

BOARD of SUPERVISORS



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

September 19, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On September 18, 2018, the Board of Supervisors amended and duplicated File No. 180364, the duplicated ordinance, File No. 180910, is being referred to you for additional review. The Office of the City Attorney has advised that this ordinance requires an additional Planning Commission hearing:

File No. 180910 Planning Code - Affordable Housing Projects on Undeveloped Lots in Service/Arts/Light Industrial Districts

Ordinance amending the Planning Code to permit Affordable Housing on undeveloped lots in Service/Arts/Light Industrial (SALI) Zoning Districts; 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.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302, for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director
Aaron Starr, Manager of Legislative Affairs
AnMarie Rodgers, Director of Citywide Planning
Scott Sanchez, Zoning Administrator
Lisa Gibson, Environmental Review Officer
Devyani Jain, Deputy Environmental Review Officer
Dan Sider, Director of Executive Programs
Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

1 [Planning Code - Affordable Housing Projects on Undeveloped Lots in Service/Arts/Light
2 Industrial Districts]

3 **Ordinance amending the Planning Code to permit Affordable Housing on undeveloped**
4 **lots in Service/Arts/Light Industrial (SALI) Zoning Districts; affirming the Planning**
5 **Department's determination under the California Environmental Quality Act; and**
6 **making findings of consistency with the General Plan, and the eight priority policies of**
7 **Planning Code Section, 101.1 and findings of public necessity, convenience, and**
8 **welfare under Planning Code, Section 302.**

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

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

17 Section 1. Environmental and Land Use Findings.

18 (a) The Planning Department has determined that the actions contemplated in this
19 ordinance comply with the California Environmental Quality Act (California Public Resources
20 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
21 Supervisors in File No. _____ and is incorporated herein by reference. The Board affirms this
22 determination.

23 (b) On _____, the Planning Commission, in Resolution No. _____, adopted findings
24 that the actions contemplated in this ordinance are consistent, on balance, with the City's
25 General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts

1 these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of
2 Supervisors in File No. _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code, Section 302, the Board of Supervisors finds that these
4 Planning Code amendments will serve the public necessity, convenience, and welfare for the
5 reasons set forth in Planning Commission Resolution No. _____, and the Board incorporates
6 such reasons herein by reference. A copy of said Resolution is on file with the Clerk of the
7 Board of Supervisors in File No. _____, and is incorporated herein by reference.

8
9 Section 2. Additional Findings.

10 (a) Former Mayor Edwin Lee's Executive Directive No. 17-02, issued on September 27,
11 2017, states that "Years of failing to build homes has resulted in families and long-term
12 residents leaving San Francisco in search of more affordable places to live We must
13 continue to prioritize the production of housing in a smart, thoughtful manner that adds homes
14 for residents of all economic levels."

15 (b) Parcels that were rezoned to Service Arts Light Industrial (SALI) with the adoption
16 of the Western SoMa Plan in 2013 were previously within the Service Light Industrial (SLI)
17 District, where affordable housing was permitted. The SALI controls eliminated the allowance
18 for affordable housing, diminishing the limited supply of land available for construction of new
19 affordable housing.

20 (c) The amended zoning controls in this ordinance strike a balance between preserving
21 light industrial and arts uses and meeting the need for new affordable housing. They will
22 permit new affordable housing on parcels in the SALI District that are presently undeveloped,
23 but leave in place the general prohibition on new housing construction on developed sites,
24 thus ensuring that no uses existing as of the effective date of this ordinance are displaced by
25 new affordable housing construction.

1
2 Section 3. The Planning Code is hereby amended by renumbering existing Sections
3 846.24 and 846.25 as Sections 846.25 and 846.26 respectively, adding a new Section
4 846.24, deleting existing Section 846.26, and revising Sections ~~263.28~~, 803.8, 846, 846.20,
5 846.21, and 846.22, to read as follows:

6
7 ~~SEC. 263.28. SPECIAL EXCEPTIONS: SALI DISTRICTS IN THE 40-55-X HEIGHT~~
8 ~~AND BULK DISTRICT and Affordable Housing Projects in SALI Districts.~~

9 ~~(a) Purpose. Arts activities are encouraged in the Western SoMa Planning Area~~
10 ~~Special Use District, and especially in the SALI District. Therefore, additional development~~
11 ~~potential is provided in the SALI District when additional space is provided for the exclusive~~
12 ~~use of arts activities.~~

13 ~~(b) Applicability. This Section 263.28 shall apply to all properties zoned SALI and a~~
14 ~~Height and Bulk district of 40-55-X, and Affordable Housing Projects under Section 846.24.~~

15 ~~(c) Controls.~~

16 ~~—————(1) Additional Height Permitted. In SALI Districts in the 40-55-X Height and Bulk~~
17 ~~District, buildings are limited to a maximum height of 40 feet unless all of the following criteria~~
18 ~~are met, in which case they may extend to a maximum height of 55 feet. Affordable Housing~~
19 ~~Projects under Section 846.24 are limited to a maximum height of 45 feet unless all of the~~
20 ~~following criteria are met, in which case they may extend to 55 feet:~~

21 ~~—————(A) At least one Story of the Building, as defined in Section 102, located~~
22 ~~on the First Story or above, as defined in Section 102 under the definition for Story, is~~
23 ~~designated for the exclusive use of Arts Activities, as defined in Section 102. If the First Story~~
24 ~~is designed for the use of Arts Activities, it shall also be permitted to contain lobbies, egress,~~
25

1 building services, and other features necessary for the operation of the building and permitted
2 uses elsewhere in the building.

3 ~~_____ (B) Any such story dedicated to arts activities pursuant to Ssubsections~~
4 ~~(2) and (3) below, regardless of its location within the building, shall have a minimum floor-to-~~
5 ~~floor height of 15 feet.~~

6
7 * * * *

8
9 **SEC. 803.8. HOUSING IN MIXED USE DISTRICTS.**

10 (a) **Low-Income Affordable Housing Within the Service/Light Industrial and**
11 **Service/Arts/Light Industrial Districts.** Dwelling Units and SRO units may be authorized in the
12 SLI District as a Conditional Use pursuant to Sections 303, 817.14, and 817.16 of this Code,
13 and Dwelling Units, SRO Units, and Group Housing are principally permitted in the SALI District
14 pursuant to Sections 846.20, 846.21, 846.22, and 846.24 of this Code, provided that such Dwellings
15 Units shall be rented, leased, or sold at rates or prices affordable to a household whose
16 income is no greater than 80% of the median income for households in San Francisco (“lower
17 income household”), as determined by Title 25 of the California Code of Regulations Section
18 6932 and implemented by the Mayor’s Office of Housing and Community Development.

19
20 * * * *

21
22 **SEC. 846. SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT.**

23 The Service/Arts/Light Industrial (SALI) District is largely comprised of low-scale
24 buildings with production, distribution, and repair uses. The district is designed to protect and
25 facilitate the expansion of existing general commercial, manufacturing, home and business

1 service, and light industrial activities, with an emphasis on preserving and expanding arts
 2 activities. Nighttime Entertainment is permitted although limited by buffers around RED and
 3 RED-MX districts. Residential Uses, Offices, Hotels, and Adult Entertainment uses are not
 4 permitted, except that certain Affordable Housing Projects are permitted within the district pursuant
 5 to Section 846.24 of this Code, and Accessory Dwelling Units are permitted within the district
 6 pursuant to subsection 207(c)(4) of this Code.

7

8 **Table 846**
 9 **SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	SALI District Controls
* * * *			
Residential Uses			
846.20	Dwelling Units	§§ 102.7, 846.24	NP, <i>except pursuant to § 846.24</i>
846.21	Group Housing	§§ 890.88(b), 846.24	NP, <i>except pursuant to § 846.24</i>
846.22	SRO Units	§§ 823, 890.88(c), 846.24	NP, <i>except pursuant to § 846.24</i>
846.23	Student Housing	§ 102.36	NP
846.23b	Homeless Shelters	§§ 102, 890.88(d)	C#
<u>846.24</u>	<u>Affordable Housing Project</u>	<u>§ 803.8</u>	<u>P# (pursuant to Specific Provisions for SALI Districts)</u>
846. 24 <u>25</u>	Dwelling Unit Density Limit	§§ 124, 207.5, 208	No density limit #
846. 25 <u>26</u>	Dwelling Unit Mix	§ 207.6	Not applicable
<u>846.26</u>	<u>Affordability Requirements</u>	<u>§ 415</u>	<u>15% onsite/20% off-site</u>
* * * * *			

24

25 **SPECIFIC PROVISIONS FOR SALI DISTRICTS**

Article Code Section	Other Code Section	Zoning Controls
§ 846.23b § 890.88(d)	§ 102	<p>In this District, Homeless Shelter uses are permitted only with Conditional Use authorization and only if each such use (a) would operate for no more than four years, and (b) would be owned or leased by, operated by, and/or under the management or day-to-day control of the City and County of San Francisco. If such a use is to be located within a building or structure, the building or structure must be either (a) preexisting, having been completed and previously occupied by a use other than a Homeless Shelter, or (b) temporary. In this District, construction of a permanent structure or building to be used as a Homeless Shelter is not permitted.</p>
§ 803.8 § 846.24		<p><u>AFFORDABLE HOUSING PROJECTS</u> <u>Boundaries: Within the boundaries of SALI Districts.</u> <u>Controls:</u> <u>"Affordable Housing Project" shall mean a project consisting of Low-Income Affordable Housing Dwelling Units, SRO Units, or Group Housing as defined in Section 803.8(a) of this Code. Affordable Housing Projects may also include principally permitted non-residential uses on the ground floor, and a non-residential use that is accessory to and supportive of the Low-Income Affordable Housing Dwelling Units, SRO Units, or Group Housing.</u> <u>Affordable Housing Projects are principally permitted in this District:</u> <u>(1) On any undeveloped parcel containing no existing habitable buildingsstructuresbuildings, as of the effective date of the ordinance enacting Section 846.24, in Board File No. _____; and</u> <u>(2) includingOn any parcel that contains only a surface parking lot and no existing structuresbuildings, except structuresbuildings that are accessory to a surface parking lot use, such as a guard station or kiosk, as of the effective date of the ordinance enacting Section 846.24, in Board File No. _____, whether or not said surface parking lot was established with the benefit of a permit.</u> <u>(3) On any parcel over 15,000 square feet in size that contains a surface parking lot use, structures that are accessory to a surface parking lot use, and a building that does not exceed 800 square feet in building area.</u></p>

		<p><i>Affordable Housing Projects shall be subject to the Use Standards applicable to Residential Uses in the RED-MX District listed in Table 847 of this Code, and the height and bulk limitations of the 45-X Height and Bulk District, subject to any applicable exceptions or bonuses available under state law or this Code.</i></p> <p><i>Affordable Housing Projects shall be eligible for the 100 Percent Affordable Housing Bonus Program and shall be considered a permitted residential use in the SALI District, in order to meet the requirement set forth in Section 206.4(b)(2)(B) of this Code.</i></p>
<p>§ 846.2425</p>	<p>§ 207(c)(4)</p>	<p>ACCESSORY DWELLING UNITS Boundaries: Within the boundaries of the SALI Districts. Controls: An "Accessory Dwelling Unit," as defined in Section 102 and meeting the requirements of Section 207(c)(4) is permitted to be constructed within an existing building in areas that allow residential use or within an existing and authorized auxiliary structure on the same lot.</p>
<p>§ 846.36 § 890.133</p>		<p>Medical cannabis dispensaries in the SALI may only operate between the hours of 8:00 a.m. and 10:00 p.m.</p>

Section 4. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
///

1 additions, and Board amendment deletions in accordance with the "Note" that appears under
2 the official title of the ordinance.

3

4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By:



7 PETER R. MILJANICH
8 Deputy City Attorney

9 n:\leganas2018\1800416\01304949.docx

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

REVISED LEGISLATIVE DIGEST

(9/18/2018, Amended in Board)

[Planning Code - Affordable Housing Projects on Undeveloped Lots in Service/Arts/Light Industrial Districts]

Ordinance amending the Planning Code to permit Affordable Housing on undeveloped lots in Service/Arts/Light Industrial (SALI) Zoning Districts; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code Section, 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

The Planning Code regulates residential land uses in the City, including Dwelling Units, Group Housing, and Single Room Occupancy (SRO) Units. Article 8 of the Planning Code sets forth the zoning controls for Mixed Use Districts in San Francisco, including the Service/Arts/Light Industrial (SALI) District.

Dwelling Units, Group Housing, and SRO Units are not currently permitted in SALI Districts.

The Planning Code and Zoning Map limit the height and bulk of buildings in the City. The Planning Code provides various exceptions to these limitations for projects that meet certain criteria.

Amendments to Current Law

This legislation would principally permit certain Affordable Housing Projects on certain lots in SALI Districts, as follows:

“Affordable Housing Project” shall mean a project consisting of Low-Income Affordable Housing Dwelling Units, SRO Units, or Group Housing as defined in Section 803.8(a) of the Planning Code. Affordable Housing Projects may also include principally permitted non-residential uses on the ground floor, and a non-residential use that is accessory to and supportive of the Low-Income Affordable Housing Dwelling Units, SRO Units, or Group Housing.

Affordable Housing Projects are principally permitted in SALI Districts:

- (1) On any undeveloped parcel containing no existing buildings, as of the effective date of this legislation; and
- (2) On any parcel that contains only a surface parking lot and no existing buildings, except buildings that are accessory to a surface parking lot use, such as a guard

station or kiosk, whether or not said surface parking lot was established with the benefit of a permit.

(3) On any parcel over 15,000 square feet in size that contains a surface parking lot use, structures that are accessory to a surface parking lot use, and a building that does not exceed 800 square feet in building area.

Affordable Housing Projects shall be subject to the Use Standards applicable to Residential Uses in the Residential Enclave-Mixed (RED-MX) District listed in Table 847 of the Planning Code, subject to any applicable exceptions or bonuses available under state law or the Planning Code.

This legislation would specify that these Affordable Housing Projects shall be eligible for the 100 Percent Affordable Housing Bonus Program set forth in Section 206.4 of the Planning Code.

Background Information

This Legislative Digest reflects amendments made by the Land Use Committee of the Board of Supervisors on July 30, 2018. These amendments:

- Clarify which parcels would be eligible for Affordable Housing Projects permitted by this legislation;
- Subject Affordable Housing Projects permitted by this legislation to the existing height and bulk limitations in SALI districts; and
- Remove a proposed amendment that would have made Affordable Housing Projects eligible for the special exception to height limits set forth in Section 263.28 of the Planning Code for buildings that provide space for arts activities.

This Legislative Digest also reflects amendments made by the Board of Supervisors on September 18, 2018. These amendments further clarify which parcels would be eligible for Affordable Housing Projects permitted by this legislation.