



SAN FRANCISCO  
PLANNING  
DEPARTMENT

# Zoning Controls on the Removal of Dwelling Units

A SAN FRANCISCO PLANNING CODE  
IMPLEMENTATION DOCUMENT

SAN FRANCISCO PLANNING DEPARTMENT | UPDATED FEBRUARY 2014



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# Summary

During recent decades, the loss of existing housing has been a significant issue of San Francisco land use. Unchecked, such housing loss can have profound effects on neighborhood character and on the financial accessibility of housing.

The Planning Code, in Section 317, as well as in Articles 2, 7, 8,10, and 11, requires a public hearing before the Planning Commission to review any application that would remove dwelling units, whether by demolition, merger with other dwellings, or by conversion to non-residential uses. The Code does provide some administrative exceptions, where Planning staff may approve an application to remove dwelling units without a public hearing, if the project meets certain specific requirements.

In the majority of cases, whether Conditional Use authorization or Discretionary Review is mandated depends on the number of units proposed for removal, their location within the building, and the zoning district of the property. Proposed removal of three or more units will always require a Conditional Use hearing. Of course, applications to remove or significantly alter historic structures require additional review.

Please note that pursuant to Mayor Lee's Executive Directive 13-01 (issued December 18, 2013), the Planning Department has implemented additional policies aimed at preserving the loss of housing. See the joint Planning/DBI response memorandum to Executive Directive 13-01 for more information.

This document explains the definitions, criteria, and procedures for filing and the review of applications to remove dwellings. Some of those criteria are numerical thresholds and values – those are subject to periodic, administrative updates that respond to changing economic conditions. The Planning Commission may adjust certain other numerical standards in order to implement the intent of the Code more effectively. Please see the Department's website, [www.sfplanning.org](http://www.sfplanning.org), or go to the Planning Information Center for the latest adopted values, and to obtain applications, other forms and information.

## Table of Contents

1	POLICIES AND OBJECTIVES	02
2	PLANNING CODE REQUIREMENTS	03
3	DEFINITIONS	04
4	DEMOLITIONS	06
	Historic Resources	06
	Demolition Review Criteria	07
	Tantamount to Demolition Illustration	09
5	BUILDING SOUNDNESS	10
6	MERGERS	16
7	CONVERSIONS	17

# Part I. Policies & Objectives

The City and County of San Francisco is experiencing a crisis in its ability to house its citizens, particularly those of low-income households. San Francisco's well-being and vitality depend on the City having a range of housing types and prices for all its inhabitants.

The Master Plan for the City and County of San Francisco is called The General Plan, and it guides all improvement and development. Its Elements, Objectives, and Policies contain goals that can compete for priority. As a means to resolve this, Section 101.1(b) of The Planning Code establishes eight Priority Policies. Before issuing permits for demolition or change of use, the City must find that the proposal is consistent with the General Plan and the Priority Policies. Those relating to the loss of residential units and replacement construction are:

## PRIORITY POLICY 2

**That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.**

## PRIORITY POLICY 3

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

The General Plan is the foundation for Planning Code requirements that protect and conserve existing housing and neighborhood character. It recognizes that sound, existing housing is our most financially accessible for ownership and our greatest pool of rental housing. Mandated hearings increase the scrutiny of applications that would demolish, convert, or merge residential units. The Housing Element of the General Plan contains Objectives and Policies that affect the loss and replacement of residential units. Please review the Housing Element of the San Francisco General Plan for more detail.

## Part 2: Planning Code Requirements

The Planning Code requires a public hearing for the review of any proposal to remove dwelling units, whether by demolition, merger with other dwellings, or by conversion to non-residential uses, with certain exceptions. In many Zoning Districts of San Francisco, Conditional Use Authorization is required to remove a dwelling unit. Proposed removal of three or more units will always require a Conditional Use hearing. Where Conditional Use is not required, the Planning Commission will consider applications to remove dwellings at Discretionary Review hearings.

Where applications that are demolitions, or tantamount to demolitions, are required to have Conditional Use or Discretionary Review hearings, the replacement building or alteration project shall also be considered. Permits for demolitions of dwellings cannot be issued until the permits for the replacement structures are issued.

Further, Planning Code [Section 101.1\(e\)](#) states, in pertinent part:

*“Prior to issuing a permit for any demolition, conversion or change of use, and prior to taking any action which requires a finding of consistency with the Master Plan, the City shall find that the proposed project ...is consistent with the Priority Policies established above. [i.e., in Section 101.1(b)]. For any such permit issued...after January 1, 1988 the City shall also find that the project is consistent with the City’s Master [General] Plan.”*

Therefore, applications to remove dwellings must be accompanied by Section 101.1 (“Proposition M”) findings demonstrating, on balance, that the project is in conformity with the Priority Policies and the General Plan.

To determine what level of review is required for the removal of a Residential Unit, review Planning Code Section 317 as well as the appropriate Code section for the particular district, and note that requirements also vary by floor of occupancy (see Article 2 for Residential, Residential-Commercial, Commercial, Industrial, and Production Distribution Repair Districts; Article 7 for Neighborhood Commercial Districts; and Article 8 for Mixed-Use and Downtown Residential Districts).

For Special Use Districts, additional requirements overlay those of the base zoning. See the appropriate Code sections for each Special Use District. In cases where there are overlapping requirements, the more restrictive generally applies.

For those applications where some elements of a project or some sections of the Code may require Conditional Use Authorization, and others require Discretionary Review, the Commission will consider the project in a single Conditional Use case. Please note that the Dwelling Unit Removal Application must be completed and appended to the Conditional Use Authorization Application, if both apply.

For more information or for assistance in determining the required level review or the process for the removal of Residential Units, please contact the Planning Information Center (PIC) at (415) 558-6377, or drop-by in person at 1660 Mission Street, ground floor.

# Part 3: Definitions

This section provides definitions that relate to the review of projects that would remove Residential Units.

**Applicant:** The owner of a property, or an agent for the owner, who has submitted an application, as required by the Building and/or Planning Codes, to remove a Residential Unit. Also called “Project Sponsor.”

**Conditional Use:** Uses or changes of use permitted within individual zoning districts only when specifically so authorized by the Planning Commission under Section 303 of the Planning Code and as regulated elsewhere in the Planning Code.

**Conversion of a Dwelling:** The removal of cooking facilities in a residential unit, or the change of use (as defined and regulated by the Planning Code) or the change of occupancy (as defined and regulated by the Building Code) of any dwelling unit to a non-residential use. This definition shall not apply to conversions of residential hotel units, which are subject to the Residential Hotel Conversion Ordinance (Chapter 41 of the San Francisco Municipal Code – Ordinance No. 121-90, File No. 113-89-2).

**DBI:** The San Francisco Department of Building inspection

**Demolition of Residential Buildings:** Items listed under sub-sections A, B, and C below apply to non-historic buildings, and shall mean any of the following:

- A. Any work on a Residential Building for which the Department of Building Inspection determines that an application for a demolition permit is required.
- B. A major alteration of a Residential Building that proposes the Removal of more than 50% of the sum of the Front Façade and Rear Façade, and also proposes the Removal of more than 65% of the sum of all exterior walls, measured in lineal feet at the foundation level, or
- C. A major alteration of a Residential Building that proposes the Removal of more than 50% of the Vertical Envelope Elements and more than 50% of the Horizontal Elements of the existing building, as measured in square feet of actual surface area.

- D. For residential structures that qualify as historic resources, the demolition definition in Planning Code Section 1005(f) governs, as follows:

*(f) For purposes of this Article 10, demolition shall be defined as any one of the following:*

- (1) Removal of more than 25 percent of the surface of all external walls facing a public street(s); or*
- (2) Removal of more than 50 percent of all external walls from their function as all external walls; or*
- (3) Removal of more than 25 percent of external walls from function as either external or internal walls; or*
- (4) Removal of more than 75 percent of the building's existing internal structural framework or floor plates unless the City determines that such removal is the only feasible means to meet the standards for seismic load and forces of the latest adopted version of the San Francisco Building Code and the State Historical*

Please see Part 4 of this document for a more detailed explanation of projects that are residential demolitions.

**Dwelling Unit:** A living space within a structure, which contains cooking facilities and within which a person or persons reside for 32 days or more at a time. Please note: although live-work units are commercial occupancies, for the purposes Section 317 of the Planning Code, legal non-conforming live-work units are considered residential units but not dwellings.

**Façade:** An entire exterior wall assembly, including but not limited to all finishes and siding, fenestration, doors, recesses, openings, bays, parapets, sheathing, and framing.

**Front Façade:** A Façade fronting a right-of-way, or the portion of the Façade most closely complying with that definition, as in the case of a flag lot. Where a lot has more than one frontage on rights-of-way, all such frontages shall be considered Front Facades except where a façade meets the definition of “Rear Façade.”

**Hazardous:** For the purposes of Soundness Reports, all buildings, structures, property, or parts thereof, regulated by the Planning Code, that are structurally unsafe or not provided with adequate egress, or that constitute a fire hazard, or are otherwise dangerous to human life, safety, or health of the occupants or the occupants of adjacent properties or the public, are defined as “hazardous.”

**Horizontal Elements:** shall mean all roof areas and all floor plates, except floor plates at or below grade.

**HRE and HRER:** Historic Resource Evaluation provided by the Sponsor’s historic preservation consultant, and Historic Resource Evaluation Response, which is the Department’s written evaluation of the HRE, to determine whether a building is an historical resource.

**Mandatory Discretionary Review:** A hearing before the Planning Commission that is required by Code or by Policy, at which the Commission will determine whether to approve, modify, or disapprove a building permit.

**Merger:** shall mean the combining of two or more legal Residential Units, resulting in a decrease in the number of Residential Units within a building, or the enlargement of one or more existing units while substantially reducing the size of others by more than 25% of their original floor area, even if the number of units is not reduced.

**Rear Façade:** The Façade facing the part of a lot that most closely complies with the applicable Planning Code rear yard requirements.

**Removal:** With reference to a wall, roof or floor structure, Removal is its dismantling, or its relocation, or its alteration of the exterior function by construction of a new building element exterior to it. Where a portion of an exterior wall is removed, any remaining wall with a height less than the Building Code requirement for legal head room shall be considered demolished. Where exterior elements of building are removed and replaced for repair or maintenance, in like materials, with no increase in the extent of the element or volume of the building, such replacement shall not be considered Removal for the purposes of this Section. The foregoing does not supersede any requirements for or restrictions on noncomplying structures and their reconstruction as governed by Article 1.7 of this Code.

**Removal:** With reference to a Residential Unit is its Conversion, Demolition, or Merger.

**Residential Building:** is any structure containing one or more Residential Units as a principal use, regardless of any other uses present in the building.

**Residential Unit:** is a legal conforming or non-conforming dwelling unit as defined in Planning Code Section 102.7, or a legal non-conforming Live/Work Unit as defined in Planning Code Section 102.13.

**Soundness:** is an economic measure of the feasibility of repairing a sub-standard dwelling. It compares an estimate of construction-repair cost called the *Upgrade Cost* to an estimate called the *Replacement Cost*, which is the estimated cost of constructing a new dwelling similar in size and quality to the proposed demolition, in current dollars. See Part 4 of this document, “Demolitions,” for technical definitions of these terms.

**Soundness Report:** is a document, prepared in a format approved by the Planning Department, which analyzes the Soundness of a structure proposed for Demolition. See Part 4 of this document, “Demolitions,” for technical guidance.

**Vertical Envelope Elements:** are all above-grade exterior walls that provide weather and thermal barriers between the interior and exterior of the building, or that provide structural support to other elements of the building envelope.

# Part 4: Demolition

In accord with the City's *General Plan*, the Planning Department is predisposed not to approve applications that propose the demolition of Residential Structures. **In most cases, the Planning Commission must find that the proposed demolition and replacement project meet a majority of applicable General Plan Objectives in order to grant approval for the dwelling removal.**

**See below for the criteria, derived from the General Plan, which will be considered by the Planning Department and Commission in review of demolitions.**

## What Projects are Considered Demolitions?

Any application to remove a dwelling that is submitted on a DBI Demolition Application (Form 6) is considered a demolition. Other projects that propose a major alteration of the existing structure may also, under Planning Department review, be considered tantamount to a demolition, and subject to the provisions of Section 317.

Here are the steps to determining whether a project, submitted on a DBI Alteration Permit Application (Form 3) is a residential demolition:

### 1. Is the property a listed historical resource?

→ YES: Use Article 10 (Section 1005(f) definition (step 5))

→ NO: Go to step 2

### 2. Is the building 50 years old or older?

→ YES: Provide HRE and go to step 3.

→ NO: Use Section 317(b) definition (step 4)

### 3. Does HRER conclude that the property is a resource under CEQA?

→ YES: Use Article 10 definition (step 5)

→ NO: Use Section 317(b) definition (step 4)

### 4. If the building is not a resource and the project exceeds the Section 317(b) thresholds below, it is tantamount to a demolition:

→ Removal of more than 50% of the sum of the Front Façade and Rear Façade, and also Removal of more than 65% of the sum of all exterior walls, measured in lineal feet at the foundation level, or

→ Removal of more than 50% of the above-grade Vertical Envelope Elements and more than 50% of the Horizontal Elements of the existing building, as measured in square feet of actual surface area.

### 5. If the building is an historical resource and the project exceeds the Section 1005(f) thresholds below, it is tantamount to a demolition:

1. Removal of more than 25 percent of the surface of all external walls facing a public street(s); or
2. Removal of more than 50 percent of all external walls from their function as all external walls; or
3. Removal of more than 25 percent of external walls from function as either external or internal walls; or
4. Removal of more than 75 percent of the building's existing internal structural framework or floor plates unless the City determines that such removal is the only feasible means to meet the standards for seismic load and forces of the latest adopted version of the San Francisco Building Code and the State Historical Building Code.

## Demolition Projects Exempt From Public Hearings:

Most residential demolition applications will require a public hearing, however the following projects may be reviewed administratively:

1. Any existing residential structure that is recommended for demolition by the Director of the Department of Building Inspection **and** is determined to be a public hazard in accord with provisions of the Building Code.
2. Any existing residential structure that is damaged by fire, earthquake, or other act of God, proposed for demolition **and** to be replaced *in extent and kind*, as determined by the Zoning Administrator.

3. Because a major intent of this ordinance is to preserve existing sound housing stock and thus conserve its affordability, the Code exempts the most expensive (least affordable) single-family homes from hearing requirements, unless other aspects of the project require a public hearing. Proposed demolition of single-family homes in RH-1 Districts are exempt from the mandatory Discretionary Review hearing if an appraisal indicates that the existing property is not relatively affordable. This appraisal must attest that the housing has a value greater than at least 80% of the combined land and structure values of single-family homes in San Francisco. Please see the Department's website under Publications for *Dwelling Unit Removal: Current Numerical Values - Implementation of the Controls on the Loss of Residential Units*. These values will be adjusted periodically by the Zoning Administrator based on established real estate indicators and current economic conditions.
4. Structures proposed for demolition, where a Discretionary Review hearing would otherwise be required, are exempt from hearing requirements if they are determined by the Department to be "unsound." Soundness is an economic measure of the feasibility of upgrading a residence that is deficient with respect to habitability and Housing Code requirements, due to inadequacies of original construction. See below, and Part 4, for details about Soundness Reports and their preparation.

### Demolition Review Criteria:

Under direction of the General Plan, the Department is predisposed to disapprove demolition applications of sound buildings. So a finding of unsoundness is a sufficient condition to recommend demolition approval (on a building that is not an historic resource), but not a necessary condition. The Applicant must demonstrate that the proposed project is in conformity with a preponderance of other General Plan policies to outweigh this predisposition if the building is sound.

Planning Code Section 317(d)(3)(C) identifies these criteria for consideration, in addition to building soundness:

- (i) whether the property is free of a history of serious, continuing Code violations;
- (ii) whether the housing has been maintained in a decent, safe, and sanitary condition;
- (iii) whether the property is an "historical resource" under CEQA;

- (iv) whether the removal of the resource will have a substantial adverse impact under CEQA;
- (v) whether the project converts rental housing to other forms of tenure or occupancy;
- (vi) whether the project removes rental units subject to the Rent Stabilization and Arbitration Ordinance or affordable housing;
- (vii) whether the project conserves existing housing to preserve cultural and economic neighborhood diversity;
- (viii) whether the project conserves neighborhood character to preserve neighborhood cultural and economic diversity;
- (ix) whether the project protects the relative affordability of existing housing;
- (x) whether the project increases the number of permanently affordable units as governed by Section 415;
- (xi) whether the project locates in-fill housing on appropriate sites in established neighborhoods;
- (xii) whether the project increases the number of family-sized units on-site;
- (xiii) whether the project creates new supportive housing;
- (xiv) whether the project is of superb architectural and urban design, meeting all relevant design guidelines, to enhance existing neighborhood character;
- (xv) whether the project increases the number of on-site dwelling units;
- (xvi) whether the project increases the number of on-site bedrooms.

Note that Section 317 does not permit the demolition of Residential Buildings in those areas of the City where other sections of the Code prohibit such demolitions or their replacement structures.

Also note that it does not exempt projects where demolition is proposed from undergoing review with respect to Articles 10 and 11 of the Code, where the requirements of those articles apply.

Notwithstanding the definition of "Demolition of Residential Buildings" herein, with regard to the loss of Residential Units, the criteria of Planning Code Section 1005 shall apply to projects subject to review under the requirements of Article 10 with regard to the structure itself.

#### **NOTES & CLARIFICATIONS:**

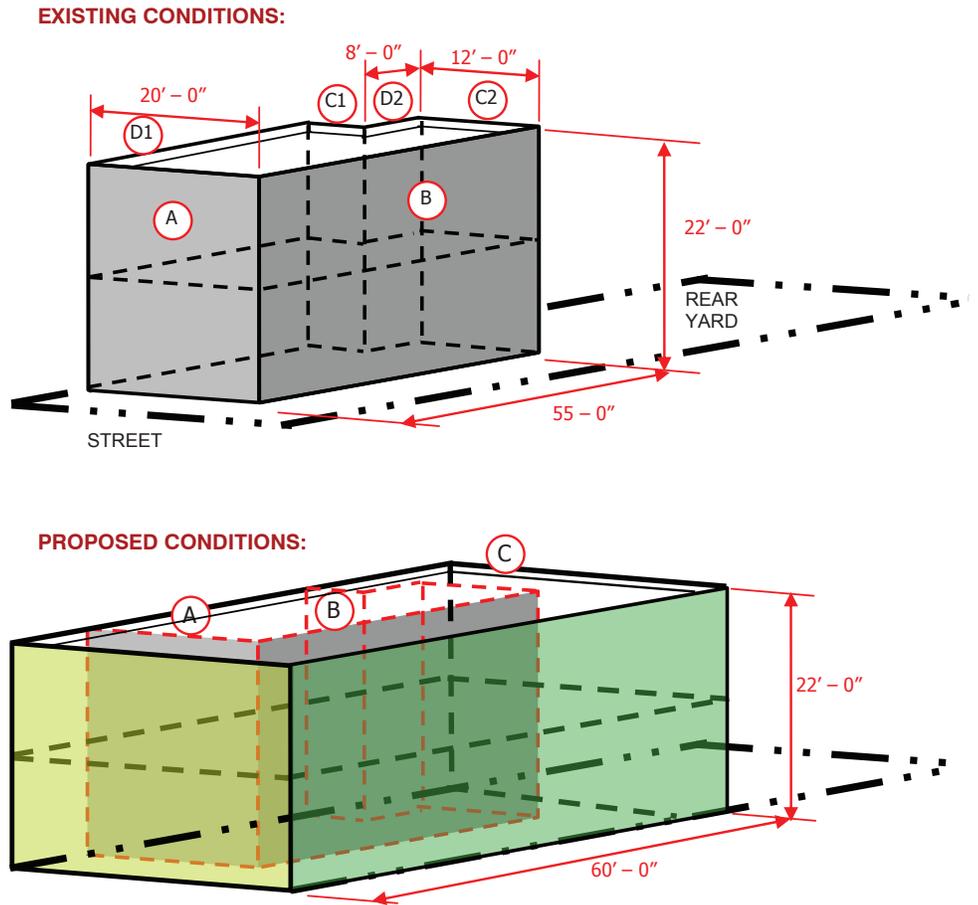
- 1. Exterior walls and roofs that enclose legal non-complying space are to be counted, both in terms of their removal contributing toward the demolition threshold, and in terms of their economic value in upgrade/replacement costs for determining building "soundness." These are elements that were constructed after 1906 with permits, or prior to 1906 and can reasonably be assumed to have been permitted at the time. Elements constructed post-1906 without permits are illegal, and for the purposes of Section 317 are assumed not to exist.**
- 2. The areas of sloping roofs should be calculated as their horizontal-projected (plan view) area, not actual surface area.**
- 3. Elements that slope more than 30 degrees off vertical shall be considered horizontal, not vertical, elements.**
- 4. Where an existing window is removed and filled-in with solid wall and a new window is installed in a different location on the same wall, there is no "Removal." This is simply remodeling, because there is no change to the exterior volume of the building and the majority of the wall structure remains in place. If a bay projecting beyond the existing wall plane were installed instead of a window within the existing wall plane, the vertical area of the bay would count as removal.**
- 5. Where, for example, a one-story building is being raised a full floor to insert a new ground-story or garage level, although a technical case could be made that the project is tantamount to a demolition, if the end result is a building that is identical in massing to a project that would add an appropriately-sized upper story and leave the existing building on the ground, then the proposal will not be considered tantamount to a demolition.**
- 6. Similarly, an application to relocate a building on a site, moving it intact horizontally on its lot, would not be tantamount to a demolition unless envelope enlargements were also proposed that met the thresholds of 317(b), or unless DBI required a Demolition Application (Form 6) for the project.**

# Tantamount to Demolition - Illustration

The graphics on the this page illustrate how building elements are measured for the calculation to determine whether a project is tantamount to a demolition.

## Tantamount to Demolition Illustration:

Hypothetical project comprises full horizontal extensions to front, one side, and rear, and fills in a notch on the other side, on a narrow two-story existing building. This project is tantamount to a demolition. The lineal measurement shows more than 50% of the front and rear façades is removed, and more than 65% of the total façades is removed. Therefore, because the lineal measurement is sufficient to determine that this is a demolition, checking surface areas is unnecessary.



### LINEAR FOOTAGE MEASUREMENT

ELEMENT	<E> LENGTH	REMOVED	% REMOVED
A: FRONT FAÇADE	20	20	100%
C: REAR FAÇADE	20	20	100%
TOTALS:	40	40	100%
B: SIDE 1 FAÇADE	50	50	100%
D: SIDE 2 FAÇADE	50	8	16%
TOTALS:	140	98	70%

### AREA MEASUREMENT

VERTICAL ELEMENTS	<E> LENGTH	REMOVED	% REMOVED
A: FRONT FAÇADE	440	440	100%
C: REAR FAÇADE	440	440	100%
B: SIDE 1 FAÇADE	1100	1100	100%
D: SIDE 2 FAÇADE	1100	176	16%
VERT. TOTAL:	3080	2156	70%
HORIZONTAL ELEMENTS	<E> LENGTH	REMOVED	% REMOVED
E: FLOOR	1000	0	0%
F: ROOF	1000	0	0%
HORZ. TOTAL	2000	0	0%

# Part 5: Building Soundness

Applicants proposing demolition of residential structures and who are seeking approval on the basis that the buildings are unsound, shall provide the Planning Department with Soundness Reports prepared in accordance with the requirements described below.

Soundness Reports are required ONLY if the Applicant contends that the subject dwelling should be demolished because it is unsound. No soundness report is needed if the applicant acknowledges that the housing proposed for demolition is sound under the Planning Department's adopted definition. One or two units proposed for demolition that would otherwise require a Discretionary Review hearing may be approved administratively, without hearing, if there is a credible soundness report demonstrating that the building is not sound, and Planning staff concurs with that conclusion.

Except in the Bernal Heights Special Use District, where sound housing cannot be demolished, applicants proposing demolition of a building that is sound will need to fill in the checklist of demolition/replacement criteria to make a case for demolition, and the approval to demolish must be granted by the Planning Commission at a public hearing.

Without a determination that the dwelling is unsound, the recommendation of approval is more difficult to make. If the structure is found to be sound, the applicant may be advised to consider a project that alters, rather than demolishes, the existing structure.

## How is Soundness defined?

"Soundness" is an economic measure of the feasibility of repairing a sub-standard dwelling. It compares an estimate of construction-repair cost called the *Upgrade Cost* to an estimate called the *Replacement Cost*.

*Replacement Cost* is defined as the current cost to construct dwellings exactly like the size of those proposed for demolition. The Planning Commission has adopted the unit costs for the following elements, which are subject to period review and updating in accord with prevailing economic conditions.

1. All occupied, finished spaces
2. Unfinished space with flat ceiling & >7'-6" of headroom (e.g., basements, garages)

3. Unfinished space with sloping ceiling & >5'-0" of headroom (e.g., attic space below pitched roof)
4. Non-occupiable space without legal headroom (e.g., 30" high crawl space below raised floor)

\* Note: Costs associated with site work elements (e.g., walks, driveways, landscaping, retaining walls that are not integral to the building foundation, etc.) are not included in replacement or upgrade cost analysis.

It is essential to obtain and use the latest adopted values from the Department's website, [www.sfplanning.org](http://www.sfplanning.org), or from the Planning Information Center, before submitting applications to the Department.

*Upgrade Cost* is an estimate of the cost to make the existing house "safe and habitable," that is, the cost to bring a sub-standard dwelling into compliance with the minimum standards of the Housing Code and with the Building Code in effect at the time of its construction, with certain retroactive life-safety exceptions.

Note that programmatic shortcomings of the existing house have no bearing on the upgrade cost. E.g., costs to add floor space in a rear addition, to increase headroom in a basement or attic, to install granite countertops, etc., cannot be included, nor can certain "soft costs" and site improvements listed below. Bringing the structure into compliance with current seismic requirements of the Building Code is not an allowable expense, even if required by the Building

## Who prepares the Soundness Report?

Soundness Reports are required to be produced by licensed design or construction professionals (architects, engineers, and contractors) or by certified specifiers, construction cost estimators or physical inspectors. The author of the report must be a disinterested third party at "arm's length" from the project, i.e., someone not involved in its ownership, design or construction.

Professionals who prepare such reports must be familiar with the demolition standards and procedures adopted by the Planning Commission and requirements of the San Francisco Planning, Building and Housing Codes, and knowledgeable about construction assemblies, repair and upgrade processes, and their cost. If staff or the Commission rejects a Soundness Report, the Department may require that any subsequent report for the project be prepared by a new author meeting the requirements described above, not the original author.

Code for the scope of repair work, or even if it may be prudent for the homeowner or desirable for the public good. Routine, repetitive maintenance costs must also be excluded. Roofs, windows, exterior wooden stairs, and other elements all have finite service lives. Their replacement, even if necessary, cannot be included as upgrade costs unless it is clearly demonstrable that original construction deficiencies are responsible for the need to replace them.

Contractor's profit and overhead and building permit costs may be included, but Architects' and Engineers' design fees, and allowances for construction contingencies may not.

Minimum habitability standards for One- and Two-Family Dwellings as summarized below should also be used as a guide to what may and may not be included in Upgrade Costs. Authors of Soundness Reports need to be focused on the concept that "Soundness" is an economic measure, based on the Housing Code, not an issue of structural compliance with the current Building Code. Further, they need to distinguish costs to upgrade elements that need replacement due to original construction deficiencies (which are included in upgrade costs) from those elements needing repair due to deferred maintenance (which are not included). For example, if lack of head flashing accelerated the rot of original wood windows, with clear evidence of water infiltration, then window repair or replacement may be included. If the windows have rotted because of lack of maintenance, with poorly maintained sealant at the joints, or lack of regular painting, then the cost of window replacement may NOT be included as an upgrade cost.

## **What should be in the Soundness Report?**

The Soundness Report should begin with a thorough description of the building in question: its age, size (e.g., footprint area, height, number of stories, habitable square footage), roof form (e.g., flat, hip, gable), roofing material (built-up, single ply, roll, tile, composition shingle), construction type (e.g., wood frame, unreinforced masonry, masonry with seismic upgrade, steel frame), foundation and floor system (e.g., spread footing, pier and grade beam, raised floor, slab-on-grade), exterior siding (e.g., stucco, horizontal wood siding, vinyl, plywood, curtain wall), interior wall finish (e.g., gypsum board, plaster), and a description of repairs, maintenance, and any remodeling or additions. Documentation supporting the previous should be included in an appendix, using copies of the building permit history of the building.

Next, the quantitative Replacement cost should be listed on a form provided by the Department, using the methodology described above. The 50% threshold should be computed and noted.

The 50% Upgrade Cost analysis should be described next on the same form, with line item descriptions of each element qualifying for upgrade (those due to initial construction deficiencies), followed by the unit cost, the unit multiplier, and the total cost for that element, and where in the report photographs or other documentation to support the upgrade are provided. If the sum of these cost items does not exceed 50% of the Replacement Cost, then the building is not defined as "unsound."

Generalities and assertions unsupported by professional, detailed justification or by photographic evidence or other documentation will undermine the essential credibility of the report. Often, replacement of structural assemblies and mechanical systems is justified only if the existing elements are hazards. Careful and thorough demonstration of the hazardous condition is required, to justify including the replacement in an upgrade cost estimate. This is especially true with regard to foundation and framing systems, electrical systems, and plumbing work.

Copies of any pest report, if such repair work is needed, and any other documentation supporting the conclusions of the soundness report, should be provided. Pest control work should be carefully analyzed to determine which portions of work and cost are applicable to the 50% threshold, that is, attributable to construction deficiencies, and which must be excluded as the result of poor or deferred maintenance.

Clear and well-labeled photographs of the façade, and close-ups that document elements needing upgrade work, are essential to support assertions that the elements in question qualify for inclusion in the upgrade cost.

A factual summary of the findings is a useful conclusion to the document.

## **Soundness Determination:**

The Code provides that a residential building is considered unsound if the cost to upgrade construction deficiencies exceeds 50% of the replacement cost.

In general, the Building Code requires that buildings be maintained in accordance with the codes in effect at the time of their original construction, although the Housing Code does incorporate a number of retroactive standards, which require upgrades to maintain minimum standards of safety and habitability.

### **How does a Soundness Determination affect approval of the demolition application?**

The General Plan guides the orderly development of San Francisco. It instructs the Department to discourage the demolition of sound housing. If the Soundness Report is credible and demonstrates conclusively that the dwelling in question is not sound, the Department will probably recommend to the Commission that it approve the demolition, if a hearing is required and there are no historic or environmental issues. In cases where Discretionary Review is required rather than Conditional Use authorization, Department Staff may administratively approve the application to demolish, without a hearing, if historic, environmental, and replacement building design issues are resolved.

Because a finding that a building is unsound makes approval of the demolition more probable, and because some costs included in the soundness report represent a subjective professional judgment, there may be a temptation to inflate the upgrade cost estimate, by including costs of elements that should not be included, or by exaggerating the cost of repairs, or by suggesting seismic or other structural upgrades beyond the scope of habitability requirements. Soundness report authors must resist this temptation. Presentation to the Department or Planning Commission of soundness reports with inflated upgrade costs or low replacement costs have led to denial of the related demolition permits.

If the residential building is determined to be sound, then the project must comply with a preponderance of other General Plan Policies and Objectives for the Commission to approve the demolition. Such policies may include the provision of new family housing, adding units to the City's housing stock, proposing a superior, high quality design for the replacement building that preserves and enhances the character of the neighborhood, or providing affordable rental or ownership opportunities. (See the list of Criteria following, or in Planning Code Section 317(d)(3)(C), or on the Department's Residential Demolition Application Form, on the website, or at the Planning Information Center.

The Case Planner will advise the applicant prior to the hearing date whether the Department will recommend approval of the demolition application to the Planning Commission, based on the project's overall conformity with the requirements of Section 317 and the General Plan.

If the proposed demolition is denied due to building soundness, historical, environmental, or other General Plan considerations, the project sponsor may choose to modify the proposal to retain significant elements of the existing building sufficient not to qualify as a demolition.

### **Work That Could Be Included In The Upgrade Cost:**

(Include costs to correct original construction deficiencies that affect habitability, NOT deferred maintenance items or programmatic requirements of the project.)

- Building Permit Application cost for upgrade items only.
- Providing room dimensions at a minimum of 70 sq. ft. for any habitable room.
- Providing at least one electrical outlet in each habitable room and 2 electrical outlets in each kitchen.
- Providing at least one switched electrical light in any room where there is running water.
- Correcting lack of flashing or proper weather protection if not originally installed.
- Installing adequate weather protection and ventilation to prevent dampness in habitable rooms if not originally constructed.
- Provision of garbage and rubbish storage and removal facilities if not originally constructed (storage in garage is permitted).
- Eliminating structural hazards in foundation due to structural inadequacies.
- Eliminating structural hazards in flooring or floor supports, such as defective members, or flooring or supports of insufficient size to safely carry the imposed loads.
- Correcting vertical walls or partitions which lean or are buckled due to defective materials or which are insufficient in size to carry vertical loads.

- Eliminating structural hazards in ceilings, roofs, or other horizontal members, such as sagging or splitting, due to defective materials, or insufficient size.
- Eliminating structural hazards in fireplaces and chimneys, such as listing, bulging or settlement due to defective materials or due to insufficient size or strength.
- Upgrading electrical wiring which does not conform to the regulations in effect at the time of installation.
- Upgrading plumbing materials and fixtures that were not installed in accordance with regulations in effect at the time of installation.
- Providing exiting in accordance with the code in effect at the time of construction.
- Correction of improper roof, surface or sub-surface drainage if not originally installed, if related to the building and not to landscape or yard areas.
- Correction of structural pest infestation (termites, beetles, dry rot, etc.) to extent attributable to original construction deficiencies (e.g., insufficient earth-wood separation).
- Repair of fire-resistive construction and fire protection systems if required at the time of construction, including plaster and sheet rock where fire separation is required, and smoke detectors, fire sprinklers, and fire alarms when required.
- Wood and metal decks, balconies, landings, guardrails, fire escapes and other exterior features free from hazardous dry rot, deterioration, decay or improper alteration.
- Repairs as needed to provide at least one properly operating water closet, and lavatory, and bathtub or shower.
- Repair of a kitchen sink not operating properly.
- Provision of kitchen appliances, when provided by the owner, in good working condition, excluding minor damage.
- Repair if needed of water heater to provide a minimum temperature of 105° and a maximum of 120°, with at least 8 gallons of hot water storage
- Provision of both hot and cold running water to plumbing fixtures.
- Repair to a sewage connection disposal system, if not working.
- Repair heating facilities that allow the maintenance of a temperature of 70° in habitable rooms, if not working.
- Repair ventilation equipment, such as bathroom fans, where operable windows are not provided, if not working.
- provision of operable windows in habitable rooms (certain exceptions apply)
- Repair of electrical wiring if not maintained in a safe condition.
- Repair of plumbing materials and fixtures if not maintained in good condition.
- Eliminating structural hazards in ceilings, roofs, or other horizontal members.
- Eliminating structural hazards in fireplaces and chimneys, such as listing, bulging or settlement due to deterioration.
- Eliminating chronic, severe mold and mildew.
- Abating hazardous lead, asbestos or other materials where peeling, deteriorating, flaking, friable, chipped or otherwise deteriorating surfaces create significant exposure to the material (see below).
- Contractor's profit & overhead, not to exceed 18% of construction subtotal, if unit costs used for repair items do not include profit & overhead

### **Work That Must Be Excluded From The Upgrade Cost Estimate:**

(Although upgrading these elements may be required, prudent, or desirable, the costs associated with them may not be included in upgrade estimates.)

- Architects' fees, Engineers' fees, and other design fees.
- Construction contingency allowance.
- Addition of floor space, or increasing headroom, or other programmatic requirements that are not required habitability standards for the original dwelling, in accord with the Codes in effect at the time of original construction..

- Interior and exterior painting except to assemblies required to be repaired or replaced under habitability standards.
- Adding electrical receptacles to kitchens that already have at least two, or to other rooms that have at least one.
- Installation of a higher capacity electrical service, unless the existing is a hazard.
- Finish upgrades, such as new cabinetry, countertops, tile or stonework.
- Routine re-roofing except to assemblies required to be repaired or replaced under habitability standards, due to original construction deficiencies.
- Repairing proper weather protection, including exterior coverings such as paint and roof coverings and windows and doors due to lack of maintenance.
- Repairing deteriorated, crumbling or loose plaster, gypboard, and floor finishes due to faulty, poorly maintained weather protection.
- Site work, such as repairs to walkways, drives, decks on grade, and retaining walls not part of the building foundation.
- Landscape and irrigation work.
- Removal of fire hazards, such as a buildup of combustible waste and vegetation.
- Removal of accumulation of weeds, vegetation, trash, junk, debris, garbage, stagnant water, combustible materials, stored paint, and similar conditions.
- Elimination of insect, vermin or rodent infestation.
- Other routine, repetitive maintenance costs.

## **What constitutes a “hazard”?**

All buildings, structures, property, or parts thereof, regulated by the Planning Code, that are structurally unsafe or not provided with adequate egress, or that constitute a fire hazard, or are otherwise dangerous to human life, safety, or health of the occupants or the occupants of adjacent properties or the public, are for the purpose of determining building soundness, defined as hazardous. The removal of existing toxic materials (e.g., lead or asbestos) that are determined to be a “nuisance condition” may be included as an upgrade cost (see below).

## NOTES AND CLARIFICATIONS:

1. Planning Commission policy requires that Staff conduct a site visit to assess the soundness and condition of the structure proposed for demolition. The Planner assigned to review the Application will contact the Project Sponsor to arrange this site visit.
2. For Upgrade Costs, assumptions about structural members, their strength values, connection strength, relative to the minimum structural requirements of the Building Code in effect at the time of original construction are not to be considered. The test is whether there is evidence of failure or hazard. Would a Housing or Building Inspector cite the property with an order to repair? Structural members that have performed well for eighty years, through several seismic events, and that were approved via building permit at time of construction, are not candidates for Upgrade unless there is severe sagging, cracking, settlement, etc., regardless of what engineering calculations based on assumed materials values may show, unless there is credible evidence of hazard.
3. Because a building component or system is not pristine or modern does not justify its replacement, as long as it meets required functional standards and is not a hazard. For example, rusted ductwork on a heating system that can maintain the temperature requirement detailed below does not justify replacement of the heating system. The presence of knob and tube wiring, unless unequivocally documented as a hazard, does not justify replacement of the electrical service with conduit or Romex, even if its presence is problematic for the installation of insulation. The cost to replace a pull-out fuse box that is not a hazard with a new circuit breaker panel cannot be included as an upgrade expense, even if it is desirable to do so.
4. Foundations: brick and unreinforced concrete foundations that have retained their integrity are not upgrade elements. They may be included in Upgrade calculations only if their mortar or concrete is significantly deteriorated, or there is evidence of on-going, severe settling detrimental to the structure, or they have caused floors, walls and other superstructure to be out of level or plumb to a degree that would result in citation by a Housing or Building Inspector. If the foundation can still support the gravity loads and any lateral loads required by the Building Code-in effect at time of construction.
5. Fire Damage: repair of fire-damaged building elements that can reasonable be assumed to have been sound prior to the fire damage are not upgrade elements. Any disparity between the value of fire insurance coverage and replacement cost is assumed to be self-indemnification, and the owner must bear the costs of repair.
6. Emergency Demolition: where an existing residential structure is recommended for demolition by the Director of the Department of Building Inspection and is determined to be a public hazard in accord with provisions of the Building Code, or, where an existing residential structure that is damaged by fire, earthquake, or other act of God, is proposed for demolition and to be replaced in extent and kind, the Planning Department may approve such applications administratively upon the advice of the Zoning Administrator.
7. Roof Flashing: replacement of roof flashing, step flashing, coping, gravel stops, diverters, etc should be excluded, because these items can be replaced as part of the re-roofing process, and in that sense are maintenance items.
8. Windows: the Building Code requires that windows, like all elements of a structure, be maintained and repaired. Replacement of windows meeting the code requirements at the time of their installation cannot be included in upgrade costs. E.g., replacing single-glazed windows installed in 1972, before Title 24 energy requirements, with double-glazed, energy efficient windows, would not be an allowed upgrade cost.
9. Interior Stairs: Removal and replacement of existing stairs without legal headroom can be included only if the stairs are a means of egress required by the Building Code. If the stairs are not part of a required exit system, but for example provide access to an attic, basement or garage, their replacement to meet current headroom requirements or rise and run ratios cannot be included.
10. Exterior Stairs: (especially wood construction) have a finite life, and their periodic replacement is considered a maintenance requirement and expense. Only if it can be documented that improper construction led to the early loss of the stairs could their replacement be included in upgrade costs for soundness determination.
11. The simple presence of lead or asbestos is not a hazard in itself a hazard, assuming the materials are not deteriorating, flaking, delaminating or otherwise creating the conditions for significant exposure to the material.
12. Removal of lead or asbestos may be included as an upgrade if they are required to be abated , as when OTHER required work (such as structural work due to termite damage) must be performed, and which would disturb the asbestos or lead surfaces. This would be considered an upgrade cost only to the extent that the other repairs disturbed the lead or asbestos materials.
13. Determination that a toxic material is present in a "nuisance condition" (creating significant exposure) requires its abatement. Applicants should contact the Department of Public Health, Environmental Health Division for proper abatement procedures. Health inspectors may be contacted to verify the presence of "significant exposure" to asbestos, lead or other toxics, and suggest abatement procedures that may include encapsulation, enclosure, or removal.
14. While the SF Health Code states that a lead hazard exists only if a child (under 72 months old) is present, and State law is silent on the age issue, for the purposes of abatement requirements of lead, such work may be included the Upgrade building costs if it presents significant exposure, regardless of the presence of children.

# PART 6: Dwelling Unit Mergers

Because housing in San Francisco is a valuable resource that requires protection and the Planning Commission supports the conservation of existing housing, and, although certain special circumstances may arise in which the removal of a dwelling unit may be necessary to further the Objectives and Policies of the General Plan, the Commission maintains a strong objective to minimize the loss of relatively affordable market rate housing.

Mergers occur when two or more legal Residential Units are combined, resulting in a decrease in the number of Residential Units within a building, or the enlargement of one or more existing units while substantially reducing the size of others by more than 25% of their original floor area, even if the number of units is not reduced.

As with demolitions, the merger of Residential Units not otherwise subject to Conditional Use Authorization by the Planning Code must be approved by the Planning Commission at a Mandatory Discretionary Review hearing, or, if the project qualifies for administrative approval, the Planning Department may approve the application.

Certain Residential Units proposed for Merger that exceed the adopted threshold of affordability (financially accessibility) are exempt from Mandatory Discretionary Review hearings, if the hearing is required only on the basis of the merger request.

Merger applications for which the least expensive unit proposed for merger has a value greater than at least 80% of the combined land and structure values of single-family homes in San Francisco, as determined by a credible appraisal, made within six months of the application to merge, may be exempt from a Mandatory Discretionary Review hearing.

Please see the Department's website under Publications for Dwelling Unit Removal: Current Numerical Values - Implementation of the Controls on the Loss of Residential Units.

The Planning Commission, at a Mandatory Discretionary Review hearing, shall apply the criteria listed below when deciding whether to approve the building permit application proposing a Dwelling Unit Merger:

- (i) whether removal of the unit(s) would eliminate only owner occupied housing, and if so, for how long the unit(s) proposed to be removed have been owner occupied;
- (ii) whether removal of the unit(s) and the merger with another is intended for owner occupancy;
- (iii) whether removal of the unit(s) will remove an affordable housing unit as defined in Planning Code Section 415 or housing subject to the Rent Stabilization and Arbitration Ordinance;
- (iv) whether removal of the unit(s) will bring the building closer into conformance with prescribed zoning;
- (v) if removal of the unit(s) removes an affordable housing unit as defined in Planning Code Section 401, or units subject to the Rent Stabilization and Arbitration Ordinance, whether replacement housing will be provided which is equal or greater in size, number of bedrooms, affordability, and suitability to households with children to the units being removed;
- (vi) whether the number of bedrooms provided in the merged unit will be equal to or greater than the number of bedrooms in the separate units;
- (vii) whether removal of the unit(s) is necessary to correct design or functional deficiencies that cannot be corrected through interior alterations.

## NOTES AND CLARIFICATIONS:

- 1. The Planning Commission has a long-standing policy of treating as mergers any applications that connect (via a door or other communicating opening) two or more existing units, even if all kitchens are retained in each unit, and construction of the opening would be reversible.**
- 2. Criterion (vii) would be satisfied only under exceptional circumstances arising from the necessity to remove a unit to relieve significant design deficiencies that compromise its livability and would correct situations that create uninhabitable spaces.**

# PART 7: Dwelling Conversions

Because housing in San Francisco is a valuable resource that requires protection and the Planning Commission supports the conservation of existing housing, and, although certain special circumstances may arise in which the conversion of a dwelling unit may be necessary to further the Objectives and Policies of the General Plan, the Commission maintains a strong objective to minimize the loss of relatively affordable market rate housing.

Conversions occur when legal Residential Units undergo the removal of cooking facilities, or a change of use (as defined and regulated by the Planning Code) or a change of occupancy (as defined and regulated by the Building Code) of any dwelling unit to a non-residential use. This definition shall not apply to conversions of residential hotel units, which are subject to the Residential Hotel Conversion Ordinance (Chapter 41 of the San Francisco Municipal Code – Ordinance No. 121-90, File No. 113-89-2).

As with demolitions and mergers, the Residential Conversions not otherwise subject to Conditional Use Authorization by this Code must be approved by the Planning Commission at a Mandatory Discretionary Review hearing.

- (i) whether conversion of the unit(s) would eliminate only owner occupied housing, and if so, for how long the unit(s) proposed to be removed were owner occupied;
- (ii) whether conversion of the unit(s) would provide desirable new non-residential use(s) appropriate for the neighborhood and adjoining district(s);
- (iii) in districts where Residential Uses are not permitted, whether Residential Conversion will bring the building closer into conformance with the uses permitted in the zoning district.
- (iv) whether conversion of the unit(s) will be detrimental to the City's housing stock;
- (v) whether conversion of the unit(s) is necessary to eliminate design, functional, or habitability deficiencies that cannot otherwise be corrected.
- (vi) whether the Residential Conversion will remove Affordable Housing, or units subject to the Rent Stabilization and Arbitration Ordinance.

## NOTES AND CLARIFICATIONS:

- 1. Criterion (v) would be satisfied only under exceptional circumstances arising from the necessity to remove a unit to relieve significant design deficiencies that compromise its livability and would correct situations that create uninhabitable spaces.**
- 2. As with Mergers, the policy of the Planning Commission shall be to consider an application to be tantamount to a conversion if more than 25% of the area of the existing dwelling is converted to a non-residential use.**
- 3. The conversion of Residential Units to Student Housing is prohibited.**



SAN FRANCISCO  
**PLANNING**  
DEPARTMENT

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No appointment is necessary.*