a distance between buildings and roads, reducing noise pollution, and improving air circulation. Requiring a front setback to align with the existing neighborhood context also helps establish an appealing street wall; however, imposing a large setback reduces the buildable area on a lot. Currently, the Planning Code does not provide relief from rear yard requirements when a front setback is mandated. Additionally, density bonus programs such as the four-plex program do not exempt front setback requirements when aiming for increased density.

The proposed change seeks to address this issue while still ensuring that new buildings respond to the existing context. It would amend the front setback requirements by allowing applicants to match the shortest adjacent front setback. Furthermore, it amends the controls so that the maximum front setback becomes 10 feet instead of 15 feet. While averaging the two adjacent front setbacks can facilitate a more gradual transition between buildings, this may not apply in cases where the two setbacks differ significantly. For example, if one adjacent property is at the front of the lot and the other is at the rear. Such a setback not only diminishes development potential but also fails to achieve the desired gradual transition through averaging.

Lot Width and Area

The proposed ordinance would reduce the minimum lot width from 25' to 20' and the minimum lot area from 2,500 sq. ft. to 1,200 sq. ft. The proposed minimum lot area is consistent with SB9, which allows lot subdivision in single-family zoning districts so long as the resulting lot is 1,200 sq. ft. The Hosing Element also calls for reducing the minimum lot size to 1,200 sq. ft. and the minimum lot width to 20' when the lot subdivision results in an additional unit. The proposed ordinance does not include such a qualifier; however, it's hard to imagine a situation where a property would be subdivided and not result in an additional unit.

Corner Lots and Through Lots

This approach maximizes land utilization, allowing property owners to make efficient use of available space.

The Planning Code currently permits corner properties in NC Districts to wrap the lot with a building and place the required rear yard on the interior corner of the lot. The proposed change aims to extend this building configuration to most zoning districts, offering numerous benefits. This approach maximizes land utilization, allowing property owners to make efficient use of available space. It also creates a consistent street wall, enhancing the visual appeal and cohesiveness of the streetscape while promoting order and aesthetic harmony. Additionally, it enhances the midblock open space as the rear yard, located in the inner corner of the lot, becomes more connected to the surrounding open space, facilitating increased light and air circulation for adjacent properties.

Similarly, the Planning Code permits buildings on both street-facing lot lines for through lots, but only if there is an established pattern on the street. This pattern is commonly found in many older parts of the city where through lots are prevalent. Allowing this configuration also offers several benefits. Like wrapping the lot, it maximizes land utilization, enabling property owners to efficiently use their available space. Developing housing in the rear yard setback of a typical lot requires a dedicated means of access through the front building; however,

on a through lot, the alleyway or street at the rear provides convenient and direct access to the rear building, reducing conflicts between the front and rear residences.

Open Space

Private balconies provide additional outdoor living space for residents, allowing them to enjoy fresh air, sunlight, and views without leaving their homes. This enhances the quality of life for occupants, providing a private outdoor retreat within a dense urban environment.

The proposed ordinance simplifies compliance with usable open space requirements by making two significant changes. First it rationalizes the open space requirement dimensions for balconies so that the depth and area are consistent with what the Code allows for a front or rear setback permitted obstruction. The Code permits square bay windows and balconies to project within the required front or rear setback or over the public right-of-way. These projections from the façade cannot be more than 3' in depth and no more than 6' wide; however, the Code does not allow a balcony that is less than 6' in depth and 36 sq. ft. in area to count toward the open space requirements. This results in most open space requirements being fulfilled by common open space typically on the roof. While rooftop decks have their benefits, they tend to be a shared resource. Private balconies provide additional outdoor living space for residents, allowing them to enjoy fresh air, sunlight, and views without leaving their homes. This enhances the quality of life for occupants, providing a private outdoor retreat within a dense urban environment. Encouraging balconies like this also can enhance the overall aesthetics of a building, adding visual interest and architectural diversity to the façade. They can contribute to the character of a neighborhood and create a more attractive streetscape.

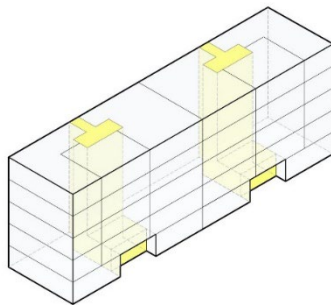


Figure 2: Example of Single-Point Access Block

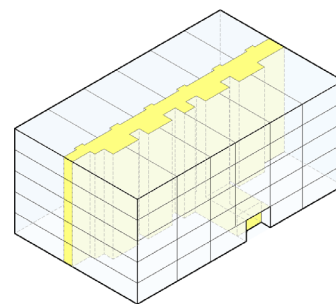


Figure 1: Example of a Double-Loaded Corridor

In the coming years, the state may also adopt single-point access building standards and balconies are often provided as a second means of egress in this building typology³. A single point access block refers to a building or structure that features a single designated entry or access point for residents or occupants. This type of construction is common in Europe, typically used on mid-sized apartment buildings of six stories or less. A typical building requires two means of egress resulting in double loaded corridors. The corridor occupies

³ Twu, Alfred. "Housing Architecture in California: The Single Stair Conundrum," San Francisco Chronicle, Opinion, (Accessed June 14, 2023), <https://www.sfchronicle.com/opinion/openforum/article/housing-architecture-california-single-stair-17774317.php>.

valuable space within the building, reducing the available area for unit layouts. As a result, unit configurations are often restricted to linear arrangements along the corridor, limiting options for alternative floor plans or room layouts. Double loaded corridors also prohibit cross ventilation. Single-point access blocks typically result in more livable units with cross ventilation and more varied unit sizes. In-unit balconies can aid in this building typology's feasibility.

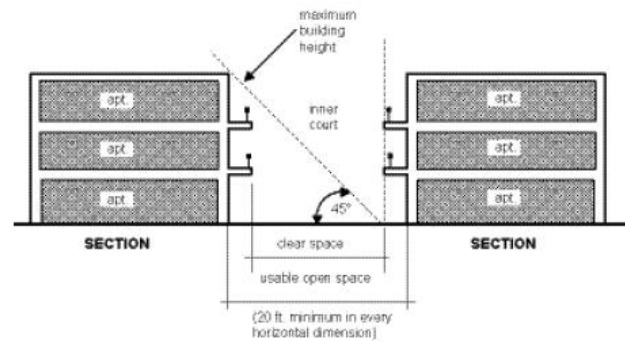


Figure 3: Planning Code Diagram for "Inverted Ziggurat" requirement

This provision is one of the most common concessions or variances requested by applicants because it is very difficult to comply with and takes away valuable space that could otherwise be used for additional units. In fact, few, if any, major projects in the past few years have been able to comply with this provision.

The other change that the ordinance makes to the open space requirements is the removal of what is referred to as the inverted ziggurat requirement for inner courts. The inverted ziggurat requires an internal courtyard to be 20' by 20' and provide setbacks at the upper floors based on a 45-degree plane. A similar requirement is used for exposure requirements and is also proposed for deletion. This provision is one of the most common concessions or variances requested by applicants because it is very difficult to comply with and takes away valuable space that could otherwise be used for additional units. In fact, few, if any, major projects in the past few years have been able to comply with this provision. Additionally, the requirement often does not provide the anticipated sun exposure because San Francisco's street grid does not align exactly with cardinal directions.

Ground Floor Uses

With some exceptions provided for garage entrances and mechanical equipment, the first 25' of the ground floor of a residential building must have an active use in Neighborhood Commercial Districts, Commercial Districts, Residential-Commercial Districts, and Mixed-Use Districts. On the ground floor residential uses are considered active only if more than 50 percent of the street frontage features walk-up dwelling units that provide direct, individual pedestrian access to a public sidewalk, and are consistent with the Ground Floor Residential Design Guidelines. Spaces accessory to residential uses, such as fitness or community rooms, are considered active uses only if they have access directly to the public sidewalk or street. The proposed ordinance would amend this accessory use provision to also include laundry, lobby, mail room, and bike room so long as they face the street. This change is intended to provide more flexibility for applicants to meet this requirement.

Other Zoning Changes

The proposed ordinance also proposes amending specific controls and definition in the code. Most of these changes are called for in the Housing Element. The following is a brief explanation of the remaining changes.

Homeless Shelters: The ordinance would make Homeless Shelters permitted in all zoning districts. This amendment is based on Housing Element Implementation Program 8.6.3, which states: “Make shelters, transitional housing, or crisis interventions (such as Safe Sleeping Sites) principally permitted in all zoning districts, regardless of the declaration of a shelter crisis.”

Group Housing: The ordinance would permit Group Housing in RH-1 zoning districts via the four-plex program and remove the conditional use requirement for Group Housing in RH-2 and RH-3 zoning districts. Current Group Housing is principally permitted in all zoning districts where housing is allowed except for RH zoning districts. This amendment is based on the Housing Element Implementation Program 7.2.6 that states in part: “...Permit group housing broadly throughout the city, particularly in zones allowing single-family uses, increase group housing density permitted in these districts, and remove Conditional Use Authorizations or other entitlement barriers to group housing.”

Home Based Businesses: Currently home-based businesses are prohibited from employing anyone that does not reside in the unit unless it's a Cottage Food Operation, which allows up to one employee not a resident in the unit. This ordinance would allow up to two employees for home-based businesses. This change is based on Housing Element Implementation Program 4.3.7 of the Housing element: “Change regulations and definitions in current Planning code to improve flexibility on allowing home-based businesses and work from home in residential districts, for example, create an accessory entrepreneurial use that allows up to two employees.”

Dwelling Unit Definition: The proposed change would add language to the definition of a housing unit to include employee housing when providing accommodation for six or fewer employees. This change is called for in Housing Element Implementation Program 7.2.6: “Modify the definition of “dwelling unit” to comply with Health and Safety Code 17021.5...”

Expand Affordable Housing Incentives

Developing housing, especially affordable housing in San Francisco is very expensive. Waiving fees for all 100% affordable housing projects with maximum AMI of 120%, regardless of where their funding comes from will help further the City's goal of increasing affordable housing production.

The proposed ordinance makes several code changes to make it easier to build affordable housing. These changes include expanding what types of projects can receive a fee waiver, expanding the eligibility for Home SF and removing restrict eligibility requirements. Currently, only projects that are subsidized by MOHCD, the San Francisco Housing Authority, the Department of Homelessness and Supportive Housing, or the Office of Community Investment and Infrastructure are eligible for a fee waiver. This excludes 100% affordable housing projects that are built by non-profit housing developers that do not take money from any of the listed agencies. It also specifies that the top AMI for subsidized units is 80%, further limiting which affordable housing projects qualify for this fee waiver. Developing housing, especially affordable housing in San Francisco is very expensive. Waiving fees for all 100% affordable housing projects with maximum AMI of 120%, regardless of where their

funding comes from will help further the City's goal of increasing affordable housing production. Further this change is specifically called out in Housing Element Implementation Program 8.6.1.

Expand the Impact Fee exemption to a broader range of permanently affordable housing projects including those with units affordable up to 120 percent of Area Median Income or projects that rely on philanthropic capital.

Removing these criteria will not exempt projects from CEQA review but will expedite staff's ability to determine eligibility and eliminate this paradox.

The ordinance also eliminates two eligibility criteria for HOME SF, our local density bonus program. The first set of eligibility criteria pertains to CEQA impacts, including impacts on historic resources, shadow impacts, and wind impacts. The ordinance seeks to remove these criteria as eligibility factors; however, projects would still undergo CEQA review for these impacts. The reason for their removal is that these criteria make it challenging for staff to determine a project's eligibility for HOME SF within the required 30-day period mandated by state law. Wind and shadow analysis, as well as assessing impacts on historic resources, typically take several months as part of the CEQA review process. This creates a chicken and egg situation where we need to determine if a project is eligible before we start processing the proposal, but we need to start processing the proposal before we can determine if it is eligible for the program. Removing these criteria will not exempt projects from CEQA review but will expedite staff's ability to determine eligibility and eliminate this paradox.

Furthermore, the proposed ordinance eliminates the requirement that deems projects ineligible for HOMESF if any housing units are demolished. Instead, one unit could be removed, and the project would still be eligible for HOMESF. While minimizing displacement is crucial during new housing development, displacement cannot be completely avoided if we are going to develop underdeveloped lots. There are instances where neighborhood commercial corridors have small-scale buildings with retail space on the ground floor and a unit above. These buildings present opportunities for redevelopment and could potentially offer more housing under current zoning rules; however, they are currently prohibited from utilizing our local density bonus program, although the State Density Bonus program allows for it. Removing this prohibition and allowing the removal of one unit would be a minor adjustment to the program that would reduce displacement while expanding the number of properties eligible for HOME SF.

General Plan Compliance

The proposed ordinance was drafted specifically to implement several of the Housing Element's Implementation Programs.

Looking at the proposed changes in total, the Department finds that, on balance, the proposed ordinance is consistent with the General Plan. The proposed ordinance was drafted specifically to implement several of the Housing Element's Implementation Programs. Some of these changes are called about above. These include allowing reasonable accommodations, removing CU requirements to achieve greater height, and allowing more projects to qualify for fee waivers are clearly called for in the Housing Element. Regarding other changes, such as those for neighborhood notice and Section 317, the ordinance proposes a more proactive approach than what is called for in the Housing Element.

For example, for Section 311 changes, the Ordinance would eliminate neighborhood notification entirely outside of the Priority Equity Geographies. The Housing element also calls for the elimination of Neighborhood Notice but Housing Element Implementation Program 8.4 states:

Remove neighborhood notification requirements for projects outside of Priority Equity Geographies that are code complying, net at least one housing unit, and only expand the rear or side of an existing building and for all non-discretionary ministerial projects.

The difference between the Mayor's proposal and what the Housing Element outlines is that the Housing Element requires the addition of a unit to avoid Section 311 notification, and vertical additions are not exempt from 311 notification.

For Section 317 Notification, Housing Element Implementation Program 8.4.9 states the following:

Remove Conditional Use Authorization requirement for demolition of single-family or multi-unit buildings that (1) are not tenant occupied and without history of tenant evictions, recent buyouts, no-fault, Ellis, or OMI Evictions; (2) net two or more housing units in the case of projects that construct less than 4 units or that net an increase of at least 50% in the number of existing units for projects that construct 4 or more units, (3) do not demolish existing rent-controlled units, and (4) meet tenant protection, relocation, and replacement standards as recognized in Housing Crisis Act of 2019 by January 31, 2025. Continue to apply Conditional Use requirements to demolition of tenant occupied buildings...

The Mayor's ordinance is in line with this policy as it relaxes the rules for residential demolition. It protects tenants by not exempting tenant-occupied housing or properties where there has been a no-fault eviction from Conditional Use requirements, and it requires the three Rs of AB 330; however, the Mayor's ordinance does allow for the demolition of up to two rent-controlled units and only requires one additional unit for the project to qualify for the exemption. It also makes these changes to Section 317 only outside the priority geographies SUD, whereas the Housing Element appears to call for these changes citywide.

Racial and Social Equity Analysis

The proposed ordinance is a crucial step towards advancing race and social equity in San Francisco. It aligns with the City's Housing Element, which focuses on eliminating exclusionary planning rules that perpetuate racial and social segregation. By removing prohibitions on homeless shelters and group housing in single-family neighborhoods and reducing minimum lot size requirements, the ordinance dismantles barriers that have historically prevented equitable access to housing. This change promotes inclusivity and fosters a more integrated and diverse city.

Moreover, the ordinance contributes to the goal of creating housing opportunities in well-resourced neighborhoods by streamlining the construction process. By eliminating constraints such as conditional use authorization for demolition and neighborhood notification for building additions or new construction, the ordinance expedites housing development and ensures quicker planning approval. This facilitates increased housing supply in historically exclusive areas, enabling more people, especially marginalized communities, to access neighborhoods that were previously inaccessible to them.

Additionally, the proposed ordinance acknowledges the importance of maintaining existing processes for neighborhood notification and demolition within Priority Equity Geographies, while recognizing the need for further evaluation and improvement. It emphasizes the necessity of empowering American Indian, Black, and other communities of color within these neighborhoods, enabling them to play an active role in driving positive change and shaping their communities.

Lastly, the ordinance advances race and social equity by simplifying Planning Code requirements. Complex codes often create barriers that exclude or discourage community participation, as they demand technical expertise or legal knowledge. By simplifying language and streamlining requirements, the ordinance establishes a more accessible framework for residents to engage in the planning process. This inclusivity ensures that a broader range of people can actively contribute to decision-making, leading to more equitable outcomes for all residents.

Implementation

The Department believes that this Ordinance will impact our current implementation procedures by reducing the time it takes to process building permit applications and new housing projects. Staff estimates that removing 311 Notification will speed up the process for additions and new construction permits by three to six months. Removing the Conditional Use process for the identified project types and the hearing requirement for State Density Bonus projects will reduce processing time by six to nine months. The amendments that standardize and rationalize the Planning Code's building standards will also make Planning Code implementation more straightforward and efficient.

Recommendation

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department supports the goals of this ordinance because it will implement several recently adopted Housing Element Policies and Implementation Programs and it aims to streamline housing production in San Francisco. These changes will aid the City's efforts to build 82,000 units in the next eight years, as mandated by state law. By removing arbitrary processes for height and lot development, the proposed ordinance will not only save time but also bring predictability to the planning process. The amendments to Section 317 refresh an outdated process based on subjective criteria and establish a standard for the types of housing projects that we want to encourage. The removal of 311 neighborhood notice requirements provides applicants with code-compliant projects greater predictability by reducing processing time and the subjective nature of the Discretionary Review process. These changes also free up staff time to focus on more impactful housing projects. The standardization and rationalization of the Planning Code's building standards also help streamline the review process and provide more flexibility to applicants in meeting code requirements. A simplified Planning Code also makes it easier for more people to participate in the planning process. Overall, the proposed ordinance will significantly reduce the time required for housing permits to navigate through the planning process.

Importantly, the ordinance also establishes the Priority Equity Geographies Specific Use District (SUD). This SUD maintains existing neighborhood notification and dwelling unit demolition controls. It can also be utilized in the future to implement zoning changes tailored to serve the specific needs of the communities residing in those areas. This approach prioritizes programs that stabilize communities and meet community needs.

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 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.

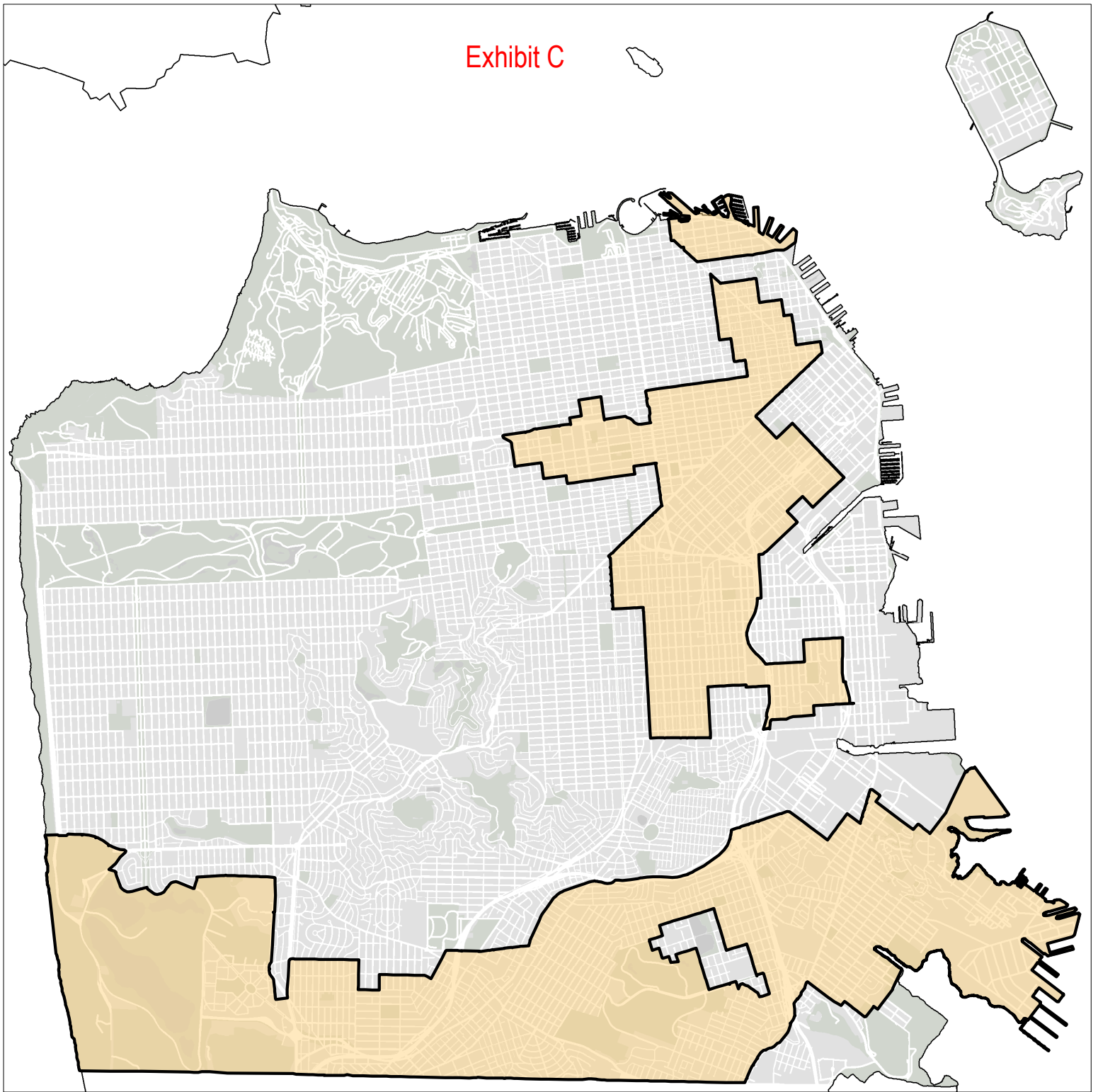
Public Comment

As of the date of this report, the Planning Department has not received any public comment in support or opposition to the proposed ordinance; however, the Department has received several inquiries about the proposed ordinance and requests to continue the ordinance from its June 15 hearing date. The item has since been continued to June 29, and this case report is being published two weeks in advance of that date to allow more time for the community to digest its contents. The Department also sent out a one-page fact sheet to our neighborhood groups lists, which is attached as Exhibit D. The Department is also in the process of conducting outreach meetings related to Housing Element implementation. As part of those meetings, Staff will also be highlighting the changes proposed under this ordinance and Supervisor Melgar's proposed Family Housing Opportunity SUD.

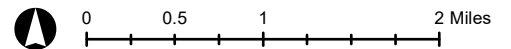
Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 230446
- Exhibit C: Map of Proposed Priority Equity Geographies SUD
- Exhibit D: 1-page Information Sheet
- Exhibit E: Comparison Chart of SB 9, Existing Four-Plex Program, Proposed Family Housing SUD, and Constraint's Reduction Ordinance

Exhibit C



Proposed Priority Equity Geographies SUD
SAN FRANCISCO





HOUSING FOR ALL LEGISLATION: SIMPLIFYING HOUSING APPROVALS

Mayor London Breed and Supervisors Joel Engardio and Matt Dorsey have introduced legislation (File #230446) to allow for faster and more straightforward housing approvals. The legislation will eliminate unnecessary processes, standardize zoning requirements to make them more consistent and predictable, and boost incentives for new affordable housing.



This proposal is part of the Mayor's [Housing for All](#) Plan, which is the City's effort to make San Francisco a more affordable place for people to call home. The plan allows for 82,000 new homes to be built over the next eight years, of which, over half are slated to be affordable. This legislation follows through on commitments made in the City's Housing Element, which was unanimously approved by the Board of Supervisors in January. This legislation is a critical step towards enacting the Housing Element's ambitious housing goals and meeting the City's obligations under state law.

Overview

This legislation focuses on three key areas:

- 1 **Eliminate unnecessary hearings** for projects that comply with existing local or State standards. By eliminating unnecessary process, this legislation will provide greater certainty and reduce approval timelines for code compliant housing projects by **3 to 9 months or more**. It would also save at least **300 hours** of Planning Department staff time per month, which can be re-focused to support the Department's core permitting and long-range planning functions.
 - **Development on large lots.** Eliminate Conditional Use hearings ("CU") for construction on larger parcels, making it easier to build more homes where they are already allowed.
 - **Height.** Eliminate CU hearings for height in districts where hearings are currently required. Importantly, this change would not alter existing height limits but instead would eliminate unnecessary process for projects that comply with those limits.
 - **Accommodation for disabilities.** Eliminate Zoning Administrator hearings for reasonable accommodations under the Americans with Disabilities Act and instead allow administrative review.
 - **Demolitions and Increased Density.** Eliminate CU for projects that add housing units but would demolish existing vacant, non-historic single-family or two unit building that has not had a no-fault eviction in the past 5 years. These CU's would only be eliminated outside of the City's Equity Geographies.
 - **Neighbor-vs-neighbor hearings.** Eliminate mailed notification for code-compliant housing projects to minimize "Discretionary Review Hearings", which currently require the Planning Commission to resolve intra-neighbor disagreements over projects that comply with the City's development standards. Mailed notice – and an appeal opportunity - will still be provided to potentially affected neighbors through the existing building permit process.
 - **State Density Bonus hearings.** Eliminate purposeless hearings for projects using the State Density Bonus given that State law prevents the Planning Commission from denying or modifying a State Density Bonus project.

2 Ease out-dated zoning requirements and geographic restrictions that limit the form and location of new housing.

- **Senior housing.** Eliminate CU for senior housing that is located more than ¼ mile from a Neighborhood Commercial District, expanding opportunities for senior housing citywide.
- **Shelters.** Allow homeless shelters in low-density and industrial neighborhoods, consistent with the City’s current shelter policies and State requirements that shelters be allowed Citywide.
- **Group housing.** Without changing height or bulk limits, allow group housing in single-family zoning districts so long as projects do not use the State Density Bonus.
- **Home-based businesses.** Allow up to two employees at home-based businesses who do not also live in the home. For example, a person running an accountancy or caterer out of their home would be able to employ two outside employees.
- **Open space.** Ease arbitrary square footage requirements for balconies and inner courtyards while preserving basic open space requirements.
- **Ground floor uses.** Specify that the City’s requirement for ground floor “active uses” includes laundry, lobby, mail, and bike rooms, to provide the flexibility to accommodate necessary amenities and reduce residential building construction costs.

3 Expand incentives to enhance the City’s affordable housing supply.

- **Remove restrictions on HOME-SF.** Bolster San Francisco’s local density bonus program by eliminating restrictive eligibility criteria to make the program more competitive with the State Density Bonus program.
- **Impact fees for affordable housing.** Allow a fee waiver for all affordable housing projects that use the State Density Bonus, including workforce housing projects, to encourage more projects and better recognize the importance of affordable housing.

Next Steps

This legislation will be reviewed by the **Planning Commission at a public hearing on June 15, 2023**, where public comment is welcome in-person and via phone and videoconference. Hearing details will be available at sfplanning.org no later than June 9.

To submit comments or ask questions in advance, contact:
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Exhibit E

	SB 9		Four-Plex Program	Proposed Family Housing Opportunity SUD		Proposed Constraints Reduction Ordinance
	Lot Split	No Lot Split		Lot Merger Development	Single Lot Development	
Where it applies	RH-1, RH-1(D), & RH-1(S)		ALL RH Districts	All RH-1 Districts within the Family Housing Opportunity SUD	All RH Districts and RM-1 Districts within the Family Housing Opportunity SUD	Exemptions to Section 317 and 311 only apply outside of the Priority Equity Geographies. All other changes are proposed city-wide or specified districts
Allowed Density	2 units on each new lot + ADUs if allowed by local Ordinance	2 units + ADUs	4 units on interior lots/ 6 units on corner lots	A merger of up to three lots 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.	The construction, including the alteration of an existing structure, of at least two and no more than four dwelling units on a single lot, or up to one unit per 1,000 square feet of lot area, whichever is greater (inclusive of any existing dwelling units on the site). Up to one unit may be detached in the rear yard.	N/A, does not amend density.
Group Housing	N/A	N/A	N/A	A Single-Lot project and a Lot-Merger project may also propose the construction of up to one Group Housing bedroom per 415 square feet of lot area or currently permitted under the Planning Code, whichever is greater.		Permits Group Housing as part of the Fourplex program in RH-1 zoning Districts, and removes the CU requirement in RH-2 and RH-3 Districts
Height	Existing Height Limit	Existing Height Limit	Existing Height Limit	Maximum 40' in height and 20' for units in the required rear yard.		N/A, does not change existing height limits
Minimum Lot Size	1,200 sq. ft. for each new lot (2,400 sq. ft. total) and at minimum 40% and 60% of original lot size	No minimum lot size required	Standard Lots Size (2,500 sq. ft.)	N/A	Projects proposing a rear yard unit must be at least 2,400 sf	Changes minimum lot size to 1,200 sq. ft. and lot width to 20' city-wide
Open Space Requirement	Existing Code Requirement	Existing Code Requirement		For Lot Merger projects and Single-Lot projects proposing a rear yard unit: 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 ordinance does not alter open space requirements; however, it does amend the minimum dimension requirements for open spaces to enhance compliance feasibility
Owner Occupancy Requirement	Owner must sign a statement of intent to occupy the property 3 years post lot split approval.	No owner occupancy requirement either before or after project submittal.	Applicant must have owned the property for at least one year	Applicant must have owned property for at least one year		Proposes to remove the owner occupancy requirement in the Fourplex program.
Required Rear Yard Setback	Existing Code requires a 4-foot setback; however any Code standard can be waived if they prohibit construction of two, 800 sqft units.		30% for projects providing at least 4 dwelling units, or 15ft (whichever is greater)	30% but not less than 15 feet	30% but not less than 15 feet, 25 feet of separation between buildings when proposing a detached rear yard unit	30% in all RH Districts and in RM-1 and RM-2 Districts. All other zoning districts would be 25%.
Unit Proportionality	For units within the same building, the second unit must be at least 800 sqft		At least one of the dwelling units resulting from the density exception shall have two or more bedrooms or shall have a square footage equal to no less than 1/3 of the floor area of the largest unit on the lot.	None		N/A
Increase Density	Must net at least one new unit.			Requires at least six units for a two-lot merger and at least nine units for a three-lot merger	Must add at least one unit	To be eligible for 317 exemptions, the project must net at least one unit.

Eligibility	1) Has not been tenant occupied for at least 3 years prior to filing the application (could be owner occupied or vacant) 2) Will not demolish a rent-controlled unit, or a unit with an Ellis Act eviction within the last 15 years 3) Is not a Historic Resource under Article 10 or in a Historic District		May not also seek or receive a density bonus under Sec. 206.5 or 206.6	To be eligible for the program: 1) Not combined with the State Density Bonus or HOME-SF programs; 2) Not proposed on a property resulting from a lot-split under Senate Bill 9; 3) Contains at least two dwelling units with two or more bedrooms (not applicable to Group Housing); 4) Does not propose the demolition of a known historic building; 5) Complies with Code and applicable design guidelines and strives for consistency with the Residential Design Guidelines (RDGs); 6) Complies with Senate Bill 330 unit replacement requirements for protected units; 7) The project sponsor needs to have owned the property for one year prior to application submittal; and 8) 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). 8) No more than two rent controlled units are demolished and units to be demolished are not tenant occupied and have not had a history of evictions (Admin Code 37.9(a)(8-12) or (14-16))for the past 5 years	To be eligible for 317 exemptions: 1) 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. 2) No more than two units that are required to be replaced per subsection (E) below would be removed or demolished. 3) The building proposed for demolition is not an Historic Building as defined in Section 102; 4) The proposed project is adding at least one more unit than would be demolished; and 5) The project complies with the requirements of Section 66300(d) (aka SB 330, replacement relocation and first right-of-refusal) 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.
Rent Control	No	No	Applies to units over base density	Applies to units over base density	N/A
317	No		Yes	No	No, only if the project meets specific criteria and not located within the Priority Equity Geographies
311	No		Yes	No	No, only if the project is outside of the Priority Equity Geographies
Design Guidelines	Objective Design Standards		Residential Design Guidelines	Residential Design Guidelines	Residential Design Guidelines
CEQA Review	No		Yes	Yes	Yes
Condo Conversion	Depends on project		Eligible for condo conversion process if retaining an existing unit(s) and project sponsor resides in one unit for at least 3yrs post construction	Not eligible for condo conversion if there is a history of no-fault eviction.	N/A