



SAN FRANCISCO PLANNING DEPARTMENT

Addendum 2 to Environmental Impact Report

Addendum Date: July 14, 2015

Case No.: 2015-005350ENV

Project Title: BOS 150365 – Accessory Dwelling Units
BOS 150585 – Accessory Dwelling Units

EIR: San Francisco 2004 and 2009 Housing Element, 2007.1275E
SCL No. 2008102033, certified March 24, 2011, re-certified April 24, 2014

Project Sponsor: San Francisco Board of Supervisors

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REMARKS

The purpose of this Addendum to the 2004 and 2009 Housing Element Final Environmental Impact Report (EIR) is to substantiate the Planning Department's determination that no supplemental environmental review is required for the proposed legislation, as the environmental effects of amending the locations in which an Accessory Dwelling Unit ("ADU") may be created has been adequately analyzed pursuant to the California Environmental Quality Act ("CEQA") in a Final Environmental Impact Report ("2004 and 2009 Housing Element Final EIR" or "Final EIR") previously prepared for the 2004 and 2009 Housing Elements. Nor would the proposed project result in new or heightened environmental impacts than those analyzed in the Final EIR. This memorandum describes the proposed ADU legislation, analyzes the project in context of the 2004 and 2009 Housing Element Final EIR, and summarizes the potential environmental effects that may occur as a result of implementing the proposed project.

Background

The 2009 Housing Element was adopted by the San Francisco Board of Supervisors ("Board") as the Housing Element of the San Francisco General Plan on June 21, 2011. However, pursuant to the San Francisco Superior Court's direction in *San Franciscans for Livable Neighborhoods v City and County of San Francisco* (San Francisco Superior Court Case No. 513-077), the San Francisco Planning Department ("Planning Department" or "Department") recirculated for public review a revised Chapter VII Alternatives of the Final EIR (Revised EIR) on December 18, 2013. The public hearing on the Revised EIR occurred before the San Francisco Planning Commission

("Planning Commission") on January 23, 2014. The public comment period ran from December 18, 2013 through February 18, 2014 (the original close of the public comment period was February 3, 2014, but was extended to February 18, 2014 in response to requests from the public and the Planning Commissioners). The Responses to Comments document for the Revised EIR was issued on April 10, 2014. These documents together comprise the 2004 and 2009 Housing Element Final EIR. On April 24, 2014 the Planning Commission held a noticed hearing to consider certification of the 2004 and 2009 Housing Element Final EIR. The Planning Commission found that the 2004 and 2009 Housing Element Final EIR reflects the independent judgment and analysis of the City and County of San Francisco's ("City"), is adequate, accurate and objective, and it complies with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco *Administrative Code*. Thus, a Final Environmental Impact Report for the 2004 and 2009 Housing Elements (File No. 2007.1275E) was certified by the Planning Commission on April 24, 2014. On June 17, 2014, the Board denied an appeal of the certification and re-adopted the 2009 Housing Element with minor revisions. On January 22, 2015, in response to the proposed 2014 Housing Element, the Planning Department prepared Addendum 1 to 2004 and 2009 Housing Element Final EIR. Addendum 1 was certified by the Planning Commission on February 5, 2015 and adopted by the Board on April 26, 2015. This Addendum 2 applies only to implement the proposed ADU legislation.

PROPOSED REVISIONS TO PROJECT

Background and Legislative Applicability

The Housing Element is a component of the City's General Plan that establishes the City's overall housing policies. State Housing Element law (California *Government Code* Section 65583) requires local jurisdictions to adequately plan for and address the housing needs of all segments of its population in order to attain the region's share of projected state-wide housing goals. This law requires local governments to plan for their existing and projected housing needs by facilitating the improvement and development of housing and removing constraints on development opportunities.

As discussed in the City's Housing Element, housing density standards in San Francisco have been traditionally set in terms of numbers of dwelling units in proportion to the size of the building lot. For the various zoning districts of the City, the San Francisco *Planning Code* limits the number of dwelling units permitted on a given lot. In a Residential House, Two Family (RH-2) district, for example, two dwelling units are principally permitted per lot, and one dwelling unit is permitted per 1,500 square feet of lot area with conditional use authorization. The 2004 and 2009 Housing Elements discussed the need to increase housing stock through policies that promote intensification of density on developed lots. As described in Table 1, the following policies and associated implementation measures, the creation of ADUs and were analyzed in the Final EIR:

Table 1: 2004 and 2009 Housing Element Policies and Implementation Measures that Promote Increased Density-Related Development Standards for the Creation of ADUs

Policies & Implementation Measures	2004 Housing Element	2009 Housing Element	2014 Housing Element
Policies	<p>Policy 1.8 – Allow secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower income households.</p>	<p>Policy 1.5 – Consider secondary units in community plans where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.</p> <p>Policy 1.6 – Consider greater flexibility in the number and size of units within established building envelopes in community plan areas, especially if it can increase the number of affordable units in multi-family structures.</p>	<p>Policy 1.5 – Consider secondary units in community planning processes where there is neighborhood support and when other neighborhood goals can be achieved, especially if that housing is made permanently affordable to lower-income households.</p>
Implementation Measures	<p>Implementation Measure 1.8.1 – The Board has introduced <i>Planning Code</i> amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit.</p> <p>Measure 1.8.3 –</p>	<p>Implementation Measure 13 – When considering legalization of secondary units within a community planning process, Planning should develop design controls that illustrate how secondary units can be developed to be sensitive to the surrounding neighborhood, to ensure</p>	<p>Implementation Measure 13 – When considering legalization of secondary units within a community planning process, Planning should develop design controls that illustrate how secondary units can be developed to be sensitive to the surrounding</p>

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	Ongoing planning will propose <i>Planning Code</i> amendments to encourage secondary units where appropriate.	neighborhood character is maintained.	neighborhood, to ensure neighborhood character is maintained.
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The Planning Department engaged in a community planning process to develop a number of Area Plans to guide future development within specific areas of the City. These plans have been incorporated into the City's General Plan. The Final EIR found that implementation of the 2009 Housing Element would promote neighborhood and area plans as part of the planning process, such as that found in 2009 Housing Element Policy 1.5. In addition, the Final EIR determined that implementation of the 2004 and 2009 Housing Elements would not result an adverse effect on the application of General Plan policies and plans, and would not lead to inconsistencies with adopted Area Plans. Table 2 lists the Areas Plans located completely or partially within the boundaries of the project area.

Table 2: Area Plans within Project Area by District

<i>Area Plans in District 3</i>	<i>Area Plans in District 8</i>
Chinatown	Glen Park
Downtown	Market & Octavia
Northeast Waterfront	Mission

Accessory Dwelling Unit Program

Project Description

Legislation was introduced to the San Francisco Board of Supervisors by Supervisor Wiener on April 14, 2015 (BOS File No. 150365)¹ and Supervisor Christensen on June 2, 2015 (BOS File No. 150585), that would amend San Francisco *Planning Code* Sections 102, 207, 209, 210, 307, 714, 722, 723, 732, 810, 811, and 812 to allow the construction of ADUs within the boundaries of Supervisorial District 8 ("District 8") and Supervisorial District 3 ("District 3"), collectively known as the project area. ADUs, also referred to as Secondary Dwelling Units or In-Law Units, are defined in Section 207(c)(4)(A) of the *Planning Code* as additional dwelling units constructed entirely within the existing built envelope of a building or authorized auxiliary structure (the "building envelope") zoned for residential uses, and may be constructed with a complete or

¹ BOS 150365 was originally introduced on April 14, 2015. The proposed legislation language was substituted and reintroduced on June 2, 2015.

partial waiver from the Zoning Administrator for density limits and parking, rear yard, exposure, and open space standards in the *Planning Code*.

In 2004 the Board passed legislation allowing the creation of ADUs on lots in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District's boundaries (excluding lots within 500 feet of Assessor's Block 2623, Lots 116 through 154) under Board File No. 13103.² The proposed ordinance would remove the requirement that creation of an ADU within the boundaries of District 8 is restricted to lots in the Castro Street Neighborhood Commercial District and within 1,750 feet of the District's boundaries. Proposed amendments to Section 207 of the *Planning Code* would authorize ADUs, as defined in Section 207(c)(4)(A) of the *Planning Code*, throughout District 8 (excluding any lot within 500 feet of Assessor's Block 2623, Lots 116 through 154) and District 3. The development of ADUs in Districts 3 and 8 beyond the density limits within the project area would be subject to the following conditions:

- New units must be constructed within the existing building envelope; no building expansion would be allowed.
- New units cannot be created using space from existing dwelling units; however, existing required parking spaces can be removed to provide space to create an ADU.
- In District 3, one ADU would be permitted in buildings with four existing dwelling units or fewer; more than one ADU would be permitted in buildings with five or more units.
- In District 8, one ADU would be permitted in buildings with 10 existing dwelling units or fewer; two ADUs would be permitted in buildings with 11 or more units.
- If the existing building or any dwelling unit therein is subject to the San Francisco Rent Stabilization and Arbitration Ordinance ("Rent Ordinance"), the new ADU would be subject to the Rent Ordinance.
- The proposed legislation would not apply to buildings on lots zones RH-1(D) (Residential Housing – One Family, Detached Dwellings).

Pursuant to Section 207(c)(4)(C)(iii) of the *Planning Code*, ADUs may be created in buildings implementing seismic retrofits, and the height of those building may be raised up to three feet in order to provide adequate ceiling height for residential uses on the ground floor. The proposed legislation would clarify that the height increase is permitted within a noncomplying structure without requiring a variance from the Zoning Administrator and is exempt from the notification requirements in Sections 311 and 312 of the *Planning Code*.

In addition, the proposed legislation would define Accessory Dwelling Units in Section 102 of the *Planning Code*, amend incorrect cross references in Section 37.2 of the *Administrative Code*, affirm environmental findings, and adopt findings of consistency with the General Plan and the eight priority policies of Section 101.1 of the *Planning Code*.

The Planning Department is recommending the following modification to the legislation:³

² San Francisco Planning Department, Certificate of Determination: Exclusion/exemption from Environmental Review. Case No. 2013.1674E for Board of Supervisors File No. 131063, Addition of Dwelling Units in the Castro NCD and Surrounding Areas. February 25, 2014, The document, and all other documents herein, is available for review at 1650 Mission Street, Suite 400 as part of Case No. 2015-005350ENV.

³ San Francisco Planning Department, Executive Summary: Planning and Administrative Code Text Change, Construction of

- (1) Modify the controls for ADUs in District 8 to align with controls for ADUs in District 3 so that for buildings with 4 units or less only one ADU per lot would be allowed, and for buildings with more than four units, density controls would not apply.
- (2) Permit lots within 500 feet of Assessor's Block 2623 (Lots 116 through 154) to participate in the proposed ordinance.

For the purposes of this environmental review, the Planning Department assumes the approval of these modifications.

Anticipated Development of ADUs

It is uncertain how many ADUs could potentially result from implementation of the proposed legislation. However, the Planning Department identified the following factors, which may contribute to the overall feasibility of creating an ADU.

Past Trends

As previously discussed, the Board approved the creation of ADUs under the Additional Dwelling Units in Castro Ordinance ("Castro ADU Ordinance"). The ordinance provided for the development of ADUs beyond the density limits of the project area under similar conditions as those in the proposed legislation:

- The new units can only be built within the existing building envelope (no building expansion).
- Existing required parking spaces can be removed to provide space to create ADUs.
- For buildings of 10 units or less only one ADU would be allowed; for buildings with more than 10 units, two new ADUs would be allowed.
- The new units, if on a lot where the original building is subject to the Rent Ordinance, would also be subject to the Rent Ordinance.
- The development of new units cannot be created using space from an existing unit.
- ADUs created under the legislation cannot be greater than 750 square feet.

The Planning Department has received two permit applications since the Additional Dwelling Units in Castro Ordinance was enacted.

In addition to the Additional Dwelling Units in the Castro Ordinance, the Board passed the Exceptions from Dwelling Unit Density Limits for Buildings Undergoing Seismic Retrofitting Ordinance ("Seismic Retrofit Ordinance", Board File No. 140954). This ordinance permits the creation of ADUs beyond existing density limits in buildings undergoing mandatory or voluntary seismic retrofitting. The condition under which new ADUs may be created under the Seismic Retrofit Ordinance varies slightly from the Castro ADU Ordinance:

- New units must be built within the existing building envelope, except a building may be raised up to 3 feet in order to accommodate adequate ceiling heights for residential uses.⁴

Accessory Dwelling Units in Supervisorial District Three and Eight, Kimia Haddadan, Hearing Date July 16, 2015.

⁴ This provision does not permit a building to be raised above the established height limit, nor does it exempt the project from

- There is no limit on the number of new units that may be added.

The Planning Department has received one permit application for the creation of an ADU under the Seismic Retrofit Ordinance.

In 2008, through the Market-Octavia and Eastern Neighborhoods community planning processes, parts of the City were rezoned to Residential, Transit Oriented ("RTO") and Residential, Transit Oriented-Mission Neighborhood ("RTO-M"). The RTO zoning district removed density limits on residential parcels, and therefore allowed existing residential buildings to add new units to their existing building as long as other *Planning Code* requirements (open space, parking, rear yard, and exposure) were fulfilled. There are about 1,120 RTO and 1,110 RTO-M parcels in the City, for a total of approximately 2,230 parcels. Since 2008, 15 RTO- and RTO-M-zoned parcels with existing buildings on them have added secondary dwelling units, 8 of which were added within the existing building envelope.

Development Constraints

In order to determine the likely number of new units that would be constructed under the proposed ordinance, the Planning Department identified which constraints would limit the development of ADU units. Constraints on the creation of new ADUs fall under three general categories: *ownership, costs, and opportunity spaces*.

Ownership. Residential buildings which would be under common ownership, such as condominiums or tenancies in commons ("TIC"), are unlikely to convert space to an ADU. Construction of an ADU requires the conversion of unused space to a new unit. Unused spaces that are currently used as common areas with multiple owners may be less likely to be developed into an ADU as it would require consensus among multiple owners. While the City does not maintain a comprehensive database of the number of TICs, there are approximately 1,950 parcels (390 in District 3 and 1,560 in District 8) with condominium units on them. As parcels with condominium units would not likely develop an ADU, the Planning Department subtracted those parcels from the total number of parcels that could take advantage of the proposed legislation. The subtraction of all parcels with condominiums would still result in an over estimate of the number of new units that are likely to be created, as it does not take into account existing TICs, which would face similar constraints as condominiums.

Costs. Construction of new units may prove costly to property owners, further limiting the number of new units created by the proposed legislation. The Planning Department estimates it would cost approximately \$150,000-\$200,000 to develop an ADU,⁵ excluding any excavation, foundation, or façade work. For example, if excavation is necessary to convert the space to an ADU, the cost of such conversion could increase by approximately \$100 per square foot of plan

CEQA.

⁵ San Francisco Planning Department, Executive Summary: Planning and Administrative Code Text Change, Construction of Accessory Dwelling Units in Supervisorial District Three and Eight, Kimia Haddadan, Hearing Date July 16, 2015. The document, and all other documents herein, is available for review at 1650 Mission Street, Suite 400 as part of Case No. 2015-005350ENV.

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area.⁶ In some cases, San Francisco *Building Code* requirements would also increase the cost of conversion. For example, if an ADU was created in a building located in an area where ambient noise exceeds 75 decibels (dBA⁷) the property owner would be required to implement noise attenuation measures to shield new residents from street noise.

Opportunity Spaces. Pre-existing factors such as site layout and building design may affect the total number of units developed on a potential site under the proposed legislation. A new ADUs may not expand the dimensions of the building in which the unit is added, and may not be created by removing space from existing dwelling units. These factors constrain the space available to build an ADU to only a few options, including parking garages, storage space, and attics. The City does not maintain a database indicating the existence of such spaces in its residential building stock. However, parking garages appear to be the most feasible and likely type of space that could accommodate ADUs. Based on sample survey research⁸ the Planning Department conducted for the Addition of Dwelling Units in Castro Ordinance⁹, the Department estimated that approximately 5,170 parcels (1,300 parcels in District 3 and 3,870 parcels in District 8) in the project area do not have garage spaces. Therefore, it is unlikely those buildings would have sufficient space to create an ADU.

Theoretical Maximum Number of ADUs

There are approximately 22,480 parcels within the project area (5,780 parcels in District 3 and 16,700 parcels in District 8). Of these parcels, roughly 208 parcels (69 in District 3 and 139 in District 8) are zoned Public Use. The Planning Department estimates an additional 1,682 parcels (1,281 in District 3 and 401 in District 8) do not currently contain residential units. Therefore, the legislation does not apply to approximately 1,890 parcels within the project area. 4,370 of parcels (570 in District 3 and 3,800 in District 8) may already create ADUs under the Additional Dwelling Units in the Castro and Seismic Retrofit ordinances. The remaining approximately 16,220 residential parcels in the project area represent the theoretical maximum number of parcels that could take advantage of the proposed legislation without consideration of physical or economic constraints.

Based on the development constraints and factors discussed above, the Planning Department estimates that 9,100 parcels (2,170 parcels in District 3 and 6,930 parcels in District 8) have the physical space available to accommodate ADUs, are not under common ownership, and the cost of adding an ADU would not be prohibitive. Of those 9,100 parcels:

⁶ San Francisco Planning Department, Accessory Dwelling Unit Guide, July 2015.

⁷ A-weighted sound levels (dBA) is the method for measuring environmental noise to reflect that human hearing is less sensitive to low sound frequencies.

⁸ The Department conducted a sample survey of the Castro ADU project area to estimate the number of buildings that have a garage space. The Department surveyed seven blocks (462 parcels) within the project area (or about 15 percent of the project area). Blocks were chosen at random, and then refined to include a variety of zoning districts. Parcels were visually surveyed to determine the presence of a garage space that could potentially be converted into an ADU.

⁹ San Francisco Planning Department, Executive Summary: Planning and Administrative Code Text Change, Addition of Dwelling Units in the Castro, Kimia Haddadan, Hearing Date March 6, 2014.

- **District 3:** 1,224 parcels are estimated to have buildings with four or fewer residential units and each parcel could add one ADU. The remaining 946 parcels would have buildings with five or more residential units and could add an unlimited number of ADUs. Based on the development constraints discussed above, including the proposed condition that would restrict creation of ADUs to within the existing building envelope, the Planning Department estimates lots in District 3 developed with buildings with five or more residential dwelling units would likely only add two ADUs under the proposed ordinance. Thus, the Department anticipates a maximum of approximately 3,116 ADUs could be created on those parcels.
- **District 8:** 180 parcels are expected to have eleven or more unit buildings, and could potentially add two ADUs, for an anticipated total of 360 parcels; the remaining 6,750 parcels could only each add one ADU. Therefore, the Department anticipates a maximum of approximately 7,110 ADUs could be created on those parcels.

Based on the above, the Planning Department estimates that a theoretical maximum number of approximately 10,226 units could potentially be created in the project area under the ordinance as proposed. While past trends indicate a very limited number of property owners would create an ADU under the proposed legislation, the Department conservatively assumes 25 percent of parcels would take advantage of the legislation and build an ADU. The Department assumes a conservative estimate due to the *Planning Code* waivers the proposed legislation would permit in order to facilitate the expeditious development of ADUs in the project area. Although the 25 percent estimate is higher than historical trends, a conservative measure allows for an analysis of the likely greatest extent of development that could result from implementation of the proposed legislation. In addition, a highly conservative estimate would allow for any unintended variance between the estimates and the actual number of property owners that might add ADUs under the proposed legislation. Therefore, by applying this factor to the theoretical maximum number of potential ADUs in the project area (approximately 10,226 units), the Planning Department estimates the proposed legislation could result in the creation of approximately 2,557 ADUs (779 in District 3 and 1,778 in District 8) across the project area.¹⁰

Tables 3 and 4 illustrate how the Planning Department generated an estimate number of potential ADUs that could be created as a result of the implementation of the proposed legislation. However, should the Board adopt the Planning Department's recommendations, additional ADUs could be created in District 8 as a result of implementation of the proposed legislation.

¹⁰ Twenty-five percent of 10,226 units is approximately 2,556.5 new ADUs. However, the Department is using 2,557 for conservative purposes. This number of new ADUs represents the total maximum number the Department anticipates would be ever constructed as a result of this legislation.

Table 3: Anticipated Development Volume of ADUs in District 3

Total Number of Parcels in District	5,780
Number of non-residential parcels	-1,350
Number of parcels that may create ADUs under other ordinances	-570
Number of parcels with condominiums	-390
Estimate number of remaining parcels with no garages	-1,300
Estimate Number of Potential ADU Parcels in District 3	2,170
Approximate number of remaining 4 or less units buildings	1,224
Approximate number of remaining five or more unit buildings	946
Theoretical Maximum Potential of ADUs in District 3 (1,224 + 946*2)	3,116
Estimate Number of Potential New ADUs in District 3 (3,116 x 0.25 = 779)	779

Table 4: Anticipated Development of ADUs in District 8

Total Number of Parcels in District	16,700
Number of non-residential parcels	-540
Number of parcels that may create ADUs under other ordinances	-3,800
Number of parcels with condominiums	-1,560
Estimate number of remaining parcels with no garages	-3,870
Estimate Number of Potential ADU Parcels in District 8	6,930

Approximate number of remaining 10 or less unit buildings	6,750
Approximate number of remaining 11 or more unit buildings	180
Theoretical Maximum Potential of ADUs in District 8 (6,750 + 180*2)	7,110
Estimate Number of Potential New ADUs in District 8 (7,110 x 0.25 = 1,777.5)	1,778

The estimated 2,557 potential new ADUs is based on a conservative analysis of the potential development that could occur as a result of the proposed ordinance and likely over estimates the number of units, as discussed in the Past Trends and Development Constraints sections.

In addition to the cost, ownership, and opportunity space constraints previously discussed, general constraints on housing production would limit the number of new ADUs created under the proposed legislation. These factors may include the availability of financing, location and ownership of lots, the real estate market, regional housing market, regional economy and job market, labor pool, entitlement permit process, personal preference, and neighborhood opposition.

The Final EIR evaluated the City's ability to meet the Regional Housing Needs Assessment ("RHNA") under existing zoning. The analysis included a review of additional housing units that could be provided on undeveloped and underdeveloped parcels (e.g. "soft sites"), on parcels where zoning controls were recently changed, on parcels where rezoning efforts were already underway at the time of the analysis, and residential development projects in the pipeline at the time the analysis. The Final EIR found that approximately 149,330 additional residential dwelling units could be provided on these sites under existing zoning controls.

In addition to the analysis of housing capacity under zoning, the Final EIR also considered projected household growth in the City and used these projections as the basis for the analysis of growth-related impacts. The Final EIR used ABAG projections for the period of 2009-2025 and found that an additional 39,568 households would be added to the City by the year 2025.

Although the Final EIR identified residential development capacity based on existing zoning, the analysis did not associate potential development with any specific sites within the City. Thus, this Addendum reasonably assumes the new ADUs that could be created due to implementation of the proposed legislation would be within overall Housing Element projections. While any growth enabled by the proposed legislation would occur on sites other than those discussed in the Final EIR, the total number of residential units would be within the amount projected and analyzed in the Final EIR.

For these reasons, the proposed project would not result in growth beyond that analyzed in the Final EIR with Addendum 1. Therefore, new ADUs created as a result of implementation of the proposed legislation, including additional units that could be developed in District 8 should the

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Board adopt the Planning Department's recommendations, would be adequately covered under the Final EIR and Addendum 1.

Project Approvals

On July 16, 2015, the Planning Department will present the legislation to the Planning Commission. The Planning Commission will make a recommendation to the Board. Then the legislation would be heard before the Land Use Committee of the Board, followed by a hearing before the full Board. If the full Board votes in favor of the proposed legislation, the Mayor may sign it into law. The Mayor's approval of the proposed ordinance would constitute the Approval Action pursuant to Chapter 31 of the *Administrative Code*.

Setting

Project Location

The proposed legislation authorizes the creation of ADUs, subject to the conditions outlined above, in Supervisorial Districts 3 and 8. District 3, located in the northeast corner of the City's boundaries, encompasses approximately 1,211 acres and is characterized by primarily residential buildings with ground-floor commercial uses. District 8, located in the roughly the middle of the City's boundaries, encompasses approximately 2,250 acres, and is characterized by primarily residential development with some commercial and mixed-use development along neighborhood commercial corridors. A map of each district can be found in the Appendix section.

Collectively, the project area is about 3,461 acres, with a residential density of approximately 35 units per acre in District 3 and 18 units per acre in District 8, and includes a diverse range of zoning designations. Table 5 delineates the zoning districts within the project area by each District.

Table 5: Existing Zoning Districts in Project Area

<i>Zoning Districts</i>	<i>District 3</i>	<i>District 8</i>
(24 th -NOE NCD): 24 th Street-Noe Valley Neighborhood Commercial District		✓
(Broadway NCD): Broadway Neighborhood Commercial District	✓	
(Castro NCD): Castro Neighborhood Commercial District		
(C-2): Community Business District	✓	
(C-3-G): Downtown General Commercial	✓	
(C-3-O): Downtown Office District	✓	
(C-3-R): Downtown Retail	✓	

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(CCB): Chinatown Community Business District	✓	
(CR/NC): Chinatown Residential/Neighborhood Commercial District	✓	
(CVR): Chinatown Visitor Retail District	✓	
(NC-1): Neighborhood Commercial Cluster District	✓	
(NC-2): Small-Scale Neighborhood Commercial District		✓
(NC-3): Moderate-Scale Neighborhood Commercial District		✓
(North Beach NCD): North beach Neighborhood Commercial District	✓	
(P): Public Use	✓	
(Pacific Ave. NCD): Pacific Avenue Neighborhood Commercial District	✓	
(Polk NCD): Polk Street Neighborhood Commercial District	✓	
(RC-3): Residential-Commercial, Medium Density	✓	
(RC-4): Residential-Commercial, High Density	✓	
(RH-1): Residential House, One-Family	✓	✓
(RH-1(D)): Residential, House, One-Family Detached		✓
(RH-1(S)): Residential House, One-Family with Minor Second Unit		✓
(RH-2): Residential House, Two-Family	✓	✓
(RH-3): Residential House, Three-Family	✓	✓
(RM-1): Residential, Mixed, Low Density	✓	✓
(RM-2): Residential, Mixed, Moderate Density	✓	✓
(RM-3): Residential, Mixed, Medium Density	✓	
(RM-4): Residential, Mixed, High Density	✓	✓
(RSD): Residential Service District		✓
(RTO): Residential Transit-Oriented		✓
(Upper Market NCD): Upper Market Neighborhood Commercial District		✓

Analysis of Potential Environmental Effects

Section 31.19(c)(1) of the San Francisco *Administrative Code* states that a modified project must be reevaluated and that, “if, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefor shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter.” CEQA Guidelines Section

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15164 provides for the use of an addendum to document the basis of a lead agency's decision not to require a Subsequent or Supplemental EIR for a change to a project that has been analyzed in a certified EIR. The lead agency's decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent EIR, as provided in CEQA Guidelines Section 15162, are not present.

The 2004 and 2009 Housing Elements, were the subject of an EIR, originally certified by the Planning Commission on March 24, 2011 and adopted by the Board of Supervisors on June 21, 2011. The Planning Department recirculated a revised Chapter VII Alternatives for the Final EIR ("Revised EIR") on December 18, 2013 for public review. Subsequently, the Planning Commission certified the 2004 and 2009 Housing Element Final EIR on April 24, 2014. On June 17, 2014, the Board denied an appeal of the certification and re-adopted the 2009 Housing Element. An Addendum 1 to the Final EIR was prepared in response to the 2014 Housing Element. Addendum 1 was certified by the Planning Commission on February 2, 2015 and adopted by the Board on April 26, 2015. The Final EIR now also covers the 2014 Housing Element, which is the current Housing Element for the San Francisco General Plan.

The 2004 and 2009 Housing Element Final EIR analyzed potential impacts in the environmental areas of: Land Use and Land Use Planning, Aesthetics, Population and Housing, Cultural and Paleontological Resources, Transportation and Circulation, Noise, Air Quality, Greenhouse Gas Emissions, Wind and Shadow, Recreation, Utilities and Service Systems, Public Services, Biological Resources, Geology and Soils, Hydrology and Water Quality, Hazards and Hazardous Materials, Mineral and Energy Resources, Agricultural and Forest Resources. The Final EIR identified less-than-significant impacts in the following topics:

- Land Use and Land Use Planning
- Aesthetics
- Population and Housing
- Cultural and Paleontological Resources
- Air Quality
- Greenhouse Gas Emissions
- Wind and Shadow
- Recreation
- Utilities and Service Systems
- Public Services
- Biological Resources
- Geology and Soils
- Hydrology and Water Quality
- Hazards and Hazardous Materials
- Mineral and Energy Resources
- Agricultural and Forest Resources

The Final EIR determined that the effects of encouraging new residential development along streets with noise levels above 75 dBA Day-Night Average Sound Level (Ldn¹¹) can be avoided

¹¹ The Day-Night Level (Ldn) is the rating system used to measure A-weighted (dBA) equivalent continuous sound exposure level for a 24 hour period. The measurement accounts for the change in noise sensitivity that occurs during typical hours of sleep (10:00

or reduced to a less-than-significant level with mitigation, and a mitigation measure addressing the issue was incorporated into the adopted Housing Element as an implementation measure. The Final EIR also found that adoption of the 2004 or 2009 Housing Element would potentially result in significant environmental effects on the transit network that could not be mitigated to a less-than-significant level with implementation of feasible mitigation measures.

There have been revisions to the *Planning Code*, General Plan and other city policies and regulations since the certification of the Final EIR. However, those changes are independent from this addendum to the 2004 and 2009 Housing Element, and have either been determined to not be a project as defined under CEQA or have undergone separate environmental impact analysis, pursuant to CEQA. These revisions have not substantially changed the circumstances under which the 2004 and 2009 Housing Elements were prepared. Nor has new information emerged that would significantly alter the analysis or conclusions reached within the Final EIR.

Moreover, the 2014 Housing Element,¹² which was evaluated as an addendum to the 2004 and 2009 Housing Element Final EIR, continued most of the 2009 Housing Element policies, introducing only minor changes. The changes found in Addendum 1 were primarily revisions to the regulatory environment and were not expected to affect the severity of impacts discussed in the Final EIR.

2004 Housing Element Policy 1.8 and its associated Implementation Measures, 1.8.1 and 1.8.3, promote the provision of ADUs in the City. Policies and implementation measures that promote the creation of ADUs can also be found in the 2009 Housing Element (Policy 1.5 and Implementation Measure 13) and the 2014 Housing Element (Policy 1.5 and Implementation measure 13). The proposed legislation would specify the conditions under which these policies and implementation measures would be established. As such the proposed legislation would result in similar development activities as described in the 2004, 2009, and 2014 Housing Elements. Therefore, potential effects for the modified project with respect to aesthetics, cultural and paleontological resources, greenhouse gas emissions, wind and shadow, recreation, utilities and service systems, public services, biological resources, geology and soils, hydrology and water quality, hazards and hazardous materials, mineral and energy resources, and agricultural and forest resources would remain similar to the project as analyzed in the Final EIR and Addendum 1, and would not change the findings of less-than-significant impact for these topics.

Changes to Housing Projections

The population and housing projections analyzed in the Final EIR were updated in the 2014 Housing Element. As noted in the 2014 Housing Element, the 2012 American Community Survey estimated San Francisco's population to be about 807,755. The Association of Bay Area Governments ("ABAG") projects continued population growth to 981,800 by 2030 or an overall

p.m. – 7:00 a.m.) by applying a 10 dB penalty to noise levels recorded during those hours.

12 Addendum to the 2004 and 2009 Housing Element. 2014 Housing Element, January 22, 2015. Case No. 2014.1327

increase of about 174,045 people who will need to be housed over the next 18 years. In comparison, the population projection included in the 2009 Housing Element Final EIR for 2030 is 934,800. Household growth, an approximation of the demand for housing, currently indicates a need for approximately 72,530 new units by 2030 in order to accommodate projected population and household growth. Changes to the population and housing projections did not affect the calculated 7-year share of regional housing need. Therefore, the revised projections did not change the RHNA determination analyzed in the Final EIR.

Land Use and Land Use Planning

The Final EIR determined that implementation of the 2004 and 2009 Housing Elements would result in less-than-significant impacts with respect to the existing land use character and would not conflict with applicable land use plans, policies, or regulations. The Final EIR found that implementation of the 2004 and 2009 Housing Elements would not change existing allowable land uses, thereby ensuring the policies and programs contained therein would not physically divide an established community. The 2004 and 2009 Housing Elements, as discussed in the Final EIR, would not change policies established in local plans and would encourage development that is consistent with the goals and objectives provided for in those documents. The Final EIR also found that the 2004 and 2009 Housing Elements contain policies and implementation measures that promote the preservation of neighborhood character, such as the conservation of existing housing stock. Moreover, incremental increases in density in residential areas were found, as noted in the Final EIR, not to result in a substantial change in existing land use character. Therefore, the Final EIR determined that implementation of the 2004 and 2009 Housing Elements would not result in substantial impacts to land use and land use planning.

Addendum 1, found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. In addition, as noted in Addendum 1, the 2014 Housing Element does not include any zoning changes, nor does it require zoning changes by state law in order to meet the RHNA. Therefore, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to land use and land use planning.

Modified Project

The proposed project would place conditions on the creation of new ADUs that would restrict the introduction of new land uses that could affect the established land use character. This is because the potential 2,557 new units (approximately 779 units in District 3 and 1,778 units in District 8) must be created on existing residentially developed lots. In addition, new ADUs would be limited to the existing building envelope, thus implementation of the proposed legislation would not result in construction of new buildings or increase the height or bulk of

existing buildings; limiting any disruption or division to the established development pattern within the project area. The potential new units would be distributed throughout the 3,461-acre project area (1,211 acres in District 3 and 2,250 acres in District 8), resulting in an incremental intensification of residential density in the project area. Moreover, new units would be subject to the City's established plans, such as the Urban Design Element of the General Plan. Therefore, the proposed project would not change or alter any of the Final EIRs findings with respect to land use and land use planning. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to land use and land use planning.

Population and Housing

The Final EIR found that the 2004 Housing Element contains policies and implementation measures that promote increased density in certain areas of the City and the creation of secondary dwelling units, with the express intention of increasing the number of residential units that could be provided on parcels. The Final EIR notes that residential development would take place regardless of the implementation of 2004 Housing Element policies. Rather, Housing Element policies are developed to accommodate projected housing needs by providing guidance on where development should take place and what measures can be used to increase housing affordability.

The Final EIR also found that the City had the capacity to meet 2009-2014 RHNA goals, and 2009 Housing Element policies and implementation measures designed to encourage housing growth, as projected by ABAG, could be employed to stimulate residential development where it can best be accommodated. As such, the Final EIR found that the 2009 Housing Element would not induce a substantial amount of population growth not otherwise anticipated by the ABAG regional projections, and impacts on population growth under the 2009 Housing Element would be less-than-significant.

Therefore, the Final EIR found that implementation of the 2004 and 2009 Housing Elements would result in less-than-significant population and housing impacts.

Addendum 1 found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. As noted in Addendum 1, the 2014 Housing Element included an updated calculation of the City's regional housing need. However, Addendum 1 found that any new development that could result from implementation of the 2014 Housing Element would be subject to applicable federal, state and local regulations, including project-specific CEQA review. Moreover, the 2014 Housing Element would not result in population increases or residential growth. This is because, as discussed above, Housing Element policies are designed to guide projected growth with a focus on affordability. Addendum 1 also found that the 2014 Housing

Element does not include any zoning changes, nor are any zoning changes required by state law in order to meet the RHNA.

As with the 2004 and 2009 Housing Elements, Addendum 1 found that the 2014 Housing Element would guide new residential development in the City with a focus on housing affordability. In addition, Addendum 1 determined that the implementation of the five new policies (Policies 5.5, 5.6, 6.3, and 6.4) and three new implementation measures (Implementation measures 19, 38b, and 64), including those that could result in more affordable housing, would not result in adverse physical impacts on the environment.

For these reasons, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to population and housing.

Modified Project

Population growth. The proposed project would result in an incremental population increase in the project area. For the 22 census tracts within District 3, the average number of persons per household is 1.8. For the 27 census tracts within District 8, the average number of persons per household is 2.1. ADU's created under the proposed legislation would likely average around two persons per household, due to the anticipated smaller size of new units, as noted in the 2009 Housing Element Final EIR. Therefore, it is anticipated that approximately two people would likely occupy each unit. Based on the estimated 779 potential new ADUs that could be created throughout District 3 and 7,110 new ADUs throughout District 8, the proposed legislation would result in a population increase of approximately 1,558 people in District 3 and 3,556 people in District 8. This increase represents a small proportion of growth already projected for the City, and given the new units would be dispersed throughout the project area, it would be undetectable to most people. In addition, the proposed project would increase the number of new residential units within the building envelope of developed lots, and could not be created using existing residential space. Moreover, the provision that new ADUs created in buildings subject to the Rent Ordinance would also be subject to the Rent Ordinance is in accordance with the 2009 Housing Element's aim to increase housing affordability throughout the City. As such, the creation of new ADUs would promote the preservation of the existing stock, and would not result in the demand for additional housing typically predicated by the displacement of housing units or people.

Residential Density. The proposed project would result in additional residential density. Currently, the project area has an average density of about 35 units per acre in District 3 and 18 units per acre in District 8. The addition of approximately 779 units in District 3 and 1,778 units in District 8 (the estimated number of potential ADUs that would be created under the proposed legislation) would result in an increase in density of roughly .6 units per acre in District 3 and .8 units per acres in District 8. Therefore, the proposed legislation would result in a small,

incremental increase in housing density; particularly given the rate of development of ADUs under previously enacted legislation, as discussed in the Past Trends section.

As with the 2004, 2009, and 2014 Housing Elements, the proposed project would not change population and housing projections. Rather, the proposed legislation would influence the location and type of residential development that would be constructed to meet projected demand. Therefore the proposed project would not change the analysis or conclusions reached in the Final EIR and would have less-than-significant population and housing impacts.

Transportation

The Final EIR found that the 2004 and 2009 Housing Elements would affect the transportation and circulation network through the implementation of policies that: (1) increase residential density; (2) address off-street vehicle parking requirements for new development; and (3) direct growth to certain areas of the City.

The Final EIR found that the 2004 Housing Element includes policies and implementation measures that promote an increase in residential density within individual development projects, within specific areas of the city, through density bonuses for projects that reduce on-site parking and/or provide senior and affordable housing, and through the development of secondary dwelling units. The Final EIR also found that the 2009 Housing Element generally promotes an increase in residential density through policies that support additional affordable housing and through creation of secondary units undertaken as part of the community planning process. The Final EIR found that an overall doubling of residential density can lower car ownership and vehicles miles traveled ("VMT") by approximately 16 percent. In addition, the Final EIR found that future residential development provided for within existing building envelopes could shrink the demand for new residential buildings, thereby reducing the incremental increase in temporary traffic and parking demand associated with new construction projects.

The Final EIR found that 2004 and 2009 Housing Element policies that address off-street vehicle parking requirements for new development would result in an incremental reduction in new parking spaces. As noted in the Final EIR, these policies would make driving a less attractive option, thereby reducing VMT and promoting the use of bicycle, public transit, and pedestrian options and generally providing for greater efficiency of the overall traffic system. The Final EIR found that 2004 Housing Element Implementation Measure 1.8.3 commits the Planning Department to reviewing parking requirements for secondary dwelling units. However, as discussed in the Final EIR, the City does not consider changes to parking conditions to be an environmental impact under CEQA as parking supply does not constitute a permanent physical environmental feature.

Regarding 2004 and 2009 Housing Element policies that would direct growth to certain areas of the City, the Final EIR found that such policies could place stress on already congested or underserved areas, but could also create opportunities for new development to access

underutilized alternative transportation options. For example, the Final EIR notes that policies in the 2004 and 2009 Housing Elements which encouraged development near transit-rich areas would result in a mode shift towards public transportation. The Final EIR found that these policies would help reduce overall VTM on the road network, as these policies encourage growth in areas well served by public transportation, bicycle and pedestrian options. However, additional public transportation riders could potentially result in an exceedance of the San Francisco Municipal Railway's ("Muni") capacity utilization standard of 85 percent. Though mode shifts from driving to alternative means of transportation is consistent with the City's Transit First Policy, the Final EIR found that Muni may not have the means to expand its transportation network to accommodate the addition ridership that could result from implementation of the 2004 and 2009 Housing Elements. Therefore, while the Final EIR found that the 2004 and 2009 Housing Elements could reduce the burden on the City's roadways, by potentially increasing transit ridership above Muni's capacity threshold, implementation of the 2009 Housing Element would result in a potentially significant impact on the City's transit system.

Overall, the Final EIR found that the 2004 and 2009 Housing Elements would have a less-than-significant impact on citywide pedestrian and bicycle facilities. This is because the 2004 and 2009 Housing Element policies would not adversely affect overall operations of pedestrian or bicycle facilities and would instead direct growth in areas already well served by modes other than auto, including pedestrian and bicycle facilities. Similarly, the Final EIR also found that 2004 and 2009 Housing Element policies would have a less-than-significant impact on citywide curb loading areas. This is because 2004 and 2009 Housing Element policies were determined to not adversely affect overall loading operations. The Final EIR also concluded that 2004 and 2009 Housing Element policies would have a less-than-significant impact on citywide emergency vehicle access since they would not hinder emergency access and would also have a less-than-significant construction-related transportation impacts.

Regarding potential impact on the public transportation system due to 2004 and 2009 Housing Elements, the Final EIR determined there are two potential methods for mitigating impacts to the transportation and circulation network: (1) the City would need to implement transportation plans and programs that would reduce congestion and decrease transit travel times; and (2) the San Francisco Municipal Transportation Authority ("SFMTA") would need to increase capacity by providing more buses. At the time of the preparation of the Final EIR, the certainty of either of these mitigation measures could not be established, therefore the Final EIR concluded that the impact of the implementation of the 2009 Housing Element on transit would remain significant and unavoidable.

Housing growth projected for the 2014 Housing Element planning period would occur regardless of the implementation 2014 Housing Element policies. Thus, implementation of the 2014 Housing Element would not generate new trips. In addition, Addendum 1 found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock.

As such, Addendum 1 found that pedestrian, bicycle, loading, construction, emergency access, and traffic-related impacts identified in the Final EIR would continue to be less-than-significant under the implementation of the 2014 Housing Element. Addendum 1 also found that because the 2014 Housing Element continues policies included in the 2009 Housing Element, transit-related impacts under the 2014 Housing Element would remain significant and unavoidable.

Modified Project

The ADUs that could be created as a result of implementation of the proposed legislation are not expected to exceed the housing growth already analyzed in the Final EIR and Addendum 1. However, the following discussion is provided for informational purposes.

In order to evaluate whether the proposed project would result in an adverse environmental impact on traffic conditions within the project area the Planning Department used the San Francisco Transportation Impact Analysis Guidelines for Environmental Review (the "Transportation Guidelines").

Using the conservative development scenario described in the Anticipated Development of ADUs section, the Department determined that implementation of the proposed legislation would not result in transportation-related impacts. The following summarizes the findings of a Transportation Memorandum prepared in support of this determination.¹³

Trip Generation. The Transportation Impacts Memorandum found that the estimated 2,557 new Accessory Dwelling Units would result in approximately 7,526 new vehicle trips per day, of which roughly 1,302 would be during the p.m. peak hour, based on the calculation methodology included in the Transportation Guidelines. These trips would occur throughout the approximately 3,461-acre project area that is comprised of District 3 (1,211 acres) and District 8 (2,250 acres). As such, it is not possible to predict the precise direction of travel or determined the exact roadway networks that would be utilized by these trips. However, in its analysis of level of service (LOS) impacts, the Planning Department generally considered whether the 523 p.m. peak-hour auto trips inbound to the project site from the greater downtown area could result in a LOS impact.

The 5.4-mile project area consists of both signalized and unsignalized, mostly stop-sign controlled intersections. Development under the ordinance would be distributed throughout the project area at a low intensity since the majority of parcels would only be allowed one additional unit, and the remainder only two. For this reason, local unsignalized intersections are not likely to be affected.

A higher concentration of new vehicle trips could occur at major (signalized) intersections in the project area, such as:

- Filbert/Columbus
- Columbus/Mason
- Market/Kearny/Third
- Market/Church/14th

¹³ San Francisco Planning Department, Board File No. 15365 and 15085 – Transportation Impacts, Lana Russell-Hurd.

- Union/Columbus
- Columbus/Green/Stockton
- Vallejo/Stockton
- Broadway/Columbus
- Broadway/Sansome
- Washington/Sansome15th Street/ Market Street/ Sanchez Street
- Sutter/Kearny
- 16th/Guerrero
- 25th/Church
- Cesar Chavez/Church
- Guerrero/20th
- Randall/Mission
- Randall/ San Jose

These are the 17 study intersections within Supervisor District 3 and 8 that were analyzed in the Transit Effectiveness Project ("TEP") Environmental Impact Report, also known as the Muni Forward EIR. To support its determination, the Planning Department compared potential project-related impacts with impacts identified under Muni Forward. Muni Forward was used for this analysis as the Muni Forward EIR provides a city-wide transportation analysis based on the projected housing growth used for the 2004 and 2009 Housing Element Final EIR and used a 2035 planning horizon, which provides a more conservative analysis of the proposed project's potential transportation-related impacts.

Based on the Muni Forward EIR, five of the seventeen intersections in the project area are operating at LOS D, E, or F during the existing p.m. peak hour condition. However, development under the proposed legislation is likely to occur gradually, as homeowners are able to finance and implement the necessary improvements. Also, development would be dispersed with the majority of parcels qualifying for only one unit. Thus, it is likely that these improvements would occur over a period of years, and the incremental increase in traffic would fit within the average annual growth accounted for in the traffic model. Intersections within the project area could experience an increase in vehicular activity as a result of the proposed project; however, it would not be above levels that are common and generally accepted in urban areas. Therefore, it is unlikely that the traffic generated by the new development under the ordinance would result in significant effects on existing traffic conditions at local intersections.

An analysis of cumulative 2035 conditions finds that eight of the seventeen intersections would operate at LOS D, E, or F in the cumulative year 2035 condition. However, vehicle trips generated by new development under this ordinance would not result in significant effects on cumulative traffic conditions as the trips would be dispersed across the road network. The change in traffic in the project area as a result of the ordinance would be undetectable to most drivers.

As noted in the Final EIR, the creation of new residential units within the existing building envelope could decrease the amount of new residential development construction required to meet projected housing demand. As such, the creation of ADUs is not anticipated to substantially increase construction-related impacts to the transportation network.

Transit. The creation of additional units under the proposed legislation would result in approximately 6,220 daily transit trips, roughly 1,076 of which would occur during the p.m. peak hour. Of the estimated 1,076 p.m. peak-hour transit trips, about 430 would be inbound trips to the project area from the greater downtown area.

Transit service within the study area is provided by the Muni. Analysis of transit impacts focuses on the increase in transit patronage across “screenlines” during the p.m. peak hour. Four screenlines have been established in the City to analyze potential impacts of projects on Muni service. The project area encompasses two Muni screenlines in the Northeast and Southeast, and of those screenlines, only the Mission corridor was found to exceed the 85 percent capacity utilization standard within the project area.

Given that the 430 p.m. peak hour inbound transit trips would be dispersed among several different transit lines within the northeast and southeast Muni screenlines, it is unlikely that any one particular line or corridor would be overly burdened as a result of development under the ordinance. The peak-hour capacity utilization would not be substantially increased and the impact from this project on Muni screenlines would be less-than-significant.

While the Final EIR determined that a capacity utilization of 85 percent or greater on Muni could result in a potentially significant effect, for the purposes of transit planning and operations, a capacity utilization of 85 percent or slightly higher could represent desirable operating conditions since it reflects efficient resource allocation of transit service. Typically, if development projects have a transit impact on the screenlines or corridors, the developer would be expected to contribute their share of the provision of additional service. However, as a public transit agency, the SFMTA has an ongoing responsibility of monitoring and increasing or decreasing citywide transit service to meet their service goals and in response to City and transit system service needs. In addition, Muni Forward proposes improvements to these lines (and other throughout the City), including new routes and route extensions, more service on busy routes and elimination or consolidation of certain routes or route segments with low ridership.

Pedestrians. The proposed project would result in approximately 4,654 daily pedestrian trips, about 805 of which would occur during the p.m. peak hour. Given that these trips would be dispersed throughout a 5.4-square-mile project area, that existing pedestrian facilities have not been identified as deficient, no pedestrian impacts would occur as a result of ADUs created under the proposed legislation.

Bicycles. The proposed project would result in approximately 947 daily and 164 p.m. peak-hour ‘other’ person trips. ‘Other’ person trips include taxi, motorcycle, and other means, including trips made by bicycle. The project area is currently served by bike lanes and the following bike routes:

- | | |
|------------|------------|
| ▪ Route 2 | ▪ Route 16 |
| ▪ Route 5 | ▪ Route 17 |
| ▪ Route 10 | ▪ Route 25 |
| ▪ Route 11 | ▪ Route 30 |

- Route 40
- Route 44
- Route 45
- Route 47
- Route 49
- Route 50
- Route 55
- Route 60
- Route 210
- Route 310
- Route 350
- Route 749

Given that bicycle trips would be dispersed throughout a 5.4-square-mile project area, and that the project area is well served by bicycle facilities on the bicycle network, no impacts related to bicycle trips would result from the proposed legislation.

Loading. Loading demand for one- or two-unit residential dwellings is zero loading spaces per day. This is because residential land uses do not have a high loading demand with key demand being related to deliveries (e.g. Federal Express, United Parcel Service, etc.) and move-in/move-out activities. The new ADUs would be dispersed throughout the project area in existing residential neighborhoods where such deliveries and move-in/move-out activities currently occur. The incidental additional loading activities related to units developed under the proposed legislation would have no impact.

Construction. Construction-related impacts are generally not considered to be significant due to their temporary and limited duration and are assessed on a case-by-case basis for projects requiring CEQA review. The individual projects that could be developed under the proposed legislation would largely involve interior construction which can largely be staged within the project site, thus reducing the potential for temporary encroachment into the public right-of-way. Furthermore, the restriction on expansion of the building envelope would limit excavation and foundation work to incidental work required around existing utility infrastructure or seismic retrofitting; thereby limiting hauling and/or large truck trips.

For any project, including development under the proposed ordinance, construction contractors are required to meet the City's Regulations for Working in San Francisco Streets, (the "Blue Book"), and are required to meet with Muni, SFMTA Sustainable Streets, and other responsible City agencies to determine feasible traffic management measures to reduce traffic congestion during construction of the project and other nearby projects. The construction management plan addresses issues of circulation, safety, parking and others, and is reviewed by the Transportation Advisory Staff Committee ("TASC") an interdepartmental committee, including the San Francisco Police Department ("SFPD"), San Francisco Public Works ("SFPW"), Planning Department, and San Francisco Fire Department ("SFFD"), and SFMTA Muni Operations. As a result, ADUs created as a result of the proposed legislation would not result in construction-related impacts.

Parking. Parking conditions are not static, as parking supply and demand varies from day to day, from day to night, from month to month, etc. Hence, the availability of parking spaces (or lack thereof) is not a permanent physical condition, but changes over time as people change their modes and patterns of travel. While parking conditions change over time, a substantial deficit in

parking caused by a project that creates hazardous conditions or significant delays to traffic, transit, bicycles or pedestrians could adversely affect the physical environment. Whether a deficit in parking creates such conditions will depend on the magnitude of the shortfall and the ability of drivers to change travel patterns or switch to other travel modes. If a substantial deficit in parking caused by a project creates hazardous conditions or significant delays in travel, such a condition could also result in secondary physical environmental impacts (e.g., air quality or noise impacts caused by congestion), depending on the project and its setting.

The absence of a ready supply of parking spaces, combined with available alternatives to auto travel (e.g., transit service, taxis, bicycles or travel by foot) and a relatively dense pattern of urban development, induces many drivers to seek and find alternative parking facilities, shift to other modes of travel, or change their overall travel habits. Any such resulting shifts to transit service or other modes (walking and biking), would be in keeping with the City's "Transit First" policy and numerous San Francisco General Plan Policies, including those in the Transportation Element. The City's Transit First Policy, established in the City's Charter Article 8A, Section 8A.115, provides that "parking policies for areas well served by public transit shall be designed to encourage travel by public transportation and alternative transportation."

The secondary effects of drivers searching for parking is typically offset by a reduction in vehicle trips due to others who are aware of constrained parking conditions in a given area, and thus choose to reach their destination by other modes (i.e. walking, biking, transit, taxi). If this occurs, any secondary environmental impacts that may result from a shortfall in parking in the vicinity of the project area would be minor, as well as in the associated air quality, noise and pedestrian safety effects.

According to the Transportation Guidelines, parking demand is about one parking space per studio or one-bedroom residential unit and about 1.5 spaces per unit with two or more bedrooms. However, the proposed legislation would allow for an administrative variance from off-street parking requirements and many of the units would be constructed in the place of existing garages, further reducing the off-street parking supply.

There are three off-street paid parking facilities in the project area, and three just outside the project area boundary:

District 3

- 123 O'Farrell Street (Ellis – O'Farrell Garage) – 950 spaces
- 250 Clay Street (Golden Gateway Garage) – 1,095 spaces
- 735 Vallejo Street (North Beach Garage) – 203 spaces
- 1399 Bush Street (Polk-Bush Garage) – 129 spaces
- 733 Kearny Street (Portsmouth Square Garage) – 504 spaces
- 433 Kearny Street (St. Mary's Square Garage) – 414 spaces
- 444 Stockton Street (Sutter-Stockton Garage) – 1,865 spaces
- 333 Post Street (Union Square Garage) – 985 spaces
- 766 Vallejo Street (Vallejo Street Garage) – 163 spaces

¼ Mile Outside District 3 Boundaries

- 833 Mission Street (Fifth & Mission/Yerba Buena Garage) – 2,585 spaces

District 8

- 4116 18th Street (18th and Collinwood) – 28 spaces
- 457 Castro Street (Castro Theater) – 20 spaces
- 2254 Market Street (Sullivan Funeral Home) – 30 spaces
- 2175 Market Street (Market Street 76 Station) – 12 spaces
- 2144 Market Street (Paradise Parking) – 19 spaces
- 2110 Market Street (Home Restaurant) – 13 spaces
- 4061 24th Street (24th St. and Noe Lot) – 16 spaces

¼ Mile Outside District 8 Boundaries

- 42 Hoff Street (16th & Hoff Garage) – 98 spaces
- 1 Lilac Street (Lilac/24th St. Lot) – 18 spaces

However, these parking facilities are public and associated with businesses and are not likely to provide a longer-term parking solution for area residents. An on-street parking supply and utilization survey was conducted as part of the 2001 Market Street Transportation Impact Study. That survey indicated that free parking in the area was on average about 85 to 90 percent utilized during the weekday midday and evening periods and 90 to 100 utilized during the Saturday midday period. Given these circumstances, parking availability for existing and new residents is likely to be very constrained. However, new demand for parking would be widely dispersed throughout the project area, and would be incremental compared with existing demand. Unmet parking demand is not considered an impact unless it creates a hazardous condition, such as vehicles queuing across driveways where potential conflicts with pedestrians could occur. Since ADU construction under the legislation would be constructed intermittently over a large geographical area it is not likely that the proposed legislation would result in a substantial parking deficit and create hazardous conditions or significant delays affecting traffic, transit, bicycles or pedestrians. Therefore, the increased parking demand associated with the new development under the ordinance would not be considered significant.

Implementation of the proposed project could result in the development of up to approximately 2,557 new ADUs, which is a conservative estimate of potential new units. Given that the proposed legislation would limit the creation of ADUs to the existing building envelopes of residentially-zoned parcels, among other restrictions, it is anticipated that any development resulting from the proposed legislation would be dispersed throughout the 5.4-square-mile project area. Thus vehicle, transit, pedestrian, bicycle and other impacts would be dispersed.

Given that the capacity of local signalized intersections is high and a vehicle trips would be dispersed, the proposed project would not create a volume of trips that could reduce intersection LOS to LOS D, LOS E or LOS F or contribute significantly to a LOS F conditions.

In addition, existing transit capacity is adequate on some local lines and over capacity on others; however, planned Muni Forward improvements would reduce capacity utilization on key lines. Further, the transit trips associated with development under the ordinance would be dispersed and would not result in a volume of trips that could result in a significant impact or a significant contribution to an existing or future impact.

Moreover, adequate facilities exist to accommodate pedestrian and bicycle trips and incidental loading operations throughout the project area. The transit, pedestrian and bicycle environment would be further enhanced through the implementation of the Polk Streetscape Project, Better Market Street project, Safer Market Street project, and Better Streets Plan. Finally, while off-street parking would be constrained, no hazardous conditions would result from limited parking availability.

For these reasons, the proposed project would not change or alter the Final EIR findings with respect to transportation and circulation impacts and would not require new mitigation measures. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to the transportation and circulation network.

Noise

The Final EIR determined that implementation of the 2004 and 2009 Housing Elements would result in a significant impact with respect to exposure of persons to or generation of noise levels in excess of established standards, such as the City's General Plan, local noise ordinances, and noise standards set by other federal, state, and local agencies. The Final EIR found that future growth within the City could be located in areas with noise levels above 60 Ldn, which is the maximum satisfactory exterior noise level for residential areas pursuant to the Environmental Protection Element of the City's General Plan. Although, interior noise levels are typically addressed during the project-specific design review process through mandatory compliance with City's Noise Ordinance (Article 29 of the San Francisco *Police Code*) and Title 24 California Code of Regulations requirements. However, some areas of the City are especially noisy. Thus, the Final EIR Mitigation Measure M-NO-1, which is included in this Addendum in the Mitigation Measures section, was developed to reduce the 2009 Housing Element's impact on noise sensitive receptors to a less-than-significant level.

The Final EIR found that the 2004 and 2009 Housing Elements contain policies and implementation measures that discourage demolition through the preservation of existing housing stock. These policies would offset other policies contained within the 2004 and 2009 Housing Elements that would direct new construction to areas of the City with existing ambient noise in excess of established standards and incrementally increase average construction

durations in the project vicinity. In addition, the Final EIR noted that interior noise levels and construction-related activities would be subject to federal, state and local regulations. Thus the Final EIR found that adherence to these regulations, including the Noise Ordinance, would result in a less-than-significant impacts with respect to a substantial temporary, periodic, or permanent increase in ambient noise levels and groundborne noise and vibration.

Addendum 1, found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. Thus any new development that could result from implementation of the 2014 Housing Element would be subject to the federal, state, and local noise controls discussed in the Final EIR. In addition, Addendum 1 determined that the implementation of the five new policies (Policies 5.5, 5.6, 6.3, and 6.4) and three new implementation measures (Implementation measures 19, 38b, and 64), proposed in the 2014 Housing Element would not result in adverse physical impacts on the environment with respect to noise. Therefore, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to noise.

Modified Project

As discussed in the Final EIR, construction for the creation of new residential units would be required to comply with all applicable noise regulations, including Title 24 of the California Code of Regulations, which establishes uniform noise insulation standards for residential projects. The Department of Building Inspection ("DBI") would review the final building plans for proposed ADUs on a project-by-project basis to ensure that the building wall, window and ceiling assemblies meet State of California sound transmission requirements.

Construction-related activities resulting from the creation of ADUs would temporarily generate noise and possibly vibrations that could be considered an annoyance by occupants of nearby properties. However, as discussed above, construction noise is regulated by the San Francisco Noise Ordinance. For these reasons, and due to the temporary and intermittent nature of this impact, construction noise would not be significant.

Therefore, while the proposed project would result in the introduction of new sensitive receptors in the project area, it would neither increase the severity of the noise impacts evaluated under the Final EIR or result in new or substantially different effects. As such, the proposed project would not change or alter the Final EIR findings with respect to noise impacts and would not require new mitigation measures. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to noise.

Air Quality

The growth factors used in the Final EIR are based on the same growth projections used in the Bay Area 2005 Ozone Strategy ("BAOS"), the most recent regional air quality plan available at the time of the Final EIR analysis. In addition, the Final EIR used the BAOS's Transportation Control Measures ("TCM") to evaluate the 2004 and 2009 Housing Elements. Thus the Final EIR found that the 2009 Housing Element would not conflict with applicable air quality plans.

The Final EIR found those policies within the 2004 and 2009 Housing Elements which discourage the demolition of existing housing stock and, subsequently, the construction of new housing; which would reduce air quality impacts. However, any new construction would be required to comply with the City's Construction Dust Ordinance (Article 22B of the *Health Code*), which would address any air quality impacts resulting from construction-related activities. Therefore, the Final EIR found that the 2004 and 2009 Housing Elements would not violate air quality standards or contribute substantially to an existing or projected air quality violation.

Additional housing development along transit corridors could increase some pollutants, including, PM_{2.5}, NO₂, and TACs, on some roadways within San Francisco. However, increased density and associated shifts from vehicle trips to alternative modes of transportation (such as transit, bicycling, and walking) could reduce overall expected growth of vehicle trips and VMT, as discussed in the Transportation and Circulation section. Overall, future growth will continue to contribute some additional air pollutant emissions, albeit less than would be expected from a Housing Element without policies encouraging increased density and housing that is supportive of alternative modes of transportation. Therefore, the Final EIR also found that the 2004 and 2009 Housing Elements would have a less-than-significant impact with respect to exposing sensitive receptors to substantial pollutants.

In addition, the 2004 and 2009 Housing Elements would not result in a cumulatively considerable net increase in air quality standards established for non-attainment criteria pollutants. Therefore, the Final EIR determined that implementation of the 2004 and 2009 Housing Elements would result in less-than-significant impacts with respect to air quality.

Addendum 1, found that the 2014 Housing Element would continue all of the policies and most of the implementation measures provided for in the 2009 Housing Element, with respect to directing growth to specific areas of the City, increasing density standards, and the preservation of existing housing stock. Thus any new development that could result from implementation of the 2014 Housing Element would be subject to the federal, state, and local air quality controls discussed in the Final EIR. In addition, Addendum 1 noted that on December 8, 2014 the Board approved amendments to the City's *Building Code and Health Code* in order to establish the Enhanced Ventilation Required for Urban Infill Sensitive Use Development procedures, also known as Article 38 of the *Health Code*. As discussed in Addendum 1, implementation of the 2014 Housing Element could result in residential development occurring within areas with existing elevated levels of toxic air contaminants, potentially exposing residents to existing elevated levels of TACs, PM_{2.5}, and NO₂. These areas, which are known as the Air Quality Exposure Zone ("AQZ"), can be found within the project area. The AQZ is defined in Article 38 of City's

Health Code as areas where, based on modeling of known air pollutant risks, exceed public health protective standards. In addition to mapping these areas, Article 38 prescribes measures for protecting sensitive receptors, such as residential tenants, seniors, and children, from exposure. For the purpose of shielding residential units from the impact of exposure to cumulative PM2.5 concentration, cumulative excess cancer risk, and other health vulnerability influences (i.e. freeways), Article 38 provides that new residential dwellings in the AQZ must include enhanced ventilation systems. Therefore, Addendum 1 found that mandatory compliance with this regulation would reduce potential impacts to sensitive receptors with respect to air pollutants. Addendum 1 also found that the implementation of the five new policies (Policies 5.5, 5.6, 6.3, and 6.4) and three new implementation measures (Implementation measures 19, 38b, and 64), proposed in the 2014 Housing Element would not result in adverse physical impacts on the environment with respect to air quality. Therefore, Addendum 1 determined that implementation of the 2014 Housing Element would not change or alter any of the findings in the Final EIR in regards to air quality.

Modified Project

Although the proposed project would increase the number of sensitive receptors located in the AQZ, the development of those units would be subject to the requirements of Article 38. Moreover, new construction would be required to comply with existing federal, state, and local regulations, including the Construction Dust Ordinance (Article 22B of the *Health Code*), which would reduce potential impacts to a less-than-significant level.

Therefore, the proposed project would not change or alter the Final EIR findings with respect to air quality impacts and would not require new mitigation measures. In addition, there are no changed circumstances or new information that would change the Final EIR's impact findings with respect to air quality.

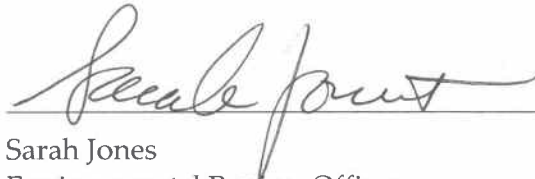
Conclusion

Based on the foregoing, it is concluded that the analyses conducted and the conclusions reached in the final EIR certified on April 24, 2014 remain valid. The proposed revisions to the project would not cause new significant impacts not identified in the EIR, and no new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the proposed project that would cause significant environmental impacts to which the project would contribute considerably, and no new information has become available that shows that the project would cause significant environmental impacts. Therefore, no supplemental environmental review is required beyond this addendum.

Date of Determination:

July 14, 2015

I do hereby certify that the above determination
has been made pursuant to State and Local
requirements.

A handwritten signature in cursive script, appearing to read "Sarah Jones", written over a horizontal line.

Sarah Jones
Environmental Review Officer

cc: San Francisco Board of Supervisors

Kimia Haddadan

Bulletin Board / Master Decision File

Distribution List

**APPENDIX – DISTRICT 3 AND DISTRICT 8 BOUNDARIES AND DISTRIBUTION OF
RESIDENTIAL PARCELS**

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Affected Properties in Ordinance Proposed for District 3

