FILE NO. 131063

ORDINANCE NO. 49-14

[Planning and Administrative Codes - Construction of In-Law Units in Existing Residential Buildings or Auxiliary Structures on the Same Lot; Rent Control]

Ordinance amending the Planning Code to allow the construction of an additional dwelling unit or units entirely within the existing built envelope as it existed three years prior to the time of the application of a residential building or auxiliary structure on the same lot (In-Law Unit) on any parcel in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District boundaries, excluding any lot within an RH-1(D) zoning district or any lot within 500 feet of Block No. 2623, Lot Nos. 116 through 154; authorizing the Zoning Administrator to waive density and other Planning Code requirements in order to create the In-Law Units, and requiring the Department to monitor rents and publish a report evaluating the effectiveness of the ordinance; amending the Administrative Code to provide that an In-Law Unit constructed with a waiver of Code requirements shall be subject to the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance if the existing building or any existing dwelling unit is already subject to the Rent Ordinance; making environmental findings and findings, of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development, in accordance with State law.

NOTE: U

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

Be it ordained by the People of the City and County of San Francisco: Section 1. General and Environmental Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. <u>131063</u> and is incorporated herein by reference.

(b) On March 6, 2014, the Planning Commission, in Resolution No. <u>19099</u>, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. <u>131063</u>, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code Amendment will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. <u>19099</u> and the Board incorporates such reasons herein by reference. A copy of Planning Commission Resolution No. <u>19099</u> is on file with the Board of Supervisors in File No. <u>131063</u>.

Section 2. Specific Findings.

1. San Francisco has long had a housing shortage. The housing market continues to be tight and housing costs are beyond the reach of many households.

2. Policy 1.5 of the City's 2009 Housing Element states that adding new units in existing residential buildings represents a simple and cost-effective method of expanding the City's housing supply.

3. In Section 65852.150 of the California Government Code, the State Legislature finds and declares that second units are a valuable form of housing in California. Permitting

the creation of in-law units in existing residential buildings within the Castro Street Neighborhood Commercial District and nearby will provide additional housing without changing the built character of this established, already dense, and transit-rich neighborhood. It also "greens" San Francisco by efficiently using existing buildings and allowing more residents to live within walking distance of transit, shopping, and services.

<u>4. Nothing in this ordinance is intended to change the personal obligations of property</u> <u>owners under existing private agreements.</u>

Section 3. The Planning Code is hereby amended by revising Section 715.1 and the Section 715 Zoning Control Table, to read as follows:

SEC. 715.1. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

(a) The Castro Street District. The Castro Street District is situated in Eureka Valley, close to the geographic center of San Francisco between the Mission District, Twin Peaks, and Upper Market Street. The physical form of the district is a crossing at Castro and 18th Streets, the arms of which contain many small, but intensely active commercial businesses. The multi-purpose commercial district provides both convenience goods to its immediate neighborhood as well as comparison shopping goods and services on a specialized basis to a wider trade area. Commercial businesses are active both in the daytime and late into the evening and include a number of gay-oriented bars and restaurants, as well as several speciality clothing and gift stores. The district also supports a number of offices in converted residential buildings.

(b) Intent of Controls. The Castro Street District controls are designed to maintain existing small-scale development and promote a balanced mix of uses. Building standards permit small-scale buildings and uses and protect rear yards above the ground story and at residential levels. In new buildings, most commercial uses are permitted at the ground and

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second stories. Special controls are necessary to preserve the existing equilibrium of neighborhood-serving convenience and specialty commercial uses. In order to maintain convenience stores and protect adjacent residential livability, controls authorize some additional eating and drinking establishments with a conditional use, permit self-service specialty food establishments, and permit with certain limitations new late-night uses, adult and other entertainment, and financial service uses. The continuous retail frontage is maintained by prohibiting most automobile and drive-up uses.

Housing development in new buildings is encouraged above the second story. Existing housing units are protected by limitations on demolitions and upper-story conversions.

(c) "In-Law Units. "In-Law Units," which are also known as Secondary Units or Accessory Dwelling Units, are allowed in the Castro Street Neighborhood Commercial District and on a lot within 1,750 feet of the District boundaries, excluding any lot within an RH-1(D) zoning district or any lot within 500 feet of Block 2623, Lots 116 through 154. For purposes of this Section, an In-Law Unit is defined as an additional dwelling unit that (1) is permitted to be constructed entirely within the existing built envelope, as it existed three (3) years prior to the time of the application, of an existing building zoned for residential use or within the envelope of an existing auxiliary structure on the same lot and (2) will be constructed with a complete or partial waiver from the Zoning Administrator of the density limits and/or the parking, rear yard, exposure, or open space standards of this Code pursuant to the Special Provisions in Table 715 and Section 307(1).

(1) Monitoring of Affordability. The Department shall establish a system to monitor the affordability of the In-Law Units authorized to be constructed in the Castro Street Neighborhood Commercial District by this Section 715.1. Property owners shall provide the Department with rent information as requested by the Department. The Board of Supervisors recognizes that property owners and tenants generally consider rental information sensitive and do not want it publicly disclosed. The intent of the Board is for the Department to obtain the information so that it can be used by the

	Department in aggregate form, not in a manner that would be linked to specific individuals or units.
	The Department shall only request rental information from property owners if the notice includes the
	statement that the Department is acquiring it in confidence and will publicly disclose it only in
	aggregate form. The Department shall not ask property owners to provide rental information if it
	determines, after consulting with the City Attorney's Office, that the information would be publicly
Í	disclosable under federal, state, or local law in nonaggregated form.
	(2) Department Report. The Department shall publish a report one year after the
	effective date of Subsection (c) that describes and evaluates the types of units being developed and their
	affordability rates. The report shall contain such additional information as the Director determines
	would inform decisionmakers and the public on the effectiveness and implementation of Subsection (c)
1	and make recommendations for any amendments or expansion of areas where In-Law Units should be
	constructed. In subsequent years, information on In-Law Units shall be included in the Housing

SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT **ZONING CONTROL TABLE**

* * * *							
No.	Zoning Category	с	Castro Street				
		· · · ·		c	Controls by Story		
		§ 790.118	1st	2nd	3rd+		
* * * *							
RESIDENTIAL STANDARDS AND USES							
715.90	Residential Use	§ 790.88	Р	Р	Р		
715.91	Residential Density,	§§ 207,	Generally	y, 1 unit per	r 600 sq. ft. lot area		

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1		Dwe	lling Units		207.1,	§ 207.4 <u>#</u>		
2					790.88(a)			
3	-45.00	Resi	dential Densit	Ŋ,	§§ 207 .1,		1 bedroon	n per 210 sq. ft. lot
4	715.92	Grou	up Housing		790.88(b)	area		
5						§ 208		
6						Generally	v, either	
7	715.93	Usal	Usable Open Space [Per Residential Unit]		§§ 135, 136	80 sq. ft. if private, or		
8	115.95	[Per				100 sq. ft. if common		
9						§ 135(d) <u>#</u>	ŧ	
10		Off-S	Street Parking		§§ 150, 153 -	Generally	v, 1 space f	or each dwelling unit
11	715.94		sidential		157, 159 - 160,			
12	Resi		204.5		§§ 151, 161(a) (g) <u>#</u>			
13 14	715.95		imunity idential Parkin	g	§ 790.10	С	С	С
15 16	SPECIFIC PROVISIONS FOR CASTRO STREET							
17	Article Code Sectio		Other Code Section			Zoniı	ng Control	s
18			Use Size sł	nall	generally not exc	eed 4,000 s	square feet	except that an
19	§	§			• •		•	at is operated by a
20					0			
21	715.21	121.1			s neighborhood-s	erving may	exceed 4,0	ου sq. π. by
22			Conditional	Use	Authorization.			
	§		UPPE	ER I	MARKET STREE		SIGN DIS	STRICT
23	715.31	§	Boundaries	: A	pplicable only for	the portions	s of the Ca	stro Street NCD as
24	§	608.10	mapped on 3	Ser	tional Map SSD	-		
25	1 <u>3</u>		Indeped on			······································	-	

715.32		Controls: Special restrictions and limitations for signs		
		CASTRO STREET LIQUOR LICENSES FOR RESTAURANTS		
		Boundaries: Applicable to the Castro Street Neighborhood Commercial		
		District		
		Controls: A Restaurant Use may only add ABC license types 47, 49 or 75		
§	§ 790.91	as a conditional use on the ground level if, in addition to the criteria set for		
715.44		in Section 303, the Planning Commission finds that the restaurant is		
		operating as a Bona Fide Eating Place, as defined in Section 790.142 of		
		this Code. Should a restaurant fail to operate as a Bona Fide Eating Place		
		for any length of time, the conditional use authorization shall be subject to		
		immediate revocation.		
	§	MASSAGE ESTABLISHMENT		
	790.60,	Controls: Massage shall generally be subject to Conditional Use		
§	§ <u>§ 29.1-</u>	authorization. Certain exceptions to the Conditional Use requirement for		
3 715.54	<u>29.32</u>	massage are described in Section 790.60(c). When considering an		
710.04	1900	application for a conditional use permit pursuant to this subsection, the		
	Health	Planning Commission shall consider, in addition to the criteria listed in		
	Code	Section 303(c), the additional criteria described in Section 303(o).		
		FRINGE FINANCIAL SERVICE RESTRICTED USE DISTRICT		
		(FFSRUD)		
8	§ 249.35	Boundaries: The FFSRUD and its 1/4 mile buffer includes, but is not		
§ 715.68		limited to, the Castro Street Neighborhood Commercial District.		
		Controls: Within the FFSRUD and its 1/4 mile buffer, fringe financial		
		services are NP pursuant to Section 249.35. Outside the FFSRUD and it s		

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1		forth in Subsection 249.35(c)(3).
2		<u>IN-LAW UNITS</u>
3		Boundaries: The Castro Street NCD and on a lot within 1,750 feet of the
4		District boundaries, excluding any lot within 500 feet of Block 2623, Lots 116
5		through 154.
6		Controls: An "In-Law Unit," as defined in Section 715, is permitted to be
7		constructed within an existing building zoned for residential use or within an
8		existing and authorized auxiliary structure on the same lot under the following
9		conditions:
10		(1) An In-Law Unit shall not be permitted in any RH-1(D) zoning
11		<u>district.</u>
12		(1) (2) An In-Law Unit shall be constructed entirely within the existing
13	§ 715	building envelope.
14		(2) (3) For buildings that have no more than 10 existing dwelling units, one
15		In-Law Unit is permitted; for buildings that have more than 10 existing dwelling
16		units, two In-Law Units are permitted.
17		(3) (4) An In-Law Unit shall not exceed 750 square feet of habitable space.
18		(4) (5) An In-Law Unit shall not be constructed using space from an
19		existing dwelling unit.
20		(5) (6) Pursuant to the provisions of Section 307(1) of this Code, an In-Law
21		Unit may receive a waiver of the density limits and lot parking, rear yard, exposure,
22		and or open space standards of this Code from the Zoning Administrator;
23		provided, however, that if the existing building or any existing dwelling unit within
24		the building is subject to the provisions of the San Francisco Residential Rent
25		Stabilization and Arbitration Ordinance (Chapter 37 of the San Francisco

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Section 4. The Planning Code is hereby amended by revising Section 307, to read as follows:

SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.

In addition to those specified in Sections 302 through 306, and Sections 316 through 316.6 of this Code, the Zoning Administrator shall have the following powers and duties in administration and enforcement of this Code. The duties described in this Section shall be performed under the general supervision of the Director of Planning, who shall be kept informed of the actions of the Zoning Administrator.

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(1) Exceptions from Certain Specific Code Standards through Administrative Review in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District boundaries, excluding any lot within 500 feet of Block 2623, Lots 116 through 154.

The Zoning Administrator may allow complete or partial relief from the density limits and from the parking, rear yard, exposure, and or open space requirements of this Code when modification of the requirement would facilitate the construction of an In-Law Unit, as defined in Section 715.1 of this Code. The exposure requirements of Section 140 apply, except that subsection (a)(2) may be satisfied through windows facing an open area that is at least a 15 feet in every horizontal direction that is not required to expand on subsequent floors foot by 15 foot rear yard. In considering any request for complete or partial relief from these Code requirements, the Zoning Administrator shall facilitate the construction of such In-Law Units to the extent feasible and shall consider any criteria elsewhere in this Section 307 that he or she determines to be applicable.

Section 5. The Administrative Code is hereby amended by revising Section 37.2, to read as follows:

* * * *

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

Garage facilities, parking facilities, driveways, storage spaces, laundry rooms, decks, patios, or gardens on the same lot, or kitchen facilities or lobbies in single room occupancy (SRO) hotels, supplied in connection with the use or occupancy of a unit, may not be severed from the tenancy by the landlord without just cause as required by Section 37.9(a). Any severance, reduction or removal permitted under this Section 37.2(r) shall be offset by a

corresponding reduction in rent. Either a landlord or a tenant may file a petition with the Rent Board to determine the amount of the rent reduction.

The term "rental units" shall not include:

(1) Housing accommodations in hotels, motels, inns, tourist houses, rooming and boarding houses, provided that at such time as an accommodation has been occupied by a tenant for 32 continuous days or more, such accommodation shall become a rental unit subject to the provisions of this Chapter; provided further, no landlord shall bring an action to recover possession of such unit in order to avoid having the unit come within the provisions of this Chapter. An eviction for a purpose not permitted under Section 37.9(a) shall be deemed to be an action to recover possession in order to avoid having a unit come within the provisions of this Chapter;

(2) Dwelling units in nonprofit cooperatives owned, occupied and controlled by a majority of the residents or dwelling units solely owned by a nonprofit public benefit corporation governed by a board of directors the majority of which are residents of the dwelling units and where it is required in the corporate by-laws that rent increases be approved by a majority of the residents;

(3) Housing accommodation in any hospital, convent, monastery, extended care facility, asylum, residential care or adult day health care facility for the elderly which must be operated pursuant to a license issued by the California Department of Social Services, as required by California Health and Safety Chapters 3.2 and 3.3; or in dormitories owned and operated by an institution of higher education, a high school, or an elementary school;

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

(A) For purposes of Sections 37.2, 37.3(a)(10)(A), 37.4, 37.5, 37.6, 37.9, 37.9A, 37.10A, 37.11A and 37.13, and the arbitration provisions of Sections 37.8 and 37.8A applicable only to the provisions of Sections 37.3(a)(10)(A), the term "rental units" shall include units occupied by recipients of tenant-based rental assistance where the tenant-based rental assistance program does not establish the tenant's share of base rent as a fixed percentage of a tenant's income, such as in the Section 8 voucher program and the "Over-FMR Tenancy" program defined in 24 CFR Section 982.4;

(B) For purposes of Sections 37.2, 37.3(a)(10)(B), 37.4, 37.5, 37.6, 37.9, 37.9A, 37.10A, 37.11A and 37.13, the term "rental units" shall include units occupied by recipients of tenant-based rental assistance where the rent payable by the tenant under the tenant-based rental assistance program is a fixed percentage of the tenant's income; such as in the Section 8 certificate program and the rental subsidy program for the Housing Opportunities for Persons with Aids ("HOPWA") program (42 U.S.C. Section 12901 et seq., as amended);

(C) The term "rental units" shall include units in a building for which tax credits are reserved or obtained pursuant to the federal low income housing tax credit program (LIHTC, Section 42 of the Internal Revenue Code, 26 U.S.C. Section 42), that satisfy the following criteria:

(i) Where a tenant's occupancy of the unit began before the applicable LIHTC regulatory agreement was recorded; and,

(ii) Where the rent is not controlled or regulated by any use restrictions imposed by the City and County of San Francisco, the San Francisco Redevelopment

Agency, the State of California Office of Housing and Community Development, or the United States Department of Housing and Urban Development.

Nothing in this Section 37.2(r)(4)(C) precludes a landlord from seeking an exemption from rent regulation on the basis of substantial rehabilitation under Section 37.2(r)(6).

This Section 37.2(r)(4)(C) definition of "rental unit" shall apply to any unit where the qualifying tenant (see Section 37.2(r)(4)(C)(i)) is in possession of the unit on or after the effective date of this ordinance (Ord. No. 281-06), including but not limited to any unit where the tenant has been served with a notice to quit but has not vacated the unit and there is no final judgment against the tenant for possession of the unit as of the effective date of this ordinance (Ord. No. 281-06).

(D) The term "rental units" shall include In-Law Units constructed pursuant to Section 715.1 of the Planning Code and the Section 715 Zoning Control Table and that have received a complete or partial waiver of the density limits and lot the parking, rear yard, exposure, and or open space standards from the Zoning Administrator pursuant to Planning Code Section 307(l), provided that the building containing the In-Law Unit(s) or any unit within the building is already subject to this Chapter.

(5) Rental units located in a structure for which a certificate of occupancy was first issued after the effective date of this ordinance; (A) except as provided for certain categories of units and dwellings by Section 37.3(d) and Section 37.9A(b) of this Chapter, (B) except as provided in a development agreement entered into by the City under San Francisco Administrative Code Chapter 56; and (C) except as provided for foreclosed units and dwellings by Section 37.9D.

(6) Dwelling units in a building which has undergone substantial rehabilitation after the effective date of this ordinance; provided, however, that RAP rental units are not subject to this exemption; and except as provided for foreclosed units and dwellings by Section 37.9D.

(7) Dwellings or units otherwise subject to this Chapter 37, to the extent such dwellings or units are partially or wholly exempted from rent increase limitations by the Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50, et seq.) and/or San Francisco Administrative Code Section 37.3(d).

* * * *

Section 6. This section is uncodified. The Director of the Department of Building Inspection shall determine whether equivalencies from the provisions of the San Francisco Building Code can be developed in order to facilitate the construction of the In-Law Units defined in Planning Code Section 715, shall prepare one or more Administrative Bulletins to define and implement the code equivalencies, and shall coordinate with the Zoning Administrator in the development of any joint Administrative Bulletins that the Planning and Building Departments determine are necessary or desirable in order to implement the policy and provisions of this ordinance. Any Administrative Bulletins developed jointly or by either Department shall be completed within one year of the effective date of this ordinance.

Section 7. 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 8. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

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

Section 9. Severability. If any section, subsection, sentence, clause, phrase, or word of this Section is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Section. The Board of Supervisors hereby declares that it would have passed this Section and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Section would be subsequently declared invalid or unconstitutional.

Section 10. Directions to Clerk. The Clerk is hereby directed to submit a copy of this ordinance to the California Department of Housing and Community Development within 60 days following adoption pursuant to Section 65852.2(h) of the California Government Code.

APPROVED AS TO FORM: DENNIS ↓ HERRERA, City Attorney

By: JIJDITH A. BOYAJIAN Deputy City Attorney

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File Number: 131063

Date Passed: April 15, 2014

Ordinance amending the Planning Code to allow the construction of an additional dwelling unit or units entirely within the existing built envelope as it existed three years prior to the time of the application of a residential building or auxiliary structure on the same lot (In-Law Unit) on any parcel in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District boundaries, excluding any lot within an RH-1(D) zoning district or any lot within 500 feet of Block No. 2623, Lot Nos. 116 through 154; authorizing the Zoning Administrator to waive density and other Planning Code requirements in order to create the In-Law Units, and requiring the Department to monitor rents and publish a report evaluating the effectiveness of the ordinance; amending the Administrative Code to provide that an In-Law Unit constructed with a waiver of Code requirements shall be subject to the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance if the existing building or any existing dwelling unit is already subject to the Rent Ordinance; making environmental findings and findings, of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and directing the Clerk to send a copy of this Ordinance to the California Department of Housing and Community Development, in accordance with State law.

March 31, 2014 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

March 31, 2014 Land Use and Economic Development Committee - RECOMMENDED AS AMENDED

April 08, 2014 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

April 15, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 131063

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/15/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

May

Date Approved