## SB 9 Housing Development Approvals

Signed by Governor Newsom September 16, 2021 Effective January 1, 2022



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October 21, 2021

## SB 9 Summary

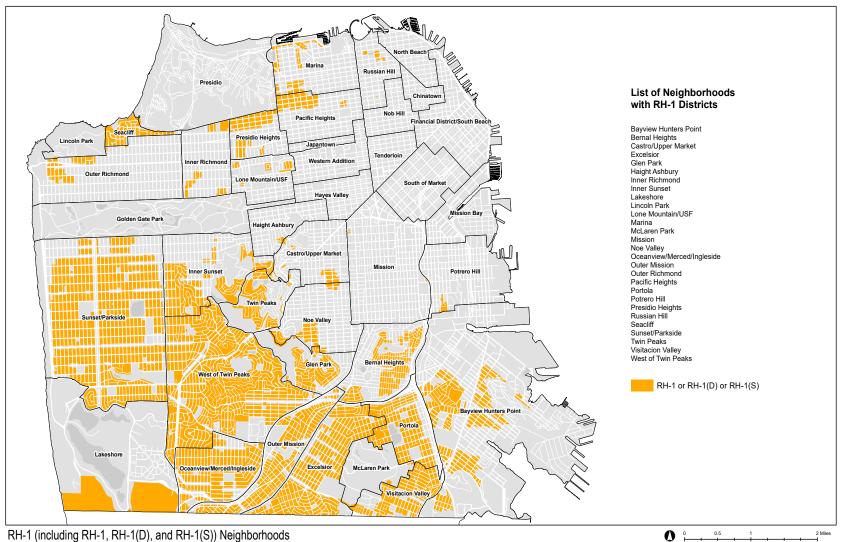
Allows duplexes in RH-1

Allows lot splits with duplexes in RH-1

Ministerial approval for all SB 9 projects

Prohibits objective zoning provisions that would preclude two 800 sq ft units per parcel

Prohibits subjective standards for all SB 9 projects



SAN FRANCISCO

September 24, 2021

## What parcels are eligible?

Located in RH-1 zoning

Owner-occupied or vacant for the three years prior to the application

Parcels 2,400 square feet and larger are eligible for the lot split option

# What parcels are NOT eligible?

Housing subject to rent control

Housing occupied by tenants in the 3 years prior to application

Housing that has been subject to Ellis Act in the 15 years prior to application

Parcels in a historic district or a listed historic resource

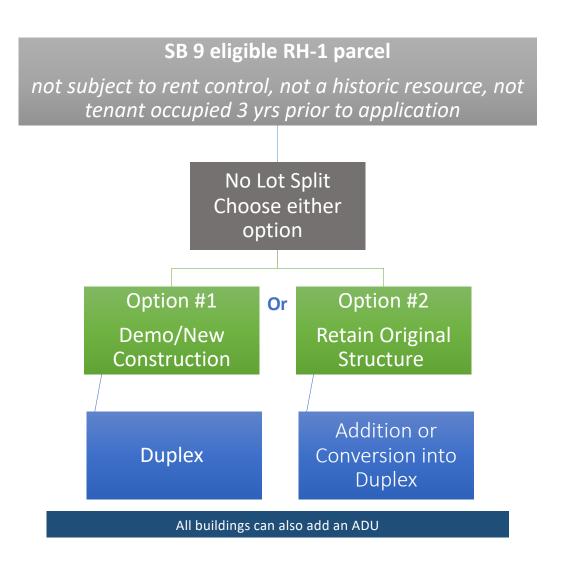
A parcel created through a prior SB 9 lot split

Parcels where the owner has previously done an SB 9 split on an adjacent parcel

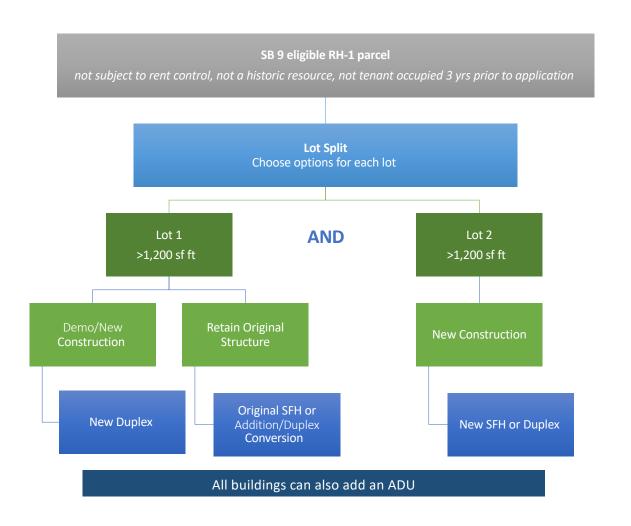
## Eligible Parcels

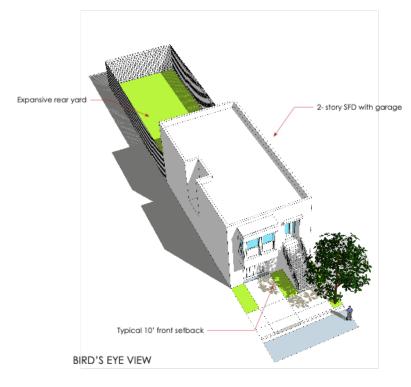
Total parcels in RH-1, RH-1D, and RH-1S	75,000
Less parcels with two or more units	-3,500
Total parcels with single family homes in RH-1, RH-1D, and RH-1S	71,500
Less tenant occupied single family homes	-15,000
Less identified Historic Resources	-5,800
Approximate total SB 9 eligible parcels	50,700
Total RH-1 parcels ineligible for lot split	18,000
Approximate total eligible for SB 9 lot split	32,700

## Possible Scenarios without lot split



Possible Scenarios with lot split





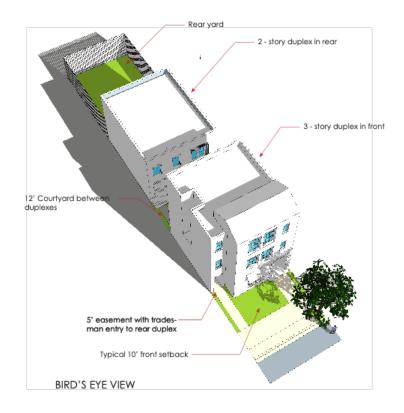
120'
50'
VIEW FROM ABOVE

**Common Existing Condition** 

Lot: 120'x25' Front Setback: 10' Rear setback: 60'

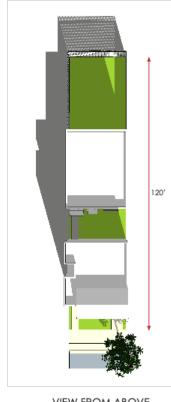
SFD Footprint: 50'x25'FR Approx. 1500 sq ft unit size



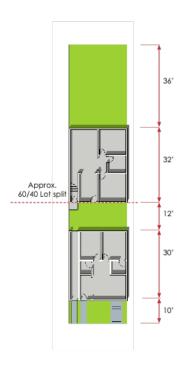


Option 1. Demo SFD and construct duplex at front and rear (60/40 lot

Lot: 120'x25' Front Setback: 10' Rear setback: 36' Courtyard: 12' Duplex footprint: 30'x25'FR/ 32'x25'RR 4 Total units: 2 @ 1000, 2 @ 800 Easement: 5'



VIEW FROM ABOVE

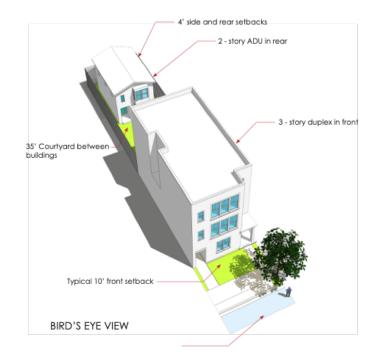


SAMPLE GROUND FLOOR PLAN



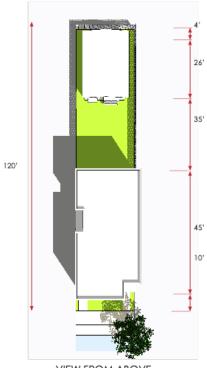






Option 2. Demo SFD w/ new duplex at front and new detached ADU in rear (no lot split).

Lot: 120'x25' Front Setback: 10' Duplex footprint: 45'x25 ADU footprint: 17'x26' 3 Total units: 2 @ 1500 sq ft, 1 @ 900 sq ft

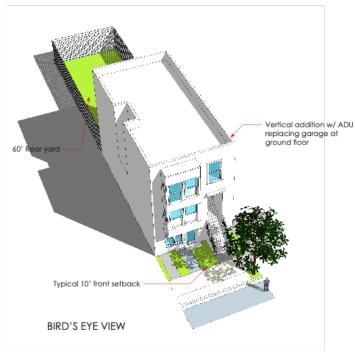


VIEW FROM ABOVE



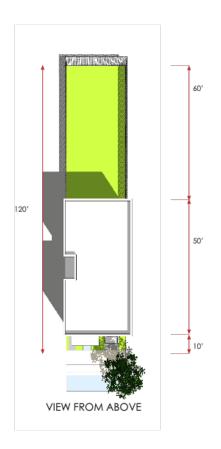






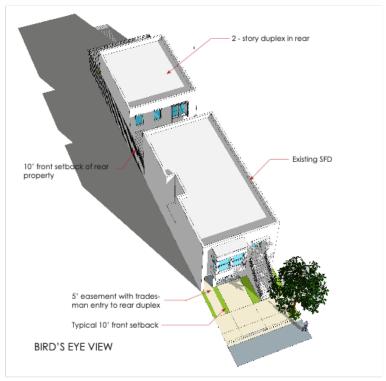


Lot: 120'x25' Front Setback: 10' Building footprint: 50'x25' Total units: 3 @ approx. 1100 sq ft





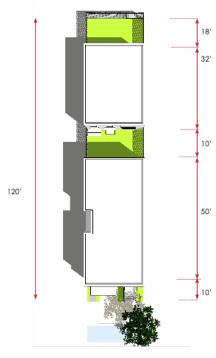




**Example 4.** Keep existing SFD w/ new duplex in rear (lot split evenly).

Lot: 120'x25' Front Setback: 10' Rear setback: 18' Duplex footprint: 32'x25'

Total units: 3 (2 @ 800 sq ft in duplex) Easement: 5'



VIEW FROM ABOVE





### **Technical Details**

Allows duplexes on RH-1 lots smaller than 2,400 sq ft

Allows lot splits with duplexes on parcels larger than 2,400 sq ft Lot splits: each lot must be at least 1,200 sq ft (or smaller by local Ordinance) Lot splits: smaller lot cannot be less than 40% of original lot

Allows objective design standards (no RDG) Allows retention or demolition of existing home

Allows adjacent or connected homes

Not subject to CEQA

ADUs, Detached ADUs, and JADUs may be included

Only residential uses

Exemptions only with preponderance of the evidence that project would have specific, adverse impact upon health and safety

Prohibits correction of nonconforming buildings as a condition for ministerial approval of a lot split

### **Development Considerations**

## Building and Fire Codes

- Lot splits require easements for underground utility connections to street
- Lot splits require fire-safe easement for physical assess
- Possible Sprinkler requirements (depends on unit count)

### Design

- Ministerial permits, not subject to Residential Design Guidelines
- 35' height limits in RH-1
- ADUs may be permitted
- 4' rear and side setbacks can be required

#### **Practical**

- Rear lot access for construction
- Lot splits require owner occupancy for 3 years
- Lot splits require permanent easements through front property

#### **Financial**

- High market value for single family homes
- Future earnings potential: rental units vs for-sale condos
- Significant financing needed to fund construction
- $\bullet$  Likely higher construction costs for rear lot development than typical
- Property tax reassessments

Racial & Social Equity Protections Included in SB 9

Tenant occupied housing ineligible

Rent protected housing ineligible

Ellis Act properties ineligible

Owner occupancy required for 3 yrs after lot splits

## Occupancy Verification

#### **Existing tools**

- Rent Board records
- Voter rolls

#### Possible new tools

- Property tax records
- Income tax records
- Utility bills
- Vehicle registration
- Rental registry (2023)

## SB 9 Eligible Neighborhoods

	Median Household Income	Percent SFH Owner Occupied	% Asian (pop.)	% Latinx (pop.)	% African American (pop)	% AI (pop.)	% White (pop.)	% of eligible SB 9 parcels in this neighborhood
Sunset/Parkside	\$113,378	80%	54%	7%	2%	0%	35%	27% (13,500)
West of Twin Peaks	\$164,651	86%	34%	10%	2%	0%	54%	15% (7,600)
Excelsior	\$90,221	76%	50%	32%	2%	0%	24%	11% (5,600)
Ocean View/ Ingleside/Merced	\$88,698	74%	58%	15%	11%	0%	18%	8% (3,900)
Outer Mission	\$98,169	75%	55%	29%	2%	0%	23%	7% (3,300)
<b>Bayview Hunters Point</b>	\$64,265	73%	39%	23%	26%	0%	12%	6% (3,100)
Bernal Heights	\$139,519	83%	18%	26%	4%	1%	57%	5% (2,600)
Portola	\$90,370	78%	55%	24%	5%	1%	20%	5% (2,400)
Visitation Valley	\$71,387	70%	54%	24%	12%	0%	12%	4% (2,000)
Glen Park	\$169,600	79%	17%	12%	7%	0%	64%	2% (1,000)
Sea Cliff	\$173,093	88%	18%	4%	0%	0%	72%	1% (318)

### Racial & Social Equity Considerations

#### **Current Conditions**

- Low income owners are "house rich, cash poor"
- High single family home value citywide

#### **Under SB 9**

- Duplex value may not be higher than single-family home value. Financial analysis by neighborhood underway.
- Significant development barriers, including financing and risk, for low-income homeowners. Potentially overcome with city-backed silent loans, technical assistance grants, etc.
- May provide housing in areas that previously were redlined or had racial covenants. Potentially accessible to households of color if coupled with down payment assistance, rent assistance, etc.
- Multi-family units are more affordable than single family homes.

#### **Equitable SB 9 Implementation**

- Financial products for low- and moderate- income owners to access equity
- Wealth-building programs for Black,
   Al communities, other households of color
- Assistance with permitting process
- Rigorous tenancy verification

## How SB 9 Changes Local Process

#### Ministerial approval

- No Condition Use Authorization needed for demolition (Sec 317)
- No application of the Residential Design Guidelines
- No Noticing (Sec 311)

No CEQA needed

## Local Discretion to Tailor SB 9

Lot splits resulting in lots smaller than 1,200 sq ft

ADUs: total units/parcel can be capped at 2 for lot splits

Rear and side setbacks: can be up to 4 feet

Building location on lot

Additional objective design standards

**Unit parity** 

Open space and rear yard requirements

## Next Steps



#### Analysis of financial feasibility

• End of October

#### Design the SB 9 permitting process

- Interagency coordination: Planning, DBI, Fire, PUC, Public Works
- Establish tenancy review protocol
- Create forms, templates, FAQs, web site

#### Potential follow-up ordinance

TBD Code amendments to implement SB 9

#### Planning Commission Informational in January 2022

Implement process and procedures

SB 9 Effective Date: January 1, 2022

## SB 10 Housing Development Density

Signed by Governor Newsom September 16, 2021 Effective January 1, 2022



## SB 10 Summary

Allows local Ordinance to increase housing density without CEQA

Up to 10 units per parcel

Height limits, building form determined by local control

