



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Amendment

HEARING DATE: FEBRUARY 25, 2016  
90-DAY DEADLINE: APRIL 11, 2016

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*Project Name:* **Affordable Housing Bonus Program**  
*Case Number:* **2014-001503PCA [Board File No. 150969] and 2014-001503GPA**  
*Initiated by:* **Mayor Ed Lee**  
**Supervisor Katy Tang**  
Introduced September 29, 2015, December 16, 2015, and  
January 12, 2016  
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*Recommendation:* **Recommend Approval with Modifications**

### BACKGROUND

On September 29, 2015, Mayor Edwin M. Lee and Supervisor Katy Tang introduced an ordinance to implement the Affordable Housing Bonus Program (AHBP). The Planning Commission has held four public hearings on the program to date:

- **October 15, 2015<sup>1</sup>**  
Initiation of General Plan Amendments: initiation at Planning Commission of the AHBP General Plan Amendments
- **November 5, 2015<sup>2</sup>**  
Initiation Hearing: introduced the basics of the program and feedback received to date.
- **December 3, 2015<sup>3</sup>**  
Initially scheduled for adoption. Response to public and Commissioner comments and concerns. Adoption hearing continued to January 28th.

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<sup>1</sup>Case packet for initiation of AHBP General Plan Amendments:

<http://commissions.sfplanning.org/cpcpackets/2014-001503GPA.pdf>

<sup>2</sup>Case packet for the Planning Code Amendment as presented to the Commission on November 5, 2015:

[http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp\\_memotoCPC\\_2014-001503PCA.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp_memotoCPC_2014-001503PCA.pdf)

<sup>3</sup>Presentation to Planning Commission: [http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP\\_CPC\\_Presentation-120315.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP_CPC_Presentation-120315.pdf)

- **January 28, 2016<sup>4</sup>**  
Update to Commission on public on changes to the program, including Supervisor Breed's amendment removing existing rent-controlled units from AHBP eligibility.

## REPORT STRUCTURE

The January 28th, 2016 Planning Commission hearing on the Affordable Housing Bonus Program (AHBP or Program) included several public comments and a detailed discussion of the proposed program. In consultation with the Commission President, this case report focuses on six (6) key topics raised at that hearing. Each topic includes the following sections:

- **Topic** a brief summary of the topic and issue raised;
- **AHBP Current Response** a discussion of the AHBP's proposed strategy to address the issues raised.  
Note: the majority of these sections discuss the proposed Local Program which was crafted to respond to local housing policy goals. The Individually Requested and State Analyzed programs primarily implement the State Density Bonus Law; and
- **Recommended Amendments and Implications** a discussion of Amendment strategies to address the identified issues and potential implications of that Amendment. As proposed, the AHBP is intended to achieve increased levels of affordable housing production for low, moderate, and middle income households across San Francisco.

This program has been designed to: incentivize market-rate project applicants to choose a Local Program that achieves 30% affordability rather than the State density bonus program that allows for 12 to 18% affordability; increase the development of 100% affordable housing projects serving households below 60% AMI through the 100% AHBP program; and, increase the City's overall supply of affordable housing without drawing public resources away from existing affordable housing programs. All proposed Amendments to this program will be evaluated for their impact on project feasibility and on their ability to incentivize project sponsors to achieve the highest levels of affordability.

This case report is intended to provide a structure for the Commission to consider these six topics. To assist with this structure a summary Department recommendations has been provided as Exhibit C. These recommendations in no way limit the Commission's actions.

For more detail on the AHBP program goals, outcomes, and the proposed legislation please refer to the November 5, 2015<sup>2</sup> and January 28, 2016<sup>4</sup> Planning Commission Packets. Related studies and reports are available in those packets or on the program website.

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<sup>4</sup> Case packet for the Planning Code Amendment and General Plan Amendment as presented to the Commission on January 28, 2016. <http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/2014-001503PCA.pdf>

## ISSUES AND CONSIDERATIONS

### Topic 1 Program Eligibility

Commenters are generally supportive of encouraging housing on soft sites; however some have expressed concerns that the AHBP ordinance could incentivize development of parcels that house existing residents. The zoning districts within the AHBP area contain roughly 30,500 parcels, and cover neighborhoods throughout the city.

This section discusses the existing limitations on program eligibility, expected outcomes, and includes one recommendation for Commission consideration.

#### **Current Proposal: AHBP and Limits to the Program Scale**

To be eligible for the AHBP program, a site must meet several eligibility criteria. A parcel's zoning district **has been** the most discussed eligibility criterion for the Program; however there are a number of other legislated eligibility criteria proposed in the ordinance that further restrict the program's application. Furthermore, analysis of past development patterns under rezonings and the financial requirements of the program indicate that use of the program will be further limited in application. This section briefly discusses these limiting criteria and supporting analysis.

The Department estimates that of the eligible parcels, approximately 240 parcels citywide will potentially benefit from the AHBP. Generally, these are parcels that are currently developed to less than five percent of existing zoning, do not have any residential uses, and are not schools, churches, hospitals, or historic resources

#### **Limiting Criterion 1: Program applies in only certain Zoning Districts ("Program Area")**

The California State Density Bonus Law (State Law)<sup>5</sup> applies to residential projects of five or more units anywhere in the state of California.<sup>6</sup> The proposed San Francisco Affordable Housing Bonus Program focuses this broad law on zoning districts with all three of the following features: 1) allowance of residential uses; 2) control of density by a ratio of units to lot area; and 3) allowance of multi-unit residential buildings. The following districts are NOT eligible for the Local or State Analyzed Programs of the AHBP: RH-1 and RH-2 and any zoning districts where density is regulated by form (such as NCT, RTO, UMU, DTR, C-3, etc.).

#### **Limiting Criterion 2: No demolition of Historic Resources (less 4,750 or More Parcels)**

The AHBP ordinance explicitly disqualifies many parcels within eligible zoning districts based on a number of characteristics. Known historic resources, identified as CEQA Category A buildings by the Department's Historic Preservation division, cannot be demolished to build AHBP projects.<sup>7</sup> Generally, the State Law does not recognize locally designated resources; however the State does allow cities to deny requested incentives, concessions or waivers only for properties listed on National or California Registers. The Local Program protects both eligible and listed

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<sup>5</sup>California Government Code Sections 65915 – 65918

<sup>6</sup> Please see Exhibit E which describes sponsor requested legislative changes.

<sup>7</sup>In addition, the Planning Commission does not approve demolition unless the proposed project is also approved.

resources under local, state and federal designations. Criterion 2 (exclusion of projects proposing to demolish historic resources) would reduce the number of eligible parcels by at least 4,750. Additional parcels could be excluded during the application or pre-application process as described below.

Properties in San Francisco are organized into three categories for the purposes of CEQA:

Status		Eligibility for AHBP
Category A	Known Historic Resources	<u>are not</u> eligible
Category B	Unknown (properties over 45 years of age)	<u>may be</u> eligible if determined not to have historic status
Category C	Not a Resource	<u>are</u> eligible to participate

The existing proposal is clear that “Known Historic Resources” sites are not eligible for the program and “Not a Resource” sites are eligible for the program. The only uncertainty that remains is for “Unknown” sites. It is not possible to determine which “Unknown” properties may be reclassified as “Category A” or “C” until a historic resource evaluation is filed with the environmental evaluation. The uncertainty in time and invested resources may reduce the incentive for a project sponsor to participate in the Local AHBP. There are an estimated 4,570 “Category A” buildings in the AHBP area. There are also 22,100 “Category B” buildings – with unknown potential as historic resources. Before a project could be approved on these sites, the necessary historic evaluation would be completed to determine the resource status.

#### *Category B Properties – Initial Historic Resource Determination*

As part of the AHBP entitlement process the Department may offer an initial historic resource determination. The initial historic resource determination application would not require information on the proposed project as only the historic status of the property would be evaluated. This would allow a project sponsor an opportunity to determine eligibility for the local AHBP without investing resources into the design of the proposed project.

#### *Category B Properties - Citywide Historic Resources Survey*

Since the beginning of the City’s historic preservation program, small-scale surveys have been completed on a piecemeal basis, depending on funding and staff resources. Beginning in the summer of 2016, the Department will begin the first phase of a citywide historic resource survey documenting those areas of San Francisco that have not yet been evaluated. The first priority of this work will be areas potentially eligible for the AHBP and areas currently experiencing, or anticipated to have, heightened development. The citywide historic resource survey project is anticipated to take four to six years to complete. Early determination of either disqualification or eligibility will allow projects to be withdrawn if a resource is present or, if appropriate, designed with greater efficiency and compatibility. This survey work will minimize program uncertainties and associated costs for both the project and the City.

*Category B Properties - Neighborhood Commercial District Survey and Historic Context Statement*

The Department recently completed a Neighborhood Commercial Storefronts Historic Context Statement and data collection phase of a Neighborhood Commercial District Survey. The primary goal of the survey is to identify historic properties that may require future seismic or accessibility upgrades. The Department is currently preparing the community outreach phase of the survey. The survey examined approximately 83 current or formally-zoned neighborhood commercial areas, totaling 5,500 buildings. Along with recent area plan historic surveys, such as Market & Octavia, SoMa, and Mission, the Department will have determinations for virtually all neighborhood commercial corridors within the City. This information will provide upfront information on which properties are Category A or C.

**Limiting Criterion 3: No demolition of a Rent Control Unit**

Board President Supervisor London Breed proposed an amendment to the AHBP ordinance that bans the demolition of any rent control units through this program. The ordinance sponsors, Mayor Edwin Lee and Supervisor Katy Tang, as well as by the Department fully support this proposed amendment. Removing parcels with rent-controlled units is estimated to reduce the number of eligible parcels by 17,000.

**LIMITING CRITERIA TWO AND THREE REMOVE AN ESTIMATED 19,300 PARCELS FROM ELIGIBILITY (ROUGHLY 63% OF 30,500 PARCELS IN THE PROGRAM AREA).**

**Limiting Criterion 4: Cannot shadow a public park or open space**

The AHBP ordinance further limits the use of the Local Program for any project that would cause a significant shadow impact on a public park. It is difficult to estimate the exact limitation this restriction could cause on the program area, because shadow impacts would be determined during the environmental evaluation process, and could vary based on the specific building design. A preliminary shadow fan analysis indicates that up to 9,800 parcels could potentially be limited in their ability to build two additional stories of height due to this restriction and proximity to public parks. Specific analysis of a particular building proposal could change these initial results.

**Limiting Criterion 5: Gain Commission approval required to demolish a unit**

The City of San Francisco currently has very strict regulations around the demolition of a housing unit (Planning Code Section 317). Any project proposing to demolish a residential unit would be required to make the necessary findings and receive Planning Commission approval for the project.

**Past development patterns suggest development would primarily happen on underutilized (soft) sites**

The vast majority of eligible parcels contain healthy buildings and uses that would make them unlikely to be redeveloped. For example, the Market Octavia Area Plan rezoned every parcel in the Plan Area, removing density restrictions and increasing the zoned potential of most parcels. Despite this widespread rezoning, the plan resulted in new development on underutilized parcels such as former freeway parcels and large underutilized lots on Market Street. Other

parcels that were rezoned as part of Market and Octavia that host healthy older buildings including single family homes, apartment buildings and mixed uses have not attracted new development proposals because the current uses are highly valued by the community. It is anticipated that the AHBP would lead to similar development patterns. For purposes of estimating potential housing unit yields from the AHBP program, the Department identified approximately 240 underutilized (“soft”) sites – sites where the current built envelope comprises five percent or less of the allowable building envelope under current zoning. Also, parcels containing residential uses, schools, hospitals and historic resources were also excluded as potential development sites.

While the Local AHBP offers clear development incentives, such as two stories of height and increased density, it also requires that project sponsors provide: 1) 30% of all units as permanently affordable; 2) 40% of the units as two bedroom; and 3) meet specific new design requirements of the Program. Financial analysis tested the program’s value recapture to ensure the maximum affordable housing was required while still providing an incentive for projects to elect to provide 30% affordable housing. The analysis found the program is feasible, but only in some cases.

The financial feasibility analysis assumes current land values of the existing parcels remain constant with the implementation of the AHBP. The financial analysis assumes that land values would not increase due to program benefits; accordingly, there is little flexibility in the price projects can afford to pay for land. Further, the analysis assumes that the existing uses did not add to land value, so any existing use that would add value not considered by the financial analysis and would likely tip a project into infeasibility. In other words, the AHBP Local Program is financially feasible only for projects on sites where the existing building does not add costs to acquiring the property. A site with several residential units would command a higher market price than what was tested, and therefore the Local Program or State Analyzed Programs would likely not be financially feasible on sites with existing buildings.

### **Department Recommended Amendment to Further Limit Program Eligibility**

To address concern around the program’s scale, the Department recommends the following amendment:

- ❖ ADD LIMITING CRITERION: PROJECTS THAT PROPOSE TO DEMOLISH ANY RESIDENTIAL UNITS SHALL NOT BE ELIGIBLE FOR AHBP.

Supervisor Breed’s amendment to the program already prevents parcels containing existing rent-controlled units from developing through the AHBP. The City could further limit the eligibility for AHBP to projects that do not demolish any existing residential units (regardless of rent-controlled status).

### Potential Implication of Proposed Amendment

If the AHBP was limited to projects that did *not have ANY residential units*:

**The AHBP could still produce 5,000 affordable housing units on 240 potential soft sites over a 20 year period.** None of the soft sites identified contain known existing housing units, as the Department considers the development of sites with existing units unlikely for the reasons discussed above. Should the Planning Commission recommend this amendment, the amendment would not reduce the development potential on the identified potential soft sites.

**Smaller increases in density to parcels with existing residential uses would be prohibited.** Generally, sites with existing residential uses are unlikely to redevelop under the AHBP. However in the occasional instance where an owner wanted to redevelop a property with residential uses, the density of the new building would be limited by existing regulations, and there would not be the incentive to provide 30% affordable housing. Especially on smaller sites, where total units are below the 10 unit threshold for inclusionary housing under Planning Code section 415, the amendment could mean a reduction or omission of affordable housing when these sites are developed. If even 5% of the sites with only one unit in the Program area chose to develop and add more units (as allowed under existing regulations), the City could gain an additional roughly 300 permanently affordable units.<sup>8</sup> **These units would not be built if this amendment is adopted. Additionally, these sites could redevelop under existing zoning controls producing zero affordable housing units.**

For projects that include five or more units, property owners could still avail themselves of the State Density Bonus Law and receive up a 35% increase in density, up to three incentives and concessions and waivers of development standards as defined by the State Law, while providing less affordable housing and no middle income housing. In addition, the State Law would limit the Department and Commission's ability to disapprove any incentives, concessions or waivers requested by the project sponsor.

### Topic 2: Infrastructure to Support New Growth

San Francisco residents enjoy a high level of public infrastructure including access to open space and parks, pedestrian and bicycle infrastructure, schools, and an urban transit system. As the City's population grows, these amenities must be managed and scaled to accommodate new residents and maintain the quality of life in San Francisco. Recent area plans have generally included a community improvements plan and commensurate revenue strategies to enable infrastructure growth with new development. Commenters have asked how transportation and other amenities will be provided to support new residential development enabled through the AHBP. This section describes the City's current strategy for planning infrastructure to support new growth, with a focus on transportation.

#### Current Proposal: AHBP and Transportation Services

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<sup>8</sup> There are roughly 4,100 single-family homes in the AHBP program area in zoning districts that currently allow higher density development. Based on the Department's analysis, if only 5% of these sites were to redevelop they could produce upwards of 350 new permanently affordable units and a total net increase of 1,000 units.

The Program area is generally within walking distance to the Muni Rapid Network, the high level of service corridors such as Muni's light rail lines, Geary Boulevard and Mission Street. This means that the AHBP is encouraging new housing where the City is currently investing in increased levels of transportation services. This land use and transportation planning coordination ensures the City's investments will support new residents.

Area plans such as Market & Octavia and Eastern Neighborhoods include neighborhood specific impact fees to support concentrated development. For the more dispersed development associated with the AHBP, the City has subsequently completed a citywide infrastructure standards analysis and created commensurate citywide infrastructure funding mechanisms and plans. Many of the City's infrastructure systems, especially transit and childcare, operate on a citywide basis and generally require a citywide approach when planning improvements.

In the past several years, San Francisco has made great progress on several citywide transportation planning efforts and has established several new transportation revenue sources. In addition to the ongoing revenue sources, in 2014 voters approved a \$500 Million transportation bond. Also in 2014, voters supported Proposition B which tethers additional transportation funding to the rate of population growth.

The Citywide Transportation Sustainability Fee (TSF), which applies to new residential and commercial development, is anticipated to generate \$1.2 billion in revenue over 30 years. TSF revenues will enable the City to "invest in our transportation network" and "shift modeshare by requiring new developments to prioritize more sustainable travel methods". The Department anticipates that over 80% of the projected projects that take advantage of the AHBP would include 20 units or more, and therefore would be subject to the recently established TSP fee. Thus, the AHBP could generate upwards of 99 million dollars<sup>9</sup> in new transportation funding to support new residents. These funds will contribute meaningfully to the City's overall transportation funding strategy and enable the City to accomplish planned improvements to the network.

In addition to the TSF, all projects entitled under the AHBP would be subject to existing citywide fees for Public Schools, Public Utilities Commission (sewer and water) and childcare facilities.

These fees enable the City to make initial investments in infrastructure systems to support new growth. Maintaining a high level of service for all infrastructure types is critical to the quality of life in San Francisco. Much of the AHBP area includes parts of the City with higher levels of service for open space and pedestrian amenities.<sup>10</sup>

### **Topic 3: Urban Design**

Some commenters have expressed concerns about the compatibility of potential AHBP buildings and neighborhood context. Some have expressed concern that the AHBP takes a 'one-size-fits-all'

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<sup>9</sup> In today's dollars, at \$7.74 per GSF, this estimate does not account for annual indexing of fees to account for cost inflation.

<sup>10</sup>San Francisco Infrastructure Level of Service Analysis March 2014. [http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/20140403\\_SFInfrastructureLOSAnalysis\\_March2014.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/20140403_SFInfrastructureLOSAnalysis_March2014.pdf)



approach, which applies too broadly across the City's many neighborhoods. Some have asked whether the consistent development incentives would cause a monotonous or "one size fits all" outcome in terms of urban form. The need for special consideration for infill projects in existing historic districts has been raised. Some commenters also raised questions about the relationship between potential heights and existing road widths, suggesting that narrow streets may warrant special consideration. And, some have suggested that the limits on lot mergers should relate to the neighborhood context more specifically.

#### **Current Proposal: AHBP and Urban Design**

As drafted, the AHBP includes several parameters to ensure neighborhood and context-specific urban form.

#### **Existing Controls Vary to Reflect Neighborhood Context**

The Local Program of the AHBP enables projects to include two additional stories of housing when 30% of affordable housing is provided. The height increases are based upon the existing height regulations. While the incentive is the same increment across the City, the outcomes of the program will vary based on the underlying height limits. In many districts, the program enables six-story buildings, in some seven-story buildings, and in others eight-story and above buildings. While an AHBP project providing 30% on-site affordable units in the Western Addition and one in the Sunset would both receive two extra stories of height; the former, in a 65-foot height district, would result in an eight story building and the latter, in a 40 foot height district, would result in a six-story building. Current variations in underlying height controls will continue to be expressed through the AHBP.

Urban design in many cities and neighborhood types follow different general principles. San Francisco considers building height in relation to street widths. In some areas, a building's maximum podium height might be related to a street width, while in less dense neighborhoods, the overall maximum height of a building might be related to the street width. Generally, a ratio of building heights and street widths between .75 to 1.5 is considered appropriate in San Francisco.<sup>11</sup> This means that streets that are 40 feet wide can comfortably host buildings from 30 to 60 feet tall. Streets 50 feet wide can host buildings 40 to 75 feet tall. Streets 55 feet wide can host buildings 41 to 83 feet tall. All of the Program area includes roads that are 50 feet or wider – meaning they can comfortably host buildings that are 60 feet or taller. Thus, **the AHBP does not currently allow buildings that would be considered too tall in relation to the street width, based on this ratio.**

#### **Design Guidelines**

AHBP projects will be subject to program specific design guidelines. The guidelines address four topic areas: tops of buildings, middle of buildings, ground floors, and infill projects within existing historic districts. These guidelines will ensure San Francisco's practice of emphasizing context-specific design in new construction. The AHBP draft Design Guidelines includes 25 design guidelines<sup>12</sup>. Three of the most relevant to context-specific design include:

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<sup>11</sup> Allan B. Jacobs, *Great Streets*, Fourth Printing, 1996, pages 277 to 280.

<sup>12</sup> The complete AHBP draft design guidelines are available here: [http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP\\_Draft\\_Design\\_Guidelines.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP_Draft_Design_Guidelines.pdf)

- T1. Sculpt tops of buildings to contribute to neighborhood quality (page 6 of the AHBP Design Guidelines).
- T3. Express Exceptional and Complementary Architectural Character (page 7 of the AHBP Design Guidelines).
- B3. The façades of new buildings should extend patterns (page 10 of the AHBP Design Guidelines).

#### *Development within Historic Districts*

Some historic districts maintain a strong uniformity while other exhibit varied character. AHBP projects will likely result in developments of greater density than the surrounding historic context. Increased density in historic districts does not inherently conflict with historic preservation principles. Historic districts are capable of allowing increased housing density without affecting the historic character and features of a district.

Infill projects within an eligible district will be reviewed by Planning Department Preservation staff in addition to the Planning Commission for compatibility with the AHBP Design Guidelines. There is no proposed change in process for an infill project within a locally-designated district under Article 10 or Article 11 of the Planning Code. Historic Preservation Commission review and approval through a Certificate of Appropriateness or Permit to Alter entitlement would continue to be required. Findings of compliance with local guidelines and the Secretary of the Interior's Standards would also continue to be required.

Projects proposed for sites of non-contributing buildings and vacant lots within historic districts are required to meet the AHBP Design Guidelines for compatibility with surrounding historic context and features. AHBP projects will likely result in developments that may be taller than the surrounding historic context, thus it is crucial that the design of infill construction within historic districts not be so differentiated that it becomes the primary focus. Application of the AHBP Design Guidelines, by the Department, decision-makers, and with oversight from the community, will assist in achieving innovative and exceptional design solutions where the scale and massing of a project must relate to the surrounding historic context.

Below are two of the nine AHBP Design Guidelines for projects within a historic district:

- H2. Strengthen the primary characteristics of the district through infill construction by referencing and relating to the historic design, landscape, use, and cultural expressions found within the district (page 18 of the AHBP Design Guidelines).
- H6. Design to be identifiable as contemporary and harmonious with the historic district in terms of general site characteristics, materials, and features (page 18 of the AHBP Design Guidelines).

#### **Lot Merger Limits and AHBP**

Current Planning Code controls only regulate lot mergers in a limited number of districts<sup>13</sup> in the AHBP area. The AHBP ordinance proposes to extend lot limit merger regulations. AHBP projects

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<sup>13</sup> Inner and Outer Clement NCDs, and NC-2 Districts on Balboa Street between 2nd Avenue and 8th Avenues, and between 32nd Avenue and 38th Avenues.

that request a lot merger would be limited to less than 125 feet of street frontage. This generally reflects 50% of a typical San Francisco block, reflecting prevailing patterns in the program area neighborhoods.

The AHBP lot merger language is based on research that looked at past trends and the typical commercial corridor block length in the Sunset. Given that the typical commercial corridor block length in the Richmond and the Sunset is approximately 240 feet, 125 feet provides a good proximate for a building to not exceed. Note that this regulation would only apply to projects that participate in the AHBP. Current regulations would still apply to projects that are not participating in the AHBP. Currently, lot mergers are regulated in a few of the City's districts. Most commercial corridor zoning districts currently require a Conditional Use if the lot size is 10,000 square feet and above.

### **Department Recommended Amendments to Urban Design**

- ❖ *ADD A DESIGN GUIDELINE TO MAXIMIZE LIGHT AND AIR TO THE SIDEWALKS AND FRONTAGES ALONG THE STREETS, INCLUDING ALLEYS.*
- ❖ *BASE LOT MERGER LIMITATIONS ON 50% OF THE ACTUAL BLOCK LENGTH, RATHER THAN APPLY A CITYWIDE NUMERICAL CAP.*
- ❖ *DIRECT PLANNING STAFF TO INCLUDE ANALYSIS OF A PROJECT'S CONFORMITY TO DESIGN GUIDELINES IN A PLANNING COMMISSION CASE REPORT.*

### **Potential Implication of Proposed Amendments**

Additional design guidelines would empower design review to focus on the relationship between street width and building heights. A design guideline to "maximize light and air to the sidewalks and frontages along the streets, including alleyways" would speak to the overall feel of a particular corridor and a specific housing proposal. The Planning Commission would be required to find projects consistent with all AHBP design guidelines as part of the approval process. This would enhance urban design outcomes and ensure that new buildings are context-sensitive.

Relating the lot merger limitations to block length rather than overall parcel size ensures that AHBP projects relate to the specific neighborhood context. Limitations on lot mergers could, in rare cases, reduce total units produced for an individual project. However the proposed ratio would result in good urban design consistent with prevailing patterns and would offer an appropriate limitation on the scale of potential AHBP projects.

### **Topic 4: Public Review and Commission Approval**

Some commenters have expressed concern that AHBP projects will not have adequate public input, City review or Planning Commission review. In particular commenters raised questions about the appeals process proposed for the Local AHBP, the conditional use findings and the ability of the Commission to make modifications to the design of the building.

### **Current Proposal: The Local Affordable Housing Bonus Program Project Review**

As drafted, the Local AHBP does not reduce public input nor public hearing requirements for projects entitled under this program. In fact, the Local Program increases the opportunity for public input because every Local AHBP project will require a Planning Commission hearing

under the Local and 100 percent Affordable Housing Bonus Project Authorization proposed in Section 328, including some projects that would not otherwise require Planning Commission approval. Under the proposal, only projects that provide 30% permanently affordable housing, or greater, would be eligible for the Local and 100 percent Affordable Housing Bonus Project Authorization process.

#### **Entitlement Process for AHBP State Analyzed Program**

Projects entitled under the State Analyzed Program will have no reduction in the City's current review process. These projects will either provide the minimum inclusionary amount, or may provide between 13% or 20% affordable housing in order to obtain a greater density bonus or an increased number of incentives and concessions. Projects entitled through the State-Analyzed program will be subject to the same review and approval processes as they would today – the triggers for Conditional Use Authorization or any other code section that requires a Planning Commission hearing will continue to have a Planning Commission hearing. Projects that use the State-Analyzed program and do not trigger a Planning Commission hearing under the Code are still subject to Discretionary Review (DR). Projects using the State-Analyzed program and choose an incentive off the pre-determined menu that would have required a variance would no longer be subject to a variance hearing. However, if the project seeks a variance that is not from the menu, a variance hearing would be required.

#### **Entitlement Process for AHBP Local Program and 100% Affordable**

Projects entitled under the Local Program and the 100% Affordable Program, which respectively provide 30% affordable units or are completely affordable developments, will be reviewed under the proposed "Local and 100 percent Affordable Housing Bonus Project Authorization," as proposed in Section 328. This entitlement process is similar to the existing Large Project Authorization (LPA) process in the Eastern Neighborhoods Mixed Use Districts set forth in Planning Code section 329. The goals of establishing a new process for projects that provide 30% affordable housing include: 1) create a single process for projects with clear requirements and procedures; 2) enable the Planning Commission to grant exceptions to proposed projects without requiring a variance; and 3) build on the success of the LPA process established as part of the Eastern Neighborhood Mixed Use Districts. Should a project include a component that would currently require a conditional use approval (CU), the Commission would continue to be required to make the necessary findings that would otherwise be made as part of a CU hearing under the new entitlement process, and in addition to the required findings set forth in the Local and 100 percent Affordable Housing Bonus Project Authorization.

Section 328 - the Local and 100 percent Affordable Housing Bonus Project Authorization process has a consistent review process for all Local Program projects. The review allows the Commission to grant minor exceptions to the Code to respond to design concerns raised by staff and the community in ways that would otherwise require a variance from the Zoning Administrator.

The Local and 100 percent Affordable Housing Bonus Project Authorization process recognizes that projects that take advantage of the Local Program of the AHBP may be larger than the surrounding neighborhood context in order to facilitate higher levels of affordability. Projects must comply with the AHBP Design Guidelines. The Commission can *disapprove a project* if it fails to meet the AHBP Design Guidelines, other applicable design guidelines, the Better Streets Plan or the General Plan. A project must have the required 30% or more onsite affordability *to qualify for* the Local and 100 percent Affordable Housing Bonus Project Authorization.

### **CU findings and authority of CPC to change projects**

The Planning Commission will continue to have the authority to shape a building and revise certain components of a project, such as proposed land use, or other elements that might otherwise be approved under a particular Conditional Use Authorization permit.

The Local and 100 percent Affordable Housing Bonus Project Authorization is designed to allow the Planning Commission the ability to make minor modifications to a project's height, bulk, and mass. However, the process recognizes that these projects may be somewhat taller or bulkier than surrounding buildings, and the intent is to limit such modifications to ensure that projects meet the AHBP's affordability goals. Additionally, as mentioned above, the Planning Commission will be able to grant Planning Code exceptions to shift the mass of a project, if appropriate, as a tool to respond to surrounding context.

### **Summary: Review Process Current Process and AHBP Projects**

	<b>Current Process</b>	<b>State Analyzed</b>	<b>Local Program, 328 Affordable Housing Benefit Review</b>
<b>Preliminary Project Assessment (PPA)</b>	x	x	x
<b>Environmental Review</b>	x	x	x
<b>Pre-Application Meeting (with neighbors)</b>	x	x	x
<b>Design and Plan Review</b>	x	x	x
<b>Neighborhood notification (Section 311/312), or Planning Commission Hearing Notification</b>	x	x	x
<b>Required Planning Commission Hearing</b>	Sometimes, DR optional	Sometimes, DR optional	x
<b>Entitlement Appeals Body</b>	Board of Appeals, or Board of Supervisors	Board of Appeals, or Board of Supervisors	Board of Appeals

### **Priority Processing for Projects with High Levels of Affordability**

Projects that provide 20% affordable housing or more are currently eligible for priority processing – which means they are the first priority project for assigned staff. Priority processing does not change or reduce the steps in the review process. However, it can reduce time related to backlogs or high volumes of projects. Local AHBP projects would be eligible for priority processing.

### **Department Recommended Amendments to Public Review and Commission Approval**

The following amendments regarding the entitlement process for Local AHBP projects could further address the identified issues:

- ❖ **MODIFY THE LOCAL AND 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT AUTHORIZATION SUCH THAT APPEALS WOULD BE CONSIDERED BY THE BOARD OF SUPERVISORS.**

As currently drafted, projects that apply under the Local AHBP are subject to the Local and 100 percent Affordable Housing Bonus Project Authorization (Section 328) are appealable to the Board of Appeals. The appeal of a Section 328 decision could be directed to the Board of Supervisors, using the process found in Section 308 et seq. Under this code section Planning Commission decisions are appealable to the Board of Supervisors within 30 days after the date of action by the Planning Commission, and would be subscribed by either (i) the owners of at least 20 percent of the property affected by the proposed amendment or (ii) five members of the Board of Supervisors.

**Alternative Amendment:**

- ❖ **CONVERT THE 328 PROCESS TO A SEPARATE CONDITIONAL USE AUTHORIZATION PERMIT FOR ALL PROJECTS THAT PARTICIPATE IN THE LOCAL AHBP.**

**Potential Implications of Proposed Amendments**

Shifting appeals of entitlement to the Board of Supervisors for Local AHBP projects would not substantially impact the outcomes of the AHBP program in terms of unit production. There is some chance that project sponsors perceive this appeals process as offering less certainty or potentially an increased entitlement process, because the Board of appeals requires four out five votes to overturn a Planning Commission decision.

In contrast, appeals to the BOS require support of 20% of adjacent property owners or five Board members to be considered, however a two-thirds majority of Supervisors can overturn a Planning Commission decision. Therefore entitlement of projects likely would not be further burdened by this requirement.

**Topic 5: Preserving Small Business**

San Francisco's small business community is an integral part of our neighborhood commercial corridors, local economy and San Francisco's rich culture. Some commenters have expressed concerns around the potential impacts of the AHBP on existing small businesses and neighborhood commercial corridors. Will small businesses be afforded the opportunity to successfully transition to new locations when necessary? Will neighborhoods continue to have the neighborhood serving businesses?

**Current Proposal: Small Business Preservation and AHBP**

Generally, AHBP infill housing is anticipated on soft sites that are predominantly vacant, parking lots or garages, gas stations, or other uses that use only a small amount of the total development potential. That said some of these sites include existing businesses on neighborhood commercial corridors. New development requires a willing seller, buyer and developer. The potential impact

of this Program to specific businesses locations or business types cannot be quantified in any certain terms due to these factors. However it is generally understood that there are existing structures on less than half of the 240 potential soft sites.

The City is committed to maintaining small businesses in its neighborhoods. For this reason, the AHBP includes general assistance and support for any business that might be impacted, which can be tailored on a case-by-case basis. Staff anticipates that developments using the AHBP will produce additional commercial spaces and enhance existing commercial corridors.

### **Protections for Existing Businesses**

As currently proposed, the AHBP addresses small business preservation in several ways.

Having adequate notification time when re-location is necessary has been one of the top concerns raised by small businesses in their recent quarterly meetings with the Mayor. Recently required seismic upgrades have forced many businesses to relocate with only a few months' notice. To address this concern and at the suggestion of OEWD and the Small Business Commission, the AHBP requires that project sponsors notify tenants of their first application to the Planning Department for environment review. Generally project construction starts two or three years after a project files for environmental review, but this can vary based on project size and other factors. This notification will guarantee tenants adequate time to develop an updated business plan, identify necessary capital, find an appropriate location, and complete necessary tenant improvements in a new location. The notification letter will also refer the business owner to OEWD and other agencies that can provide technical assistance and support. These services can help small businesses achieve a successful transition.

Relocating businesses may qualify for and take advantage of the Community Business Priority Processing Program (CB3P). Projects that qualify for and enroll in the CB3P are guaranteed a Planning Commission hearing date within 90 days of filing a complete application, and placement on the Consent Calendar. Certain limitations do apply<sup>14</sup>. All CB3P applications are subject to the same level of neighborhood notice, the same Planning Code provisions, and the same (if applicable) CEQA review requirements, and may still be shifted from Consent to Regular Calendar if requested by a Planning Commissioner or member of the public.

### **Enhancing Neighborhood Commercial Corridors and AHBP**

Existing Planning Code controls encourage neighborhood appropriate new commercial spaces. Existing commercial size limits, listed below, will apply to new commercial space constructed as part of AHBP buildings. Existing use limitations (including formula retail regulations) will apply. These use size limitations were established through community planning processes to reflect neighborhood character. Any new or expanded uses above these amounts will continue to trigger a conditional use authorization.

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<sup>14</sup> Generally, eligible businesses cannot be a formula retail store with more than 20 establishments and cannot expand or intensify the use and certain uses such as alcohol, adult entertainment, massage, fringe financial and certain other uses cannot participate. See the Planning Department website for more information: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentID=9130>.

The median independent retail size in San Francisco is 2,200 square feet and the median formula retail size in San Francisco is 6,500 square feet. Existing controls related to use size limitations generally encourage and support a continuation of small businesses on neighborhood commercial corridors. A sampling of use size controls is listed below.

NC District	Current Use Size Limit
North Beach, Castro Street, Pacific Avenue	2,000 sq. ft.
Inner Clement, Inner Sunset, Outer Clement, Upper Fillmore, Haight, Polk, Sacramento, Union, 24 <sup>th</sup> (Noe), West Portal	2,500 sq. ft.
NC-1, Broadway,	3,000 sq. ft.
NC-2	4,000 sq. ft.
NC-3, NC-S	6,000 sq. ft.

Most Neighborhood Commercial Districts encourage, but do not require, neighborhood commercial uses<sup>15</sup>. New infill projects would likely choose to include ground floor commercial uses. In fact, the AHBP Design Guidelines include eight specific controls for the ground floor (on page 13 of the AHBP Design Guidelines), which otherwise do not exist in many of our neighborhoods. For example, the AHBP Design Guidelines state that no more than 30 percent of the width of the ground floor may be devote to garage entries or blank walls; building entries and shop fronts should add to the character of the street by being clearly identifiable and inviting; and where present, retail frontages should occupy no less than 75 percent of a building frontage at the ground floor.

### Department Recommended Amendments to Preserving Small Business

The Planning Department presented the AHBP to the Small Business Commission on February 8. Staff will return to the Small Business Commission on February 22 for further discussion. The following potential amendments have been identified by the Mayor's Office of Economic and Workforce Development (OEWD) staff and the Small Business Commission.

- ❖ *REQUIRE EXISTING BUSINESSES BE OFFERED FIRST RIGHT OF REFUSAL FOR COMMERCIAL SPACE IN NEW BUILDINGS.*
- ❖ *RECOMMEND THAT THE BOARD OF SUPERVISORS DIRECT THE CITY TO ESTABLISH A SMALL BUSINESS RELOCATION FEE TO BE PAID BY NEW*

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<sup>15</sup> Planning Code Section 145.4 establishes requirements for ground floor retail on certain parts of streets such as along Market Street from Castro through the Downtown; along Hayes Street through the NCT; and along Fillmore Street from Bush Street to McAllister Street. See all such requirements in [Planning Code Section 145.4](#).



*DEVELOPMENT CONSISTENT WITH THE VALUES OFFERED UNDER THE UNIFORM RELOCATION ACT.*

- ❖ *REQUIRE THAT EARLY NOTIFICATION TO COMMERCIAL TENANTS BE NO LESS THAN 18 MONTHS AND BE SENT TO BOTH THE TENANT AND THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT (OEWD)*
- ❖ *ALLOW PLANNING COMMISSION TO REDUCE COMMERCIAL USE SIZES OR REQUIRE COMMERCIAL USES IN AHBP PROJECTS TO PROTECT NEIGHBORHOOD SERVING BUSINESSES*

### **Potential Implications of Proposed Amendments**

A first right of refusal would enable existing businesses to have a competitive edge in securing space on their existing site. Businesses could participate in site design and potentially benefit from efficiencies in building the commercial spaces, for example, by making later tenant improvements unnecessary. While most businesses will likely not exercise this option because it would require relocating twice, the option offers the opportunity, especially for location sensitive businesses. This requirement would not reduce potential affordable housing production, but it may provide a developer with additional community support when valued businesses are retained.

Notifying OEWD will enable the City to take a proactive role in supporting small businesses and to coordinate support through various programs such as Invest and Neighborhoods and the Retention and Relocation Program. OEWD will know about proposed developments early enough in the process to effectively engage businesses and provide whatever supports are needed.

The Small Business Commission and OEWD staff suggest that the early notification would be most effective if businesses are afforded at least 18 months from first notification to required relocation date. Since relocation is required before environmental review commences, this required notification period should not delay a projects entitlement or development process.

The City can apply the standards of the federal Uniform Relocation Act to AHBP properties. For new construction that is funded all or in part with federal funds, the Act requires relocation advisory services for displaced businesses; a minimum 90 days written notice to vacate prior to requiring possession; and reimbursement for moving and reestablishment expenses. For a business, moving fees are based on a public bidding process plus a business is eligible for \$10,000 in reestablishment costs; or a business can receive a fixed payment of no more than \$20,000. The City could require project sponsors provide relocation costs consistent with the Uniform Relocation Act to existing commercial tenants. This payment would facilitate a business's successful transition to a new space in the neighborhood.

### **Topic 6: Who are we serving with this program? Affordability**

Several commenters have asked if the affordable units generated through the AHBP are serving the right households. Some have suggested that the program should be adjusted to include a broader range of affordability. Some have suggested that households at 100 and 120% AMI should also be serviced through this program. Others have questioned whether affordability

targets should vary based on neighborhood demographics. In particular the following questions have been raised:

1. Why doesn't the program address the lowest income households?
2. Are middle income households served by market rate housing?
3. Should there be neighborhood specific elements of the program?

**Current proposal: Households served and AHBP**

The AHBP will be one of many affordable housing programs in San Francisco. The Program is unique in that it does not require public subsidy of the affordable units and incentivizes the private sector to provide a greater absolute number and greater percentage of affordable housing, similar to the City's inclusionary housing program. The AHBP proposes to increase the number of affordable units built to service low and moderate income households while also broadening the band of households eligible for permanently affordable housing to include middle income households. The AHBP proposes to increase low, moderate and middle income housing in San Francisco's neighborhoods.

**Affordable Housing Programs and Housing Supply in San Francisco**

The AHBP will be one of many tools to address housing affordability in San Francisco. Today, the majority (88% of affordable units produced) of the City's affordable housing programs<sup>16</sup> serve households earning less than 60% AMI (\$42,800 for a one-person household and \$55,000 for a three-person household). Less than 9% of the affordable units created under the City's current programs serve those households at 80% AMI and above.

San Francisco is a leader in developing local funding sources for affordable housing, and has one of the nation's oldest inclusionary housing programs. The City's recent efforts include establishing a Local Housing Trust Fund and the Hope SF program. San Francisco dedicated a high proportion (40%) of all tax increment funding (TIF) generated in Redevelopment Areas to affordable housing. However, given that it costs \$250,000 or more to subsidize a single affordable housing unit in San Francisco, the City would need to generate \$4 billion in local subsidies to fund the Regional Housing Needs Allocation (RHNA) target of 16,000 affordable units by 2022. Local subsidies cannot be the only approach to securing permanently affordable housing. This underscores the need for programs such as our existing inclusionary program and the AHBP.

Over the next ten years, the Mayor's Office of Housing and Community Development plans to build an additional 4,640 housing units permanently affordable to households earning below 120% AMI. These new affordable units will be in addition to the thousands of affordable units that will be rehabilitated or preserved as part of RAD or other affordability preservation efforts. Roughly 4,400 of these units will service households earning 60% of the AMI or below. The remaining 241 units, most of which will be funded by federal and State dollars that often have further affordability restrictions, would service households at 60% AMI or below. With the construction of these pipeline projects the City will have a total of 42,640 permanently affordable housing units for households earning 60% AMI or below. The AHBP will add an additional 2,000

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<sup>16</sup>This includes units provided under the Multifamily Housing Program, the Inclusionary Program, Former SFRA, Inclusionary Condo Conversion, Public Housing, HUS-assisted Projects, Master Lease, and other Tax Credit Projects. This does not include the Down Payment Assistance Loan Program or Section 8 vouchers that are used in San Francisco.

units for low and moderate income households – bringing the total to 44,640. In addition, the AHBP will provide 3,000 permanently affordable middle income units.

<b>Affordability Level</b>	<b>Existing Permanently Affordable Units</b>	<b>MOHCD Pipeline housing (10 years)</b>	<b>AHBP Affordable Units (20 years)</b>	<b>Projected Total Affordable Units</b> (with MOHCD known pipeline and AHBP)	
<b>Very Low, Low and Moderate Income</b>	36,260 <sup>17</sup>				
Less than 60% AMI		4,640	2,000	44,640	94%
Less than 120% AMI	3,285 <sup>18</sup>				
<b>Middle Income</b>					
(120% rental and 140% owner)			3,000	3,000	6%
<b>Total</b>	<b>39,500</b>		<b>5,000</b>	<b>47,640</b>	<b>100%</b>

The Local AHBP Program complements these existing and ongoing programs by providing affordable housing units to serve low, moderate, and middle income households making above 55% of AMI.

#### **Affordable Housing Units encouraged through the AHBP**

The AHBP builds on the City's existing Inclusionary Housing Program, which serves low and moderate income households earning up to 55% of AMI (rental) and 90% of AMI (ownership)<sup>19</sup>. Only projects that provide the affordable units on site are eligible for the AHBP. This will incentivize projects, that might otherwise elect to pay the in lieu fee, to elect to provide affordable units on-site within the project.

The AHBP is projected to enable 5,000 permanently affordable units over a 20 year period. The Department estimates that the AHBP could result in 2,000 low and moderate income inclusionary units over the next 20 years. This will be more than double the 900 possible inclusionary units enabled under current zoning on the same sites. This is a significant enhancement to San

<sup>17</sup> Roughly 13,180 of these units will service households earning 30% of the AMI or below.

<sup>18</sup> Most of the existing units for 120% AMI and below are affordable to households earning no more than 80% AMI.

<sup>19</sup> Note: the existing inclusionary program allows project sponsors to pay a fee in lieu of providing the affordable housing units.

Francisco's ability to provide affordable housing for low and moderate income households.<sup>20</sup> This program will also generate an additional 3,000 permanently affordable middle income units.

**Potential Affordable Housing Units produced in AHBP Area, under current controls or under AHBP, by affordability, over 20 years.**

Affordability Levels	Current Controls (Units)	AHBP Maximum Potential (Units)
<b>Low and Moderate Income Households</b> (55% AMI for rental and 90% AMI for ownership)	900	2,000
<b>Middle Income Households</b> (120% AMI for rental and 140% AMI for ownership)	0	3,000
<b>Total Permanently Affordable Housing Units</b>	<b>900</b>	<b>5,000</b>

#### **Low and Moderate Income Households Served**

The AHBP could potentially double the number of inclusionary units serving low and moderate income households (55% or 90% of AMI) produced in the Program Area, compared to current zoning controls.

In 2015, a one-person household making 55%-90% of Area Median Income earns between \$39,250 and \$64,200. For a family of three, the range is \$50,450 to \$82,550. Households in this income category could include the following:

- A single housekeeper (55% AMI)
- A single entry level public school teacher (90% AMI)
- A single parent police officer or fire fighter with one child (90% AMI)
- A single parent postal clerk with two children (55% AMI)
- A construction worker and a dishwasher (90% AMI)
- Two cashiers and two children (55% AMI)
- A public school teacher and a housekeeping cleaner with two children (90% AMI)

#### **THE AHBP WILL PRODUCE AN ADDITIONAL 2,000 UNITS AFFORDABLE TO THESE HOUSEHOLDS.**

#### **Middle Income Households Served**

In 2015, a one-person household making 120% - 140% of Area Median Income earns between \$85,600 and \$99,900. For a family of three, the range is \$110,050 to \$128,400. This level of income

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<sup>20</sup> Between 1992 through 2014 the inclusionary program has generated nearly 2,000 affordable units.

is significantly higher than households traditionally serviced by affordable housing programs; market rate housing is out of reach for these households in San Francisco. Households in this income category could include the following:

- A single Electrician (120% AMI)
- A single Electrical Engineer (140% AMI)
- A police officer or firefighter and a minimum wage worker (barista, etc.) (120% AMI)
- An ambulance dispatcher and a housekeeper (140% AMI)
- 2 Public School teachers with 1 child (140% AMI)
- 2 public school teachers with 2 children (120% AMI)
- A police officer and a firefighter with 2 children (140% AMI)

**THE AHBP WILL PRODUCE AN ADDITIONAL 3,000 UNITS AFFORDABLE TO THESE HOUSEHOLDS.**

**Need for Permanently Affordable Middle Income Housing**

Based on federal, state, and local standards, “affordable” housing costs no more than 30% of the household’s gross income. In 2015 middle income households earning 120% of AMI and 140% of AMI could afford the following maximum rents and sale prices:

	Affordable monthly rent <sup>21</sup>	Median Rents in San Francisco, 2015	Affordable sales price <sup>22</sup>
1-person household (studio unit)	\$2,100	\$3,490 (one bedroom)	\$398,295
3-person household (2 bedroom unit)	\$2,689	\$4,630 Two bedroom	\$518,737

Comparatively, median rents are \$3,490 for a 1 bedroom, and \$4,630 for a 2 bedroom apartment in San Francisco<sup>23</sup>. To afford these rents a middle income households (120% AMI) would be required to dedicate 50% or more of their income to housing costs, market San Francisco recently exceeded \$1 million<sup>24</sup>, again twice what a middle income (140% AMI) household can afford.

The income categories serviced by the AHBP are the household types that are declining in San Francisco. Census data show that households earning between 50% of AMI and 150% of AMI fell from 49% of all households in 1990 to just 37% in 2013. These are the income categories for which new, permanently affordable housing would be created under the AHBP. Middle-income households (120-150% AMI, the dark orange bar below) include a diminishing share of the City’s growing population, falling from 11% of the population in 1990 to 9% in 2013.

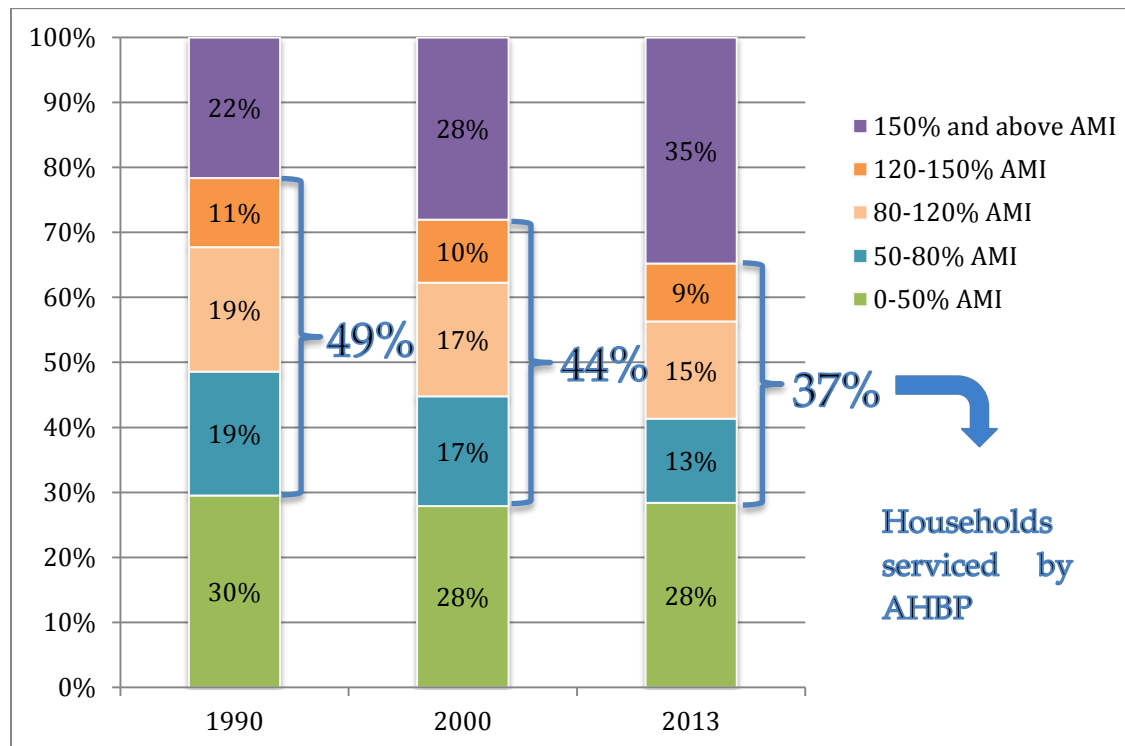
<sup>21</sup> MOHCD. 2015 Maximum Monthly Rent by Unit Type; Studio and 2-bedroom unit “without utilities” figure.

<sup>22</sup> MOHCD. 2015 Sample Sales Prices for the San Francisco Inclusionary Housing Program.

<sup>23</sup> <https://www.zumper.com/blog/2016/01/zumper-national-rent-report-january-2016/>

<sup>24</sup> <http://www.sfgate.com/business/networth/article/1-million-city-S-F-median-home-price-hits-7-5626591.php>

San Francisco's Households by AMI, 1990-2013



The last several RHNA cycles show that San Francisco has consistently under-produced housing for these income category over the same period of time.<sup>25</sup>

From the 2014 Housing Element:

Household Affordability	Housing Goals 2007-2014	Actual Production 2007- Q1 2014	% of Production Target Achieved 2007-Q1 2014	Production Deficit as of Q1 2014
	Total	Total		
Low Income (under 80% AMI)	12,124	4,978	41%	7,146
Moderate Income (80% - 120% AMI)	6,754	1,107	16%	5,647
Market Rate	12,315	11,993	97%	322
TOTALS	31,193	18,078	58%	13,115

Table I-64  
Annual Production Targets  
and Average Annual  
Production, San Francisco,  
2007-Q1 2014

SOURCE: SF Planning Department; ABAG

<sup>25</sup> Note that since the City does not currently have a program which guarantees affordability for households above 120% of the Area Median Income, the Department does not have data on the production of housing for that income level. Based on current understanding of market sales and rental costs, staff believes that newly constructed housing is not affordable to middle income households.

**Table I-63**  
**Annual Production Targets**  
**and Average Annual**  
**Production, San Francisco,**  
**1999-2006**

Household Affordability	Housing Goals 1999- 2006	Actual Production 1999-2006	% of Production Target Achieved	Production Deficit (Surplus)
	Total	Total		
Very Low Income (below 50% AMI)	5,244	4,342	82.8%	902
Low Income (50% - 79% AMI)	2,126	1,113	52.4%	1,013
Moderate Income (80% - 120% AMI)	5,639	725	12.9%	4,914
Market Rate	7,363	11,293	153.4%	(3,930)
<b>TOTALS</b>	<b>20,372</b>	<b>17,473</b>	<b>85.8%</b>	

From the 2004 Housing Element:

**TABLE I-65**  
**Annual Production Targets and Average Annual Housing Production, 1989-1998\***

Affordability Categories	Housing Goals 1989-June 1995 (6.5 years)		Actual Production 1989-1998 (10 years)*		% of Annual Target Achieved
	Total	Annual Targets	Total	Annual Average	
Very Low Income (below 50% AMI)	5,392	830	2,202	220	26.5%
Low Income (50% - 79% AMI)	3,695	553	1,515	152	27.4%
Moderate Income (80% - 120% AMI)	4,493	691	557	56	8.1%
Market Rate	8,987	1,383	9,893	989	71.6%
Annual Production Target, 1989 - June 1995	22,467	3,456	14,167	1,417	41.0%

\*ABAG Reporting Period

The Local AHBP program will increase the amount of inclusionary housing produced for households making 55% or 90% of AMI while creating a new source of housing for middle income households making 120% (rental) or 140% (ownership) of AMI.

### Why Provide Affordable Housing for Moderate and Middle Income Households?

The AHBP is designed to complement the existing affordable housing programs and housing units, to ensure that the City of San Francisco can remain an equitable and inclusive City as we continue to welcome new residents. In the past several decades middle income households have benefited from affordability assured through rent control, however vacancy de-control and changes in tenure have reduced the affordability of this housing supply. Limited public subsidies for affordable housing can continue to service the very low, low and moderate income households, while mixed income development projects such as the AHBP and those enabled under the inclusionary housing program will service low, moderate and middle income households.

### How does the AHBP Respond to Specific Neighborhoods?

The AHBP is a citywide program that addresses the affordability needs of all of San Francisco. Much like the City's inclusionary programs, the intention of the AHBP is to increase the production of privately-financed housing for the City as a whole, by leveraging market-driven

development that otherwise would provide fewer or no affordable units for low, moderate, and middle income residents.

**Neighborhood Specific AMI's: Focus on the Bayview**

Some have commented that in some neighborhoods, the Bayview Neighborhood, in particular, could warrant a neighborhood specific adjustment to the AHBP program.

Because the Bayview neighborhood has a history of industrial uses that has left several large, underutilized sites that, if those sites were developed under AHBP, they could result in a large number of new housing units. For example, one of the soft sites identified in the Bayview is 43,681 square feet, as compared to a typical 2,500 square foot (25ft. by 100ft) commercial lot in an NC district. The prevalence of large underutilized lots in the Bayview means more units could be developed there under AHBP when compared to other neighborhoods in the city.

Although new development potential under this program would come with increases in affordable housing units for low, moderate and middle income households, some commenters suggested that the AHBP affordability targets do not adequately serve existing low-income households in the Bayview. Census data<sup>26</sup> in the below table shows households by income level in the Bayview and citywide.

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<sup>26</sup> American Community Survey. 2010-14 5-Year Average



**Households by Income Level, Bayview and San Francisco**

<b>% of AMI</b>	<b>Bayview</b>		<b>San Francisco</b>	
	<b>Households</b>	<b>% of HHs</b>	<b>Households</b>	<b>% of HHs</b>
30%	3,468	31.6%	80,447	23.1%
50%	1,787	16.3%	40,146	11.5%
80%	1,841	16.8%	52,299	15.0%
100%	1,045	9.5%	28,683	8.2%
120%	828	7.6%	26,436	7.6%
150%	685	6.3%	31,267	9.0%
200%	646	5.9%	33,305	9.5%
>200%	662	6.0%	56,249	16.1%
Total	10,963	100.0%	348,832	100.0%

Bayview has a higher share of households earning 30% of AMI<sup>27</sup> and below than the citywide average. These households are typically served by SFHA public housing, of which there is a high concentration in the Bayview neighborhood relative to other neighborhoods in San Francisco.

Roughly 56% of Bayview households earn between 50% of AMI and 150% of AMI – these are the household incomes that will be served by the AHBP. Bayview households qualify at a higher proportion than the citywide average where only 51% of households earn between 50% and 150% of AMI.

Below is a demographic portrait of the Bayview Households by Race and Ethnicity.

**Households by Race and Ethnicity, Bayview and San Francisco<sup>28</sup>**

<b>Race</b>	<b>Bayview</b>		<b>San Francisco</b>	
	<b>Households</b>	<b>% of HHs</b>	<b>Households</b>	<b>% of HHs</b>
Black HHs	4,760	44.6%	20,495	6.0%
Asian HHs	2,793	26.2%	95,032	27.9%
Hispanic HHs	1,666	15.6%	37,901	11.1%

<sup>27</sup> \$21,400 for a one-person household, \$27,500 for a household of three

<sup>28</sup> Source: U.S. Department of Housing and Urban Development. (October 28, 2015). Consolidated Planning/CHAS Data. 2008-12 ACS 5-Year Average.

White HHs	1,075	10.1%	176,841	51.9%
Other HHs	377	3.5%	10,156	3.0%
Total	10,671	100.0%	340,425	100.0%

The AHBP Local Program for mixed-income development is intended to complement existing and ongoing programs by providing affordable housing units to serve low, moderate, and middle income households making above 50% of AMI, including the half of Bayview households that fall into this income range. In addition, the 100% AHBP program is designed to yield a greater number of units affordable to households making below 60% of AMI, by allowing for greater density for 100% affordable housing developments.

### **Serving Existing Residents with Below Market Housing**

There are two provisions to help ensure that existing residents can access below market housing in their neighborhood.

The first, which is recently adopted legislation separate from the AHBP, is often called 'Neighborhood Preference'. The legislation prioritizes 40% of all affordable inclusionary units be to existing neighborhood residents. This provision enables existing residents to seek permanently affordable housing in their neighborhood. In the case of the Bayview – existing residents will be competitive for the low, moderate and middle income units.

The second provision is part of the draft AHBP ordinance. In order to ensure that the affordable units are below market rates the AHBP legislation requires that all affordable units be rented or sold at a price at least 20% below a particular neighborhood's market housing costs. For example if a project in the Bayview was entitled under the Local AHBP program – before the 18% of units that are intended to service middle income households were marketed to residents (after construction) the project sponsors would be required to demonstrate that the middle income targets (120% and 140% AMI) were at least 20% below the prevailing market costs for housing in the Bayview. Should the City find that housing priced to be affordable to 140% AMI households was reflecting the market rate; the project sponsor would be required to reduce the cost to a price that is affordable to households at 120% AMI and market the units to qualifying households. This provision enables the program to be flexible to neighborhood specific market conditions and market variations over time.

### **Department Recommended Amendments to Affordability**

- ❖ WITHIN THE CONSTRAINTS OF FEASIBLY CONVERT SOME OF THE 18% MIDDLE INCOME (120%/140%) UNITS TO 100%/120% AMI.

The AHBP Local Program for mixed-income developments could be modified to require that a higher share of affordable units are required to be provided for households making below 100% of AMI (rental) or 120% AMI (ownership). This approach would not impact the 100% AHBP program.

### **Potential Implications of Proposed Amendment**

This amendment addresses the concern that a wider band of households' affordable housing needs should be met through this program.

In general, lowering the income levels of required affordable units could have some impacts on financial feasibility for some projects. This approach could reduce participation in the Local

AHBP, in preference for the State Program or existing zoning requirements. A financial sensitivity analysis should be conducted in order to identify the exact relationship between lower income targets and project feasibility.

## **REQUIRED COMMISSION ACTION**

Two draft ordinances are before the Commission for consideration today. These items may be acted upon or may be continued, at the discretion of the Commission.

1. Mayor Lee and Supervisor Tang introduced the AHBP Ordinance amending the Planning Code on September 29, 2015; substitute legislation was introduced on January 12, 2016. The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.
2. On October 15, 2015 the Planning Commission initiated hearings on a proposed Ordinance amending the General Plan. The Planning Commission can recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

## **RECOMMENDATION SUMMARY**

The Department recommends that the Commission recommend approval with the amendments specified below to the Board of Supervisors of the proposed Ordinances and adopt the attached Draft Resolution to that effect. Further information, including the basis for the recommendations and potential implications of alternatives have been described in more detail earlier in the case report. The section merely summarizes the content to assist the Commission with voting on a potential recommendation. Please note the Commission's action is in no way constrained to the topics or recommendations listed below. This is only a summary of staff recommendations.

### **Topic 1: Program Eligibility (pages 3-7)**

- A. Recommend approval with scale limitations as currently drafted.
- B. STAFF RECOMMENDATION: Modify to add that projects that propose to demolish any residential units shall not be eligible for AHBP.
- C. Advise Board of Supervisors regarding benefits and concerns. Direct staff to continue work on these issues.

### **Topic 2: Infrastructure to Support New Growth (pages 7-8)**

- A. STAFF RECOMMENDATION: Recommend approval with infrastructure support as currently drafted.
- B. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues.

### **Topic 3: Urban Design (pages 8-11)**

- A. Recommend approval with urban design limitations as currently drafted.
- B. STAFF RECOMMENDATION: Modify to add a design guideline to maximize light and air to the sidewalks and frontages along the streets, including alleyways.

- C. STAFF RECOMMENDATION: Modify lot merger limitations on 50% of the actual block length, rather than apply a citywide numerical cap.
- D. STAFF RECOMMENDATION: Direct Planning Staff to include analysis of a project's conformity to design guidelines in a Planning Commission Case Report.
- E. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues.

#### Topic 4: Public Review & Commission Approval (pages 11-14)

- A. Recommend approval with new review process as proposed whereby appeals are considered by the Board of Appeals.
- B. STAFF RECOMMENDATION: Modify the appeals body for the Local and 100 Percent Affordable Housing Bonus Project Authorization-Section 328-to be the Board of Supervisors
- C. Modify the process such that Conditional Use Authorizations (CU) would not be considered as findings within the entitlement for AHBP projects, but would require a separate CU.
- D. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues.

#### Topic 5: Preserving Small Business (pages 14-17)

- A. Recommend approval with small business preservation tools as currently drafted.
- B. STAFF RECOMMENDATION: Modify to add that a requirement that existing businesses be offered first right of refusal for commercial space in new buildings.
- C. STAFF RECOMMENDATION: Modify to ask that the Board of Supervisors direct the City to establish a small business relocation fee to be paid by new development consistent with the uniform relocation act.
- D. STAFF RECOMMENDATION: Modify to require early notification to commercial tenants be no less than 18 months and also reported to the Office of Economic and Workforce Development.
- E. STAFF RECOMMENDATION: Allow Planning Commission to reduce commercial use sizes or require commercial uses in AHBP projects to protect neighborhood serving businesses.
- F. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues.

#### Topic 6: Affordability (pages 17-27)

- A. Recommend approval with new review process as proposed whereby the local program provides 12% low or moderate income housing and 18% middle income housing.
- B. STAFF RECOMMENDATION: Within the constraints of feasibly convert some of the 18% middle income (120%/140%) units to 100%/120% AMI.
- C. Within the constraints of feasibility provide affordable housing units for a broader range of households than are currently served, by deepening income level targets.

## **ENVIRONMENTAL REVIEW**

On April 24, 2014, the San Francisco Planning Commission, in Resolution No. 19121, certified the 2004 and 2009 Housing Element Final Environmental Impact Report ("Final EIR"), prepared in compliance with the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000 et seq. In Resolution No. 19122, the Planning Commission adopted the findings and conclusions required by CEQA regarding alternatives, mitigation measures, and significant environmental impacts analyzed in the Final EIR, and adopted a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations as part of its approval of the 2009 Housing Element.

On January 14, 2016, in response to the proposed Affordable Housing Bonus Program and related General Plan Amendments, the San Francisco Planning Department prepared an Addendum to the 2004 and 2009 Housing Element Final EIR under CEQA Guidelines Section 15164 ("the Addendum"). The Addendum accessed here and the Note to File is Exhibit H: [http://sfmea.sfplanning.org/2014.1304E\\_AHBP\\_Addendum03\\_011416%20Final.pdf](http://sfmea.sfplanning.org/2014.1304E_AHBP_Addendum03_011416%20Final.pdf)

## **PUBLIC COMMENT**

Public comment on the proposed AHBP has been received through the 20 plus public outreach events, direct correspondence with the Planning Commission or Department staff, and through several public forums and media discussions. Staff have maintained a log of public comments and responded to questions as they are received.

Public comments range greatly and cover a variety of topics. Most frequently public comments include a request for more information or details on a specific item. Key topics of discussion are summarized in the discussions above.

Many commenters support the program's approach to providing more affordable housing, while others express a clear lack of support for the program. More nuanced comments include a series of suggested amendments. Generally these issues are addressed by the discussion above and the related proposed amendments.

<b>RECOMMENDATION:</b>	<b>Recommendation of Approval with Modifications</b>
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### **Attachments:**

- Exhibit A: Draft Planning Commission Resolution for General Plan Amendments
- Exhibit B: Draft Planning Commission Resolution for BOS File 150969
- Exhibit C: Department Recommendation Summary
- Exhibit D: Public Comment received since November 5, 2015
- Exhibit E: Project Sponsors proposed Amendments to the Affordable Housing Bonus Program
- Exhibit F: Ordinance Adopting General Plan Amendments
- Exhibit G: Board of Supervisors File No. 150969
- Exhibit H: Note to File



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Draft Resolution

HEARING DATE FEBRUARY 25, 2016

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

*Date:* February 25, 2016  
*Case No.:* 2014-001503GPA  
*Project:* **Affordable Housing Bonus Program**  
*Adoption Hearing*  
*Staff Contact:* Menaka Mohan – (415) 575-9141  
[Menaka.Mohan@sfgov.org](mailto:Menaka.Mohan@sfgov.org)  
Paolo Ikeoze – (415)-575-9137  
[Paolo.Ikezoze@sfgov.org](mailto:Paolo.Ikezoze@sfgov.org)  
*Reviewed by:* Kearstin Dischinger  
[kearstin.dischinger@sfgov.org](mailto:kearstin.dischinger@sfgov.org)  
(415) 558-6284  
*Recommendation:* **Adopt General Plan Amendments**

**ADOPTING CONFORMING AMENDMENTS TO THE GENERAL PLAN IN ASSOCIATION WITH LEGISLATION TO ADOPT THE AFFORDABLE HOUSING BONUS PROGRAM TO UPDATE THE HOUSING ELEMENT, URBAN DESIGN ELEMENT, CHINATOWN AREA PLAN, DOWNTOWN AREA PLAN AND NORTHEAST WATERFRONT AREA PLAN TO CLARIFY THAT PROJECTS IN THE AFFORDABLE HOUSING BONUS PROGRAM MAY REQUEST DENSITY, HEIGHT AND BULK INCENTIVES FOR THE PROVISION OF GREATER LEVELS OF ONSITE AFFORDABLE HOUSING.**

### PREAMBLE

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco mandates that the Planning Department shall periodically recommend to the Board of Supervisors for approval or rejection proposed amendments to the General Plan;

WHEREAS, the 2014 Housing Element of the City's General Plan includes Implementation Program 39b, which calls for the establishment of a density bonus program with the goal of increasing the production of affordable housing;

WHEREAS, the San Francisco Planning Department seeks to establish a local ordinance implementing the State Density Bonus Law, Government Code section 65915 et seq.;

WHEREAS, the Affordable Housing Bonus Program reflects the goals of the Mayor's Executive Directive 13-01- *Accelerate Housing Production and Protect Existing Housing Stock*;

WHEREAS, the Affordable Housing Bonus Program reflects the goals of Proposition K (2014), which call for 33% of all new housing to be affordable to low- and moderate-income households;

WHEREAS, the proposed General Plan Amendment makes conforming amendments in association with legislation to adopt the Affordable Housing Bonus Program to various elements of the General Plan, including the Housing Element, Urban Design Element, Chinatown Area Plan, Downtown Area Plan And Northeast Waterfront Area Plan to clarify that in order to encourage greater levels of affordability on-site, the City may adopt affordable housing policies to permit heights that are several stories taller than detailed in some parts of the San Francisco General Plan.

WHEREAS, the Affordable Housing Bonus Program is generally consistent with the existing General Plan, including as it is proposed to be amended and staff recommends adoption of the draft Resolution to adopt limited conforming proposed amendments to the General Plan, amending the Housing Element, Urban Design Element, Chinatown Area Plan, Downtown Area Plan and Northeast Waterfront Area Plan.

WHEREAS, the conforming amendments are consistent with the Priority Policies of Planning Code Section 101.1(b). Planning Code Section 101.1(b) establishes eight priority policies and is the basis by which differences between competing policies in the General Plan are resolved. The project is consistent with the eight priority policies, in that:

1. That existing neighborhood serving retail uses be preserved and enhanced and future opportunities for resident employment in or ownership of such businesses enhanced.

*The conforming General Plan Amendments do not impact neighborhood serving retail uses as they allow areas of the city to provide greater levels of residential density to encourage greater levels of affordability on-site. Additional residents would likely promote small increase in neighborhood spending and affordable units could provide housing for potential employees of neighborhood-serving businesses.*

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

*The AHBP conforming General Plan Amendments do not impact existing housing and neighborhood character because they allow only limited exceptions to various Planning Code provisions and height and bulk map only upon the provision of additional affordable housing and consistent with the Affordable Housing Bonus Program Design Guidelines which protect neighborhood character.*

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

*The AHBP General Plan Amendments will enhance the City's affordable housing supply by allowing greater levels of residential density for affordable housing on-site.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

*On balance, the proposed AHBP General Plan Amendments do not impede MUNI transit service or overburden the streets with neighborhood parking.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

*On balance the proposed AHBP General Plan Amendments would not adversely affect the industrial or service sectors or impede future opportunities for resident employment and ownership in the industrial or service sectors.*

6. That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*The proposed ordinance would not negatively affect preparedness in the case of an earthquake.*

7. That landmarks and historic buildings be preserved.

*Landmarks and historic buildings would not be negatively affected by the proposed amendments. The General Plan amendments support the City's implementation of the State Density Bonus Law (Government Code Section 65915 et seq), which provides consideration for historic resources, by stating that the City is not required to approve any projects that "would have a specific adverse impact. . . . on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact, without rendering the development unaffordable to low- and moderate-income households." (Government Code Sections 65915 (d)(1)(B))"*

*The State Density Bonus Law further states that "Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section, that shall include legislative body approval of the means of compliance with this section." (Government Code Sections 65915 (d)(3))*

*The Local AHBP is only available to new construction projects, and vertical additions to existing buildings are not allowed. This limitation further reduces any potential conflict between the Local Program and historic resources.*

8. That our parks and open space and their access to sunlight and vistas be protected from development.

*On balance, the City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed amendments. The amendments would allow only limited height increases only upon the provision of affordable housing and projects would be ineligible to use the Local and 100% Affordable AHBP if they create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.*



In addition, the conforming General Plan Amendments for the Affordable Housing Bonus program were developed in coordination with existing General Plan policies. The General Plan amendments are, on balance, consistent with the following Objectives and Policies of the General Plan, including Objectives and Policies as they are proposed for amendment.

## HOUSING ELEMENT

### OBJECTIVE 7

**Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.**

#### POLICY 7.5

**Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.**

*The conforming General Plan Amendments encourage the production of on-site affordable housing without requiring public subsidy. The Amendments allow larger buildings, process and zoning accommodations to maximize the production of affordable housing and expedite the review and approval process for affordable housing projects.*

#### Policy 7.7

**Support housing for middle income households, especially through programs that do not require a direct public subsidy such as providing development incentives for higher levels of affordability, including for middle income households.**

*The conforming AHBP General Plan Amendments provide development incentives in return for permanently affordable housing to middle income households.*

### OBJECTIVE 8

**Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.**

#### POLICY 8.1

**Support housing for middle income households, especially through programs that do not require a direct public subsidy.**

*The conforming AHBP General Plan Amendments support middle income households by allowing for a new source of permanently affordable middle-income housing provided by the private sector, with no direct public subsidy required.*

#### POLICY 8.3

**Support the production and management of permanently affordable housing.**

*The conforming General Plan Amendments encourage the production of on-site affordable housing by allowing larger buildings.*

#### POLICY 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Note that the amended General Plan adds text that states, “Accommodation of growth should be achieved without damaging existing residential neighborhood character. In existing residential neighborhoods, this means development projects should defer to the prevailing height and bulk of the area, while recognizing that the City may maintain neighborhood character while permitting larger overall building mass for projects including more affordable units on-site.”

*The AHBP program only provides development bonuses which may permit a larger overall building mass for projects that include affordable housing on-site.*

## URBAN DESIGN ELEMENT

### OBJECTIVE 3

**Moderation of Major New Development to Complement the City Pattern, The Resources To Be Conserved, And The Neighborhood Environment.**

*The amended Urban Design Element recognizes that to encourage greater levels of affordability on-site, the City may adopt affordable housing policies to permit projects heights that are several stories taller and building mass that is larger.*

## COMMERCE AND INDUSTRY ELEMENT

### OBJECTIVE 1

**Manage economic growth and change to ensure enhancement of the total city living and working environment.**

#### POLICY 1.1:

**Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing and minimizes undesirable consequences.*

## BALBOA PARK AREA PLAN

### OBJECTIVE 4.5:

**Provide increased housing opportunities affordable to a mix of households at varying income levels.**

*The AHBP General Plan Amendments may permit a larger overall building mass for projects that include affordable housing on-site.*

## **BAYVIEW AREA PLAN**

### **OBJECTIVE 6**

**Encourage the construction of new affordable and market rate housing at locations and density levels that enhance the overall residential quality of Bayview Hunters Point.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## **CENTRAL WATERFRONT AREA PLAN**

### **OBJECTIVE 2.1**

**Ensure that a significant percentage of new housing created in the central waterfront is affordable to people with a wide range of incomes.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## **CHINATOWN AREA PLAN**

### **OBJECTIVE 3**

**Stabilize and where possible increase the supply of housing.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## **DOWNTOWN PLAN**

### **OBJECTIVE 7**

**Expand the supply of housing in and adjacent to downtown.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## **MARKET AND OCTAVIA AREA PLAN**

### **OBJECTIVE 2.4**

**Provide increased housing opportunities affordable to households at varying income levels.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## **MISSION AREA PLAN**

### **OBJECTIVE 2.1**

**Ensure that a significant percentage of new housing created in the Mission is affordable to people with a wide range of incomes.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## SHOWPLACE/POTRERO HILL AREA PLAN

### OBJECTIVE 2.1

**Ensure that a significant percentage of new housing created in the Showplace /Potrero is affordable to people with a wide range of incomes.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

## SOMA AREA PLAN

### OBJECTIVE 3

**Encourage the development of new housing, particularly affordable housing.**

*The conforming AHBP General Plan Amendments encourage a substantial net benefit in the form of affordable housing by allowing slightly larger buildings.*

**WHEREAS**, on January 28, 2016 the Planning Commission held a duly noticed public hearing on the proposed amendments to the General Plan, and considered the written and oral testimony of Planning Department staff, representatives of other City Departments and members of the public concerning the proposed adoption of the Affordable Housing Bonus Program and General Plan amendments; and,

WHEREAS, on April 24, 2014, the San Francisco Planning Commission, in Resolution No. 19121, certified the 2004 and 2009 Housing Element Final Environmental Impact Report ("Final EIR"), prepared in compliance with the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000 et seq. In Resolution No. 19122, the Planning Commission adopted the findings and conclusions required by CEQA regarding alternatives, mitigation measures, and significant environmental impacts analyzed in the Final EIR, and adopted a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations as part of its approval of the 2009 Housing Element; and,

WHEREAS, on March 24, 2015, in Ordinance No. 34-15, the San Francisco Board of Supervisors adopted the 2014 Housing Element, relying, in part, on the Final EIR and a January 22, 2015 Addendum published by the Planning Department; and

WHEREAS, on January 14, 2016, in response to the proposed Affordable Housing Bonus Program and the proposed General Plan Amendments, the San Francisco Planning Department prepared an Addendum to the 2004 and 2009 Housing Element Final EIR under CEQA Guidelines Section 15164 ("the Addendum"); and

**NOW, THEREFORE BE IT RESOLVED**, the Commission has reviewed and considered the 2004 and 2009 Housing Element Final Environmental Impact Report (FEIR), the Addendum published by the

Planning Department on January 14, 2016, and the record as a whole, and finds that the 2004 and 2009 Housing Element Final EIR is adequate for its use as the decision-making body for the action taken herein to approve the General Plan Amendments related to the ABHP, and incorporates the CEQA findings contained in Planning Commission Resolution 19122, including the Statement of Overriding Considerations, and updated in Ordinance 34-15, by this reference thereto as though fully set forth herein; and be it

**FURTHER RESOLVED**, that the Commission finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and be it

**FURTHER RESOLVED**, that the Commission for the reasons set forth herein, finds that the General Plan Amendments proposed herein are, on balance, consistent with the General Plan, including as it is proposed for amendment, and the priority policies of Planning Code Section 101.1; and be it

**FURTHER RESOLVED**, That pursuant to Planning Code Section 340, the Planning Commission hereby does find that the public necessity, convenience and general welfare require the approval of the attached ordinance, approved as to form by the City Attorney, and directs staff to make corresponding updates to the Land Use Index of the General Plan; and, be it

**FURTHER RESOLVED**, that pursuant to Planning Code section 340, the Planning Commission does hereby adopt the Affordable Housing Bonus Program General Plan Amendments of the San Francisco General Plan, and recommends that the Board of Supervisors adopt the attached ordinance.

I hereby certify that the foregoing Resolution was ADOPTED by the Planning Commission on \_\_\_\_\_.

Jonas Ionin

Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No.

HEARING DATE FEBRUARY 25, 2016

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

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Information:  
**415.558.6377**

*Project Name:* **Affordable Housing Bonus Program**  
*Case Number:* **2014-001503PCA** [Board File No. 150969]  
*Initiated by:* Introduced September 29, 2015 and December 16, 2015  
*Staff Contact:* Menaka Mohan, Legislative Affairs  
menaka.mohan@sfgov.org, 415-575-9141  
Paolo Ikezoe, Citywide Division  
paolo.ikezoe@sfgov.org, 415-575-9137  
*Reviewed by:* Kearstin Dischinger, Manager of Housing Policy  
kearstin.dischinger@sfgov.org, 415-558-6362  
*Recommendation:* **Recommend Approval with Modifications**

**RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CREATE THE AFFORDABLE HOUSING BONUS PROGRAMS, CONSISTING OF THE LOCAL AFFORDABLE HOUSING BONUS PROGRAM, THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM, THE ANALYZED STATE DENSITY BONUS PROGRAM AND THE INDIVIDUALLY REQUESTED STATE DENSITY BONUS PROGRAM, TO PROVIDE FOR DEVELOPMENT BONUSES AND ZONING MODIFICATIONS FOR AFFORDABLE HOUSING, IN COMPLIANCE WITH, AND ABOVE THOSE REQUIRED BY THE STATE DENSITY BONUS LAW, GOVERNMENT CODE SECTION 65915 ET SEQ.; TO ESTABLISH THE PROCEDURES IN WHICH THE LOCAL AFFORDABLE HOUSING BONUS PROGRAM AND THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM SHALL BE REVIEWED AND APPROVED; AND AMENDING THE PLANNING CODE TO EXEMPT PROJECTS FROM THE HEIGHT LIMITS SPECIFIED IN THE PLANNING CODE AND THE ZONING MAPS; AND AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.**

WHEREAS, on September 29, 2015, Mayor Ed Lee and Supervisor Tang introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 15-0969, which would amend the Planning Code to create the Affordable Housing Bonus Programs, consisting of the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing Bonus Program, the Analyzed State Density Bonus Program and the Individually Requested State Density Bonus Program, to provide for development bonuses and zoning modifications for affordable housing.

WHEREAS, the Affordable Housing Bonus Program will implement the 2014 Housing Element Implementation Program 39b, and provide for development bonuses and zoning modifications for affordable housing as contemplated in Implementation Program 39b and in compliance with, and above

those required by the State Density Bonus Law, Government Code Section 65915 et seq.; and will establish procedures by which the Local Affordable Housing Bonus Program and the 100 Percent Affordable Housing Bonus Program shall be reviewed and approved;

WHEREAS, the proposed ordinance creates the Affordable Housing Bonus Programs which will facilitate the development and construction of affordable housing in San Francisco; and

WHEREAS, the proposed ordinance creates the Local Affordable Housing Bonus Program, which provides up to three zoning modifications, form based zoning, a bedroom requirement, and a height waiver for projects providing 30 percent of housing as affordable on site; and

WHEREAS, the proposed ordinance creates the 100 Percent Affordable Housing Bonus Program, which provides zoning modifications, form based zoning, and a height waiver for projects providing 100 percent of housing as affordable on site; and

WHEREAS, the proposed ordinance creates the Analyzed State Density Bonus Program, which provides one to three incentives or concessions, a maximum of a thirty-five percent density bonus based on the percentage of affordable housing and the level of affordability, and up to two stories of height for projects providing at least 12 percent of affordable housing on site; and

WHEREAS, the proposed ordinance creates the Individually Requested State Density Bonus Program, which is available for any project seeking a density bonus consistent with Government Code section 65915 but is not consistent with the pre-vetted menu of concessions, incentives or waivers in the Local, 100 Percent, or State Analyzed Programs; and

WHEREAS, all projects utilizing the Affordable Housing Bonus Programs are subject to the Affordable Housing Bonus Design Guidelines; and

WHEREAS, the proposed ordinance creates a comprehensive review procedure for the 100 Percent and Local Affordable Housing Bonus Program to ensure compliance with the Affordable Housing Bonus Design Guidelines and a hearing before the Planning Commission; and

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on January 28, 2016; and,

WHEREAS, on April 24, 2014, the San Francisco Planning Commission, in Resolution No. 19121, certified the 2004 and 2009 Housing Element Final Environmental Impact Report ("Final EIR"), prepared in compliance with the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000 et seq. In Resolution No. 19122, the Planning Commission adopted the findings and conclusions required by CEQA regarding alternatives, mitigation measures, and significant environmental impacts analyzed in the Final EIR, and adopted a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations as part of its approval of the 2009 Housing Element; and,

WHEREAS, on March 24, 2015, in Ordinance No. 34-15, the San Francisco Board of Supervisors adopted the 2014 Housing Element, relying, in part, on the Final EIR and a January 22, 2015 Addendum published by the Planning Department; and

WHEREAS, on January 14, 2016, in response to the proposed Affordable Housing Bonus Program, the San Francisco Planning Department prepared an Addendum to the 2004 and 2009 Housing Element Final EIR under CEQA Guidelines Section 15164 ("the Addendum"); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve with modifications** the proposed ordinance. The Planning Commission recommends the modifications contained in Exhibit C attached to the Case Report dated February 25, 2016. These modifications only apply to the Local and State Analyzed Affordable Housing Bonus Program (AHBP).

1. Modify to add that projects that require demolition of any residential units shall not be eligible for the Local and State Analyzed Affordable Housing Bonus Program.
2. Modify the AHBP Design Guidelines by adding a design guideline to maximize light and air to the sidewalks and frontages along the streets, including alleyways.
3. Modify the lot merger limitations on 50% of the actual block length of the proposed AHBP project.
4. Direct Planning Staff to include analysis of a project's conformity to design guidelines in a Planning Commission Case Report.
5. Modify the appeals body for the Local and 100 Percent Affordable Housing Bonus Project Authorization-Section 328-to be the Board of Supervisors.
6. Modify to add a requirement that existing businesses be offered first right of refusal for commercial space in new buildings.
7. Modify to ask that the Board of Supervisors direct the City to establish a small business relocation fee to be paid by new development consistent with the uniform relocation act.
8. Modify to require early notification to commercial tenants be no less than 18 months and also reported to the Office of Economic and Workforce Development.
9. Allow Planning Commission to reduce commercial use sizes or require commercial uses in AHBP projects to protect neighborhood serving businesses.
10. Direct staff to study within the constraints of feasibility the option to convert some of the 18% middle income (120%/140%) units to 100%/120% AMI.

## **FINDINGS**



Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The purpose of the Affordable Housing Bonus Programs is to facilitate the development and construction of affordable housing in San Francisco, and implement 2014 Housing Element Implementation Program 39b.
2. Affordable housing is of paramount statewide concern, and the California State legislature has declared that local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
3. The State Legislature has found that local governments must encourage the development of a variety of types of housing for all income levels, including multifamily rental housing and assist in the development of adequate housing to meet the needs of low- and moderate-income households.
4. San Francisco has one of the highest housing costs in the nation, but San Francisco's economy and culture rely on a diverse workforce at all income levels. It is the policy of the Board of Supervisors to provide housing to these workers and ensure that they pay a proportionate share of their incomes to live in adequate housing and to not commute ever-increasing distances to their jobs. The Association of Bay Area Governments determined that San Francisco's share of the Regional Housing Need for January 2015 to June 2022 was provision of 28,870 new housing units, with 6,234 (or 21.6%) as very low, 4,639 (or 16.1%) as low, and 5,460 (or 18.9%) as moderate income units.
5. This Board of Supervisors, and the voters in San Francisco, have long recognized the need for the production of affordable housing. The voters, or the Board have adopted measures such as the establishment of the mandatory Inclusionary Affordable Housing Ordinance in Planning Code section 415; the San Francisco Housing Trust Fund, adopted in 2012, which established a fund to create, support and rehabilitate affordable housing, and set aside \$20 million in its first year, with increasing allocations to reach \$50 million a year for affordable housing.
6. The adoption of Proposition K in 2014 which established as City policy that the City, by 2020, will help construct or rehabilitate at least 30,000 homes, with more than 50% of the housing affordable for middle-income households, and at least 33% as affordable for low-and moderate income households; and the multiple programs that rely on Federal, State and local funding sources as identified in the Mayor's Office of Housing and Community Development (MOHCD) Comprehensive Plan.
7. Historically, in the United States and San Francisco, affordable housing requires high levels of public subsidy, including public investment and reliance on public dollars. Costs to subsidize an affordable housing unit vary greatly depending on a number of factors, such as household income of the residents, the type of housing, and the cost to acquire land acquisition. Currently, MOHCD estimates that the level of subsidy for an affordable housing unit is approximately \$250,000 per unit. Given this high cost per unit, San Francisco can only meet its affordable housing goals through a combination of increased public dollars dedicated to affordable housing and other tools that do not rely on public money.
8. Development bonuses are a long standing zoning tool that enable cities to encourage private development projects to provide public benefits including affordable housing. When a municipality offers increased development potential, a project sponsor can offset the expenses

necessary to provide additional public benefits. In 1979, the State of California adopted the Density Bonus Law, Government Code section 65915 et seq, which requires that density bonuses and other concessions and incentives be offered to projects that provide a minimum amount of on-site affordable housing.

9. In recognition of the City's affordable housing goals, including the need to produce more affordable housing without need for public subsidies, the Planning Department contracted with David Baker Architects and Seifel Consulting to determine a menu of zoning modifications and development bonuses that could offset a private developer's costs of providing various levels of additional on-site affordable housing. David Baker Architects and Seifel Consulting analyzed various parcels in San Francisco, to determine the conditions in which a zoning accommodation would be necessary to achieve additional density. The analysis modeled various zoning districts and lot size configurations, consistent with current market conditions and the City's stated policy goals, including achieving a mix of unit types, including larger units that can accommodate larger households.
10. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are, *on balance*, consistent with the Objectives and Policies of the General Plan, as it is proposed for amendments in Planning Case 2014-001503GPA. Note that language in policies proposed for amendment in Planning Case 2014-001503GPA is shown in underlined text. (Staff discussion is added in *italic font* below):

#### **HOUSING ELEMENT**

##### **OBJECTIVE 1**

**Identify and make available for development adequate sites to meet the City's housing needs, especially permanently affordable housing.**

*The Affordable Housing Bonus Program (AHBP) would apply in zoning districts which a) allow residential uses and b) regulate density by a ratio of units to lot area. These districts contain roughly 30,500 of the city's 150,000+ parcels.*

*Affordable Housing Bonus Program eligible districts generally include the City's neighborhood commercial districts, where residents have easy access to daily services, and are located along major transit corridors. Affordable Housing Bonus Program eligible districts generally allow or encourage mixed uses and active ground floors. On balance the entire program area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid Network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability.*

##### **POLICY 1.1**

**Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.**

*The AHBP increases the number of Below Market Rate units for households making 55% or 90% of AMI, and creates a new source of permanently affordable housing for middle-income households, defined as those making 120%-140% of AMI. To date, there are no other programs aimed at providing permanently affordable housing for households in this category. Finally, the AHBP includes process improvements and development bonuses for 100% Affordable Housing Projects.*

**POLICY 1.6**

**Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.**

*The Local AHBP provides flexibility in the number and size of units and encourages multi-bedroom units by requiring 40% of all units to have two bedrooms or any unit mix such that 50% of all bedrooms within the Local Project are provided in units with more than one bedroom.*

**POLICY 1.8**

**Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.**

*The AHBP eligible districts generally include the city's neighborhood commercial districts, where residents have easy access to daily services, and are located along major transit corridors. Affordable Housing Bonus Program eligible districts generally allow or encourage mixed uses and active ground floors.*

**POLICY 1.10**

**Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.**

*On balance the entire AHBP area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability.*

**OBJECTIVE 3**

**Protect the affordability of the existing housing stock, especially rental units.**

**POLICY 3.3**

**Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.**

*The Local AHBP creates a middle income homeownership program that will be the first program in San Francisco to secure permanently affordable housing for middle income households without public subsidy.*

**OBJECTIVE 4**

**Foster a housing stock that meets the needs of all residents across lifecycles.**

**POLICY 4.1**

**Develop new housing, and encourage the remodeling of existing housing, for families with children.**

*The Local AHBP encourages the development of new housing at a variety of income levels and promotes flexibility in unit size by requiring 40% of all units to have two bedrooms or any unit mix such that 50% of all bedrooms within the Local Project are provided in units with more than one bedroom.*

**POLICY 4.4**

**Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.**

*The AHBP encourages the development of on-site permanently affordable rental units.*

**Policy 4.5**

**Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.**

*The Housing Balance Report<sup>1</sup> reports the Cumulative Housing Balance by Supervisor District. The report documents affordable housing units in the City as well as new market rate housing. The first table in the report documents that District 1, District 2, and District 4 have entitled 39, 69, and 56 housing units respectively from 2005 to the last quarter of 2014. Other areas of the City such as District 5, 6, and 10 have entitled 444, 3,814, and 1,667 housing units respectively in the same time period. To improve the feasibility of sites the Local AHBP provides incentives for developers to distribute housing development more equitably through the City. Furthermore, the AHBP provides a range of permanently affordable housing for very low, low, moderate, and middle income households.*

**Policy 4.6**

**Encourage an equitable distribution of growth according to infrastructure and site capacity.**

*On balance the AHBP area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability, and the program is distributed equitably throughout the City.*

**OBJECTIVE 7**

**Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.**

**Policy 7.1**

**Expand the financial resources available for permanently affordable housing, especially permanent sources.**

**Policy 7.5**

**Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.**

*The AHBP provides zoning and process accommodations including priority processing for projects that participate by providing on-site affordable housing.*

**Policy 7.7**

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<sup>1</sup> Housing Balance Report; July 7, 2015. Can be found: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=9376>

**Support housing for middle income households, especially through programs that do not require a direct public subsidy such as providing development incentives for higher levels of affordability, including for middle income households.**

*The AHBP will be the first program in San Francisco to support permanently affordable housing to middle income households without a public subsidy.*

**OBJECTIVE 8**

**Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.**

**POLICY 8.1**

**Support housing for middle income households, especially through programs that do not require a direct public subsidy.**

*The AHBP will be the first program in San Francisco to support permanently affordable housing to middle income households without a public subsidy.*

**POLICY 8.3**

**Support the production and management of permanently affordable housing.**

*The AHBP could produce 5,000 permanently affordable, income restricted units: 2,000 homes for very-low, low and moderate income households, and 3,000 homes for middle-income households.*

**OBJECTIVE 10**

**Ensure a streamlined, yet thorough, and transparent decision-making process.**

**POLICY 10.1**

**Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.**

**POLICY 10.2**

**Implement planning process improvements to both reduce undue project delays and provide clear information to support community review.**

*The entitlement process for both the Local AHBP and 100% Affordable Housing Bonus Programs is comprehensive, providing clear guidelines for approval for the Planning Commission that recognizes the design of AHBP buildings in neighborhoods. The comprehensive entitlement process directs the Planning Commission to make findings that AHBP projects are consistent with AHBP Design Guidelines so that projects respond to their surrounding context while still meeting the City's affordable housing goals.*

**OBJECTIVE 11**

**Support and respect the diverse and distinct character of San Francisco's neighborhoods.**

*In recognition that the projects utilizing the Affordable Housing Bonus Program (AHBP) will sometimes be taller or of differing mass than the surrounding context, the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context.*

**POLICY 11.2**

**Ensure implementation of accepted design standards in project approvals.**

*In order to ensure consistency with the intent of the Planning Code and the General Plan, construct high quality buildings, as well as provide project sponsors with guidance and predictability in forming their building proposals, the project sponsors who use the AHBP are subject to the AHBP Design Guidelines.*

**POLICY 11.3**

**Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.**

*Accommodation of growth should be achieved without damaging existing residential neighborhood character. In existing residential neighborhoods, this means development projects should defer to the prevailing height and bulk of the area, while recognizing that the City may maintain neighborhood character while permitting larger overall building mass for projects including more affordable units on-site.*

*The AHBP only provides development bonuses which may permit a larger overall building mass for projects that include affordable housing on-site.*

**POLICY 11.5**

**Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.**

*Outside of RH-1 and RH-2 neighborhoods, the City may maintain neighborhood character while permitting larger overall building mass for projects including more affordable units on-site.*

*The AHBP program only provides development bonuses which may permit more units for projects that include affordable housing on-site.*

**OBJECTIVE 12**

**Balance housing growth with adequate infrastructure that serves the City's growing population.**

**POLICY 12.1**

**Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.**

*On balance the AHBP area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability, and the program is distributed equitably throughout the City.*

**OBJECTIVE 13**

**Prioritize sustainable development in planning for and constructing new housing.**

**POLICY 13.1**

**Support "smart" regional growth that locates new housing close to jobs and transit.**

*On balance the AHBP area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability, and the program is distributed equitably throughout the City.*

### **URBAN DESIGN ELEMENT**

#### **OBJECTIVE 3**

**Moderation of Major New Development to Complement the City Pattern, The Resources To Be Conserved, And The Neighborhood Environment.**

*The amended Urban Design Element recognizes that to encourage greater levels of affordability on-site, the City may adopt affordable housing policies to permit projects heights that are several stories taller and building mass that is larger.*

#### **POLICY 4.15**

**Protect the livability and character of residential properties from the intrusion of incompatible new buildings.**

*In recognition that the projects utilizing the AHBP will sometimes be taller or of differing mass than the surrounding context, the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context.*

### **TRANSPORTATION**

#### **POLICY 11.3**

**Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.**

*On balance the AHBP area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability, and the program is distributed equitably throughout the City.*

### **COMMERCE AND INDUSTRY ELEMENT**

#### **Policy 1.1**

**Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.**

*The AHBP could result in up to 2 million square feet of new commercial space in San Francisco's neighborhood commercial corridors, providing new space for neighborhood serving businesses, and the many thousands of jobs they support.*

### **VAN NESS AVENUE AREA PLAN**

**OBJECTIVE 1**

Continue existing Commercial Use of the avenue and add a significant increment of new housing. Redwood to Broadway.

**Policy 5.1**

Establish height controls to emphasize topography and adequately frame the great width of the Avenue.

**POLICY 5.3**

Continue the street wall heights as defined by existing significant buildings and promote an adequate enclosure of the Avenue.

*The conforming General Plan Amendments for the AHBP have added the following text to all applicable policies and maps in the Van Ness Avenue Area Plan:*

*\*To encourage greater levels of affordability on-site, the City may adopt affordable housing policies to permit heights that are several stories taller and building mass that is larger than described here.*

**CHINATOWN AREA PLAN**

**POLICY 1.1**

Maintain the low-rise scale of Chinatown's buildings.

*The conforming General Plan Amendments for the AHBP have added the following text to all applicable policies and maps in the Chinatown Area Plan:*

*\*To encourage greater levels of affordability on-site, the City may adopt affordable housing policies to permit heights that are several stories taller and building mass that is larger than described here.*

**NORTHEASTERN WATERFRONT AREA PLAN**

**OBJECTIVE 10**

To develop the full potential of the northeastern waterfront in accord with the unusual opportunities presented by its relation to the bay, to the operating port, fishing industry, and downtown; and to enhance its unique aesthetic qualities offered by water, topography, views of the city and bay, and its historic maritime character

**POLICY 10.26**

Restrict development south of Broadway to the Height and Bulk Districts shown on Map 2.\*

**POLICY 26.27**

Change the Height and Bulk District on Block 3743 from 84-E to 40-X. Change the Height and Bulk District on the rest of the Rincon Park Site to open space

**POLICY 30.18**

Develop housing in small clusters of 100 to 200 units. Provide a range of building heights with no more than 40 feet in height along the Embarcadero and stepping up in height on the more



inland portions to the maximum of 160 feet. In buildings fronting on Brannan Street in the 160 foot height area, create a strong base which maintains the street wall created by the residential complex to the east and the warehouse buildings to the west. Orient the mix of unit types to one and two bedrooms and include some three and four bedroom units. Pursue as the income and tenure goals, a mix of 20 percent low, 30 percent moderate and 50 percent middle and upper income, and a mix of rental, cooperative, and condominium units.\*

**POLICY 30.22**

Do not permit buildings to exceed 65 percent coverage of land or parking podium. To the maximum extent feasible, provide open space at ground level and provide planting in the ground. Ensure that any open space on top of a podium provides easy pedestrian and visual transition from the sidewalk.\*

*The conforming General Plan Amendments for the AHBP have added the following text to all applicable policies and maps in the Northwest Waterfront Area Plan:*

*\*To encourage greater levels of affordability on-site, the City may adopt affordable housing policies to permit heights that are several stories taller and building mass that is larger than described here.*

**4. Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed program will create a net addition of neighborhood serving commercial uses, the program is estimated to produce up to 2 million square feet of commercial space. Many of the districts encourage or require that commercial uses be place on the ground floor. These existing requirements ensure the proposed amendments will not have a negative effect on neighborhood serving retail uses and will not affect opportunities for resident employment in and ownership of neighborhood-serving retail.*

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

*The amendments will not affect existing housing and neighborhood character as existing design controls and new design controls-the AHBP Design Guidelines-apply to these projects.*

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

*The proposed amendments will not affect the supply of affordable housing and in fact could produce 5,000 permanently affordable, income restricted units: 2,000 homes for very-low, low and moderate income households, and 3,000 homes for middle-income households.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed amendments will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking and on balance the entire program area is located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed amendments would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired. The AHBP provides protections for small businesses by providing early notification and also produces up to 2 million square feet of potential new commercial space.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed ordinance would not negatively affect preparedness in the case of an earthquake.*

7. That the landmarks and historic buildings be preserved;

*Landmarks and historic buildings would not be negatively affected by the proposed amendments. The AHBP interface with historic resources may be rare. The State Density Bonus Law (Government Code Section 65915 et seq) provides consideration for historic resources, by stating that the City is not required to approve any projects that "would have a specific adverse impact. . . on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact, without rendering the development unaffordable to low- and moderate-income households." (Government Code Sections 65915 (d)(1)(B))"*

*The State Density Bonus Law further states that "Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section, that shall include legislative body approval of the means of compliance with this section." (Government Code Sections 65915 (d)(3))*

*The Local AHBP is only available to new construction projects, and vertical additions to existing buildings are not allowed. This limitation further reduces any potential conflict between the Local Program and historic resources.*

8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed amendments. Projects would be ineligible to use the Local and 100% Affordable AHBP if*

*they create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.*

- 5. Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission has reviewed and considered the 2004 and 2009 Housing Element Final Environmental Impact Report (FEIR), the Addendum published by the Planning Department on January 14, 2016, and the record as a whole, and finds that the 2004 and 2009 Housing Element Final EIR is adequate for its use as the decision-making body for the action taken herein to approve the AHBP, and incorporates the CEQA findings contained in Planning Commission Resolution 19122, including the Statement of Overriding Considerations, and updated in Ordinance 34-15, by this reference thereto as though fully set forth herein; and be it

FURTHER RESOLVED, that the Commission finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and be it

FURTHER RESOLVED, that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with the modifications set forth above.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 25, 2016.

Jonas P. Ionin  
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

### DEPARTMENT RECOMMENDATIONS SUMMARY

Topic	Page Numbers	Potential Amendments	Staff Recommended Amendments
Program Eligibility	3-7	<p>A. Recommend approval with scale limitations as currently drafted.</p> <p>B. <u>STAFF RECOMMENDATION</u>: Modify to add that projects that propose to demolish any residential units shall not be eligible for AHBP.</p> <p>C. Advise Board of Supervisors regarding benefits and concerns. Direct staff to continue work on this issue.</p>	<p>B. Modify to add that projects that propose to demolish any residential units shall not be eligible for AHBP.</p>
Urban Design	8-11	<p>A. Recommend approval with urban design limitations as currently drafted.</p> <p>B. <u>STAFF RECOMMENDATION</u> Modify to add a design guideline to maximize light and air to the sidewalks and frontages along the streets, including alleyways.</p> <p>C. <u>STAFF RECOMMENDATION</u> Modify lot merger limitations on 50% of the actual block length, rather than apply a citywide numerical cap.</p> <p>D. <u>STAFF RECOMMENDATION</u> : Direct Planning Staff to include analysis of a project's conformity to design guidelines in a Planning Commission Case Report.</p> <p>E. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues.</p>	<p>B. Modify to add a design guideline to maximize light and air to the sidewalks and frontages along the streets, including alleyways.</p> <p>C. Modify lot merger limitations on 50% of the actual block length, rather than apply a citywide numerical cap.</p> <p>D. Direct Planning Staff to include analysis of a project's conformity to design guidelines in a Planning Commission Case Report.</p>

Topic	Page Numbers	Potential Amendments	Staff Recommended Amendments
Public Review & Commission Approval	11-14	<p>A. Recommend approval with new review process as proposed whereby appeals are considered by the Board of Appeals.</p> <p>B. <u>STAFF RECOMMENDATION</u>: Modify the appeals body for the Local and 100 Percent Affordable Housing Bonus Project Authorization-Section 328-to be the Board of Supervisors</p> <p>C. Modify the process such that Conditional Use Authorizations (CU) would not be considered as findings within the entitlement for AHBP projects, but would require a separate CU.</p> <p>D. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues</p>	<p>B. Modify the appeals body for the Local and 100 Percent Affordable Housing Bonus Project Authorization-Section 328-to be the Board of Supervisors</p>
Preserving Small Business	14-17	<p>A. Recommend approval with small business preservation tools as currently drafted.</p> <p>B. <u>STAFF RECOMMENDATION</u>: Modify to add that a requirement that existing businesses be offered first right of refusal for commercial space in new buildings.</p> <p>C. <u>STAFF RECOMMENDATION</u>: Modify to ask that the Board of Supervisors direct the City to establish a small business relocation fee to be paid by new development consistent with the uniform relocation act.</p> <p>D. <u>STAFF RECOMMENDATION</u>: Modify to require early notification to commercial tenants be no less</p>	<p>B. Modify to add that a requirement that existing businesses be offered first right of refusal for commercial space in new buildings.</p> <p>C. Modify to ask that the Board of Supervisors direct the City to establish a small business relocation fee to be paid by new development consistent with the uniform relocation act.</p> <p>D. Modify to require early notification to commercial tenants be no less than 18 months and also reported to the Office of Economic and Workforce Development.</p>

Topic	Page Numbers	Potential Amendments	Staff Recommended Amendments
		<p>than 18 months and also reported to the Office of Economic and Workforce Development.</p> <p>E. STAFF RECOMMENDATION: Allow Planning Commission to reduce commercial use sizes or require commercial uses in AHBP projects to protect neighborhood serving businesses.</p> <p>F. Advise Board of Supervisors of issues on concern and direct staff to continue work on these issues.</p>	<p>E. Allow Planning Commission to reduce commercial use sizes or require commercial uses in AHBP projects to protect neighborhood serving businesses.</p>
Affordability	17-27	<p>A. Recommend approval with new review process as proposed whereby the local program provides 12% low or moderate income housing and 18% middle income housing.</p> <p>B. <u>STAFF RECOMMENDATION</u>: Within the constraints of feasibly convert some of the 18% middle income (120%/140%) units to 100%/120% AMI.</p> <p>C. Within the constraints of feasibility provide affordable housing units for a broader range of households than are currently served, by deepening income level targets.</p>	<p>B. Within the constraints of feasibly convert some of the 18% middle income (120%/140%) units to 100%/120% AMI.</p>

## **Public Comment Received from the Affordable Housing Bonus Program**

The following Exhibit contains the public comment received regarding the AHBP from November 5, 2015 to February 18, 2016. It is organized with neighborhood and community comments in the front followed by general public comment.

Additionally, staff has responded to several questions received by email, the open house, or in a community meeting all of which can be found on the AHBP website.

Questions and Answers from the October 26, 2015 Open House

[http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP\\_OpenHouse\\_QuestionsAnswers-102615.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP_OpenHouse_QuestionsAnswers-102615.pdf)

Questions from the October 29, 2015 even in the Sunset District

[http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP\\_CommMtg\\_QuestionsAnswers-102915.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP_CommMtg_QuestionsAnswers-102915.pdf)

Public Questions and Answers Document #1 ([http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp\\_PublicQ&A-011516.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp_PublicQ&A-011516.pdf)) and Document #2 ([http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp\\_PublicQ&A-011516.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp_PublicQ&A-011516.pdf))

These two documents are organized into the following topic areas:

- Program Implementation
- Projects that Qualify for the AHBP
- Eligibility for Affordable Units
- Unit size and type
- Program Area and Impact on RH-1 and RH-2 Properties
- Project Review and Notification Process
- Existing Tenants
- Impact on Rent Control
- Infrastructure to Support New Housing
- AHBP Analysis, Data, and Reports
- Design Guidelines
- The State's Affordable Housing Bonus Law
- Regional Coordination
- Other



January 28, 2016

Mr. Rodney Fong, President  
San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

RE: SUPPORT: File # 2014-001503PCA, Affordable Housing Bonus Program (UPDATED)

Dear Commissioner Fong;

The San Francisco Chamber of Commerce, representing over 1,500 local businesses with over 200,000 employees, supports the Affordable Housing Bonus Program (AHBP) that is being presented to the Planning Commission today.

San Francisco has one of the highest housing costs in the nation, and as a result, we are experiencing a severe shortage of housing available to very low, low, moderate and middle-income residents. Construction of affordable housing requires both public subsidies and private support from market-rate developers in the forms of fees paid to the City and inclusionary housing programs, although public subsidies do not usually support middle-income housing development.

The AHBP provides incentives for developers to include affordable units in residential housing construction at all levels of affordability, including for San Francisco's middle-income earners who are being squeezed out because of lack of housing. This density bonus program will add more housing along transit and commercial corridors by enabling new buildings to add up to two floors in order to achieve 30% affordability on-site.

The AHBP creates a new tool for housing developers to build more affordable housing throughout San Francisco at no cost to taxpayers. The San Francisco Chamber of Commerce strongly supports this new density bonus program and we urge the Planning Commission to support it as well when it comes before you for a vote.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Lazarus', with a long, sweeping horizontal line extending to the right.

Jim Lazarus  
Senior Vice President of Public Policy

cc: Clerk of the Planning Commission, to be distributed to all Commissioners; John Rahaim, Director, San Francisco Planning Commission; Mayor Ed Lee





November 2, 2015

Mr. Rodney Fong, President  
San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

RE: SUPPORT: File # 2014-001503PCA, Affordable Housing Bonus Program

Dear Commissioner Fong;

The San Francisco Chamber of Commerce, representing over 1,500 local businesses with over 200,000 employees, supports the Affordable Housing Bonus Program (AHBP) that is being presented to the Planning Commission on November 5, 2015.

San Francisco has one of the highest housing costs in the nation, and as a result, we are experiencing a severe shortage of housing available to very low, low, moderate and middle-income residents. Construction of affordable housing requires both public subsidies and private support from market-rate developers in the forms of fees paid to the City and inclusionary housing programs, although public subsidies do not usually support middle-income housing development.

The AHBP provides incentives for developers to include affordable units in residential housing construction at all levels of affordability, including for San Francisco's middle-income earners who are being squeezed out because of lack of housing. This density bonus program will add more housing along transit and commercial corridors by enabling new buildings to add up to two floors in order to achieve 30% affordability on-site.

The AHBP creates a new tool for housing developers to build more affordable housing throughout San Francisco at no cost to taxpayers. The San Francisco Chamber of Commerce strongly supports this new density bonus program and we urge the Planning Commission to support it as well when it comes before you for a vote.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Lazarus', with a long, sweeping horizontal line extending to the right.

Jim Lazarus  
Senior Vice President of Public Policy

cc: Clerk of the Planning Commission, to be distributed to all Commissioners; John Rahaim, Director, San Francisco Planning Commission; Mayor Ed Lee



BUILDING SUSTAINING LEADING

BRIDGE HOUSING  
CORPORATION

BRIDGE PROPERTY  
MANAGEMENT COMPANY

BAY AREA SENIOR SERVICES, INC.

BRIDGE ECONOMIC  
DEVELOPMENT CORPORATION

November 24, 2015

San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Dear President Fong and fellow Commissioners:

BRIDGE Housing Corporation is a 32 year old nonprofit developer and owner of affordable housing, born and headquartered here in San Francisco. As a long-standing member of the housing community on the front lines of our city's struggles to increase housing opportunities, we are strongly in favor of, and excited by, the proposed Affordable Housing Bonus Program the Commission is currently considering. This proposal is exactly the kind of creative approach that can make a real dent in this vexing problem without requiring new outlays of funding, and can be implemented and pay dividends quickly.

We agree with the proponents that this measure will provide an array of benefits, in including:

- A substantial increase the number of on-site affordable units;
- Helping make underutilized sites more feasible for development;
- Allowing one hundred percent affordable housing projects to deliver more units;
- Allowing income diverse housing to 'pencil out' in parts of the city that have not seen much addition of new housing; and
- Increasing the availability of middle-income housing, which as you know, has no dedicated funding stream, and is therefore very difficult to produce.

The proposal was crafted with input from a variety of stakeholders and we think properly balances public benefit to be received with the additional development capacity granted. The measure would also bring San Francisco in to compliance with long-standing State law on this matter, but is crafted in a way that exceeds State minimums and makes the program work even better in our City. All of these features make this proposal one of the best-crafted and most promising legislative proposals we have seen.



The voters spoke loud and clear earlier this month with an unprecedented level of support for Proposition A, which will fund large numbers of new affordable homes throughout the city. The proposed Affordable Housing Bonus Program will be very helpful in allowing BRIDGE and other nonprofits to stretch those precious bond funds further and provide more units more quickly to meet more of our city's dire housing needs.

BRIDGE urges your support for the Affordable Housing Bonus Program and if passed we would be excited to join with other developers in using this tool to make a real impact in San Francisco's housing shortage.

Sincerely,



Cynthia Parker  
President and CEO

c: John Rahaim, Planning Director  
Jonas P. Ionin, Commission Secretary  
Olson Lee, Director, Mayor's Office of Housing and Community Development



The Coalition for San Francisco Neighborhoods passed the following emergency resolution at the October 20, 2015 General Assembly Meeting in opposition to the proposed Local Affordable Housing Bonus Program Ordinance.

**Whereas**, CSFN is acutely aware and concerned about the lack of affordable housing in San Francisco, we are also alarmed about the lack of public outreach to the neighborhoods and the fast tracking of the proposed Local AHBP and its related General Plan amendments. The Local AHBP essentially up-zones the entire city, changes neighborhood character and restricts open public review.

**Whereas**, the State Density Bonus Law only requires City and County governments to develop a local inclusionary density bonus program, the proposed San Francisco Local AHBP Ordinance goes further than other local governments and in doing so undermines our zoning safeguards and the character of SF neighborhoods under the guise of delivering greater levels of affordable housing for the low, moderate and middle income households.

**Whereas**, the Local AHBP includes administrative “priority processing procedures” for affordable housing development projects, it allows SF Planning Dept. staff to make decisions that bypass currently required neighborhood zone change notifications and block public appeal procedures.

**Whereas**, SF Planning and the Mayor’s Office of Housing developed the Local AHBP based on consulting studies and analytical projections of eleven properties and an analysis of three scenarios, without public review and community input from the neighborhoods, any impact estimates from this limited sample would be unreliable and biased. In addition, there is no comparative analysis to identify “unintended” disincentives that would encourage developers to fee-out, a key component for AHBP success.

**Whereas**, no public subsidies can be used to fund on-site affordable housing for moderate and middle-income households under the Local AHBP program, market rate developers will need to maximize AHBP exemption incentives to ensure their profitability for on-site affordable housing projects versus paying off-site fees in lieu of not providing on-site affordable housing.

**Whereas**, AHBP information on RH-1 and RH-2 classifications misleads the public by implying that AHBP densification won’t apply to these properties, many in the Northern and Western neighborhoods are a combination of RH-1 and RH-2, with a mix of RM-2, RM-1, and/or NCD-1 and would be affected. Neighbors in these areas near an affordable housing developer building are no longer entitled to prior notification of the allowed developer incentives and have no recourse to appeal them.

**Whereas**, San Francisco Planning & the Mayor’s Office of Housing have been developing the Affordable Housing Bonus Program (AHBP) since December 2013, there has been no citizen involvement during this planning process. AHBP was the product of key stakeholders from the Mayor’s Housing Working group on the 2014 Housing Element, with affordable and market rate developers, financiers, staff from many City agencies and related professionals. The AHBP, including both a new ordinance and amendments to the General Plan, is being fast-tracked through the Planning Commission and on to the Board of Supervisors and Mayor for enactment before the end of 2015. However, the first official outreach to the broader public will not occur until an AHBP Open House on October 26, 2015.

**Resolved**, that the Coalition for San Francisco Neighborhoods (CSFN) opposes the adoption of the Local Affordable Housing Bonus Program and the Amendments to the General Plan and urges the Planning Commission to defer action at the November 5th meeting until the Design Guidelines specifically referenced in the proposed Amendments are available for public review and open meetings are held in the neighborhoods affected by the AHBP implementation, which essentially up-zones the entire city, changes neighborhood character and restricts open public review; and be it further

**Resolved**, that CSFN most strongly urges the Planning Department Director, the members of the Board of Supervisors and the Mayor to ensure that action be deferred on AHBP until all components of the draft legislation is completed by staff from Planning and the Mayor’s Office of Housing and is made available for public review at open meetings in each of the Supervisorial Districts.

George Wooding, President

# **Michael N. Hofman/Janet M. Moyer**

4226 21st Street  
San Francisco, CA 94114-2722  
415 821-3760 (phone) 415 821-3779(fax)  
mikeh@jmoyerlandscaping.com (e-mail)

January 23, 2016

Commissions.Secretary@sfgov.org  
San Francisco Planning Commission  
Attention: J. P. Ionin, Secretary  
1650 Mission St., Suite 400  
San Francisco, CA 94103

Subject: Density Bonus Program

Dear President Fong and Commissioners:

We recently heard about the meeting of the Planning Commission regarding accepting this new program into use at your meeting on January 28, 2016. While we appreciate the intent of the program (to increase affordable housing), we are surprised and perplexed that such an important change to the planning code might be adopted without a more comprehensive analysis and outreach to the City's citizens.

One of the characteristics that makes San Francisco a great destination for tourists (who often become residents) and a wonderful place to live is its open spaces. Not only our parks provide a break from our urban life, but also our back yards and private open spaces add to the cultural, environmental and emotional health of our city. Yes, a financial analysis might lead to promoting increasing building size and density, but at what cost? Yes, larger buildings created in place of smaller ones might not change the footprint density, but the overall decrease in access to light, increased shadows and less opportunities to encourage personal use of the outdoors will ruin the intimacy of our current neighborhoods.

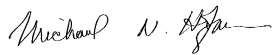
As long time business owners and employers in the city, we constantly worry about our employees' ability to live in the Bay Area. Lack of affordable housing has become the number problem in recruiting and retaining great employees. So we get the problem. However, maybe a slightly different solution might be establishing guidelines for projects where developers make a reasonable return (let's say 10 to 20%) rather than the incredibly excessive returns that some projects might provide. Maybe it's time for the City to look at developing projects which are entirely below market, rather than passing regulations to allow developers to still make so much money. There has to be a way to solve this problem without ruining what's already in place.

San Francisco Planning Commission  
Attention: J. P. Ionin, Secretary  
1650 Mission St., Suite 400  
San Francisco, CA 94103

January 23, 2016\

We implore you to not take the easy road by approving this plan. Work harder to come up with a program that benefits both old and young, new residents and long-time residents, and the special environment that IS San Francisco.

Sincerely,

A handwritten signature in cursive script, reading "Michael N. Hofman".

Michael N. Hofman

A handwritten signature in cursive script, reading "Janet Moyer".

Janet Moyer

## The Middle-Income Height Bonus Proposal – Questions Raised

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Council of Community Housing Organizations – Draft: 11/4/2015

CCHO has not yet taken a formal position on the City's middle-income height bonus proposal. However, we do see a number of questions that should be more clearly worked out before the program is really ready to be seriously considered. Among these questions are:

1. Is this really necessary by State Law?
  2. Is the City getting enough in exchange for the development bonuses given?
  3. Are the "affordable" income targets right?
  4. Will the program result in many family units?
  5. How does the program address the development review process?
  6. How is increased density connected to transit and other neighborhood infrastructure?
  7. What happens to existing residents, rent-controlled units, and community-serving businesses?
- 

- 1. Is this really all necessary by State Law?** The "State Program" was supposedly developed to bring the City into "compliance with State Law" after last year's Napa court ruling. It gives developers a 35% density bonus, up to two additional stories above height limits, and 1 - 3 "concessions" (setbacks, parking, etc.), in exchange for an additional 1% affordable rental units OR an additional 8% affordable ownership units. While we understand that the Napa ruling means the City may now have to give "density relief" simply for complying with existing inclusionary policy if the developer elects to provide the units on-site, we believe the law is very clear that neither heights nor other concessions need to be given, if the project is feasible without the concessions. The city has 14 years of a successful inclusionary housing requirement, proving that projects with 12-15% on-site inclusionary are feasible without increased heights and concessions. Is the City going too far to meet minimum state law?
- 2. Is the City getting enough in exchange for the development bonuses?** The program, as written, gives unlimited density, two additional stories above the height limit, an additional 5 feet on ground floor (with no guarantee of use or affordability), and additional "zoning modifications" including, rear yard reduction (from 25% to 20%), dwelling unit exposure reduction, 75% parking reduction, 5-10% open space reduction. In exchange, the City gets an additional 18% "middle-income" units, the majority priced for individuals earning \$100,000, for a total 30% inclusionary housing. Given the amount of development bonuses, is the City recapturing enough of the conferred value, could this percentage be higher?
- 3. Are the "affordable" income targets right?** Given the AMI levels proposed, most of the units will likely be Studios and 1-Bedrooms priced for individuals earning \$86,000-\$100,000. Are these really the targets the City needs to be subsidizing with developer incentives and height increases? If the goal is to solve for particular income levels that are not being served by "the Market," then the unit sizes and income levels need to be calibrated accordingly.

- To understand “affordability,” it’s useful to translate “AMI” into real numbers. For a single individual, 100% AMI = \$71,000, 120% AMI = \$86,000, and 140% AMI = \$100,000. Under the Density Bonus program, 60% of the middle-income units could be Studios priced for individuals earning \$86,000-\$100,000/year. For comparison, an SFUSD teacher earns between \$49,000 (entry-level) and \$68,000 (10-years).
- For a family of four, 100% AMI = \$102,000, 120% AMI = \$122,000, and 140% AMI = \$138,000. For comparison, two teacher salaries are between \$98,000 (entry) and \$136,000 (10-years). Under the Density Bonus program, only 40% of the middle-income units (ie, 7% of the new units) would be 2-Bedrooms that might be affordable to families with two income earners with teacher salaries (and no guarantee of any larger units).

Should the Density Bonus Program use a “graduated” range of income targeting for the bonus units rather than all the units at 120% - 140% AMI affordability levels?

- 4. Will the program result in many family units?** By eliminating density controls, “the market” incentivizes smaller units, because developers can squeeze more per floor. The “State Program” may result in ALL Studios and 1-Bedrooms. The “Local Program” allows up to 60% of the middle income units to be 1-Bedrooms, Studios, or micro-units, and the other 40% will be 2-bedroom size (which means that in the end *only 7% of the total units will be additional affordable 2-bedrooms*). Also to note, there are no minimum square foot size standards for a “family housing” unit. Is this what is needed?
- 5. How does the program address the development review process?** The program incentivizes an additional 25’ above the existing height limits, and reductions in setback and open space. Typically through the development review process, project sponsors may address questions of neighborhood character with upper floor setbacks or respond differently on wider commercial streets than on narrower or residential streets. Is the process for this clear in the program?
- 6. How is increased density connected to transit and other neighborhood infrastructure?** In Plan Areas where development has been encouraged through density decontrol, height increases and other incentives, the plans have been accompanied with increased neighborhood impact fees and plans for developing the additional infrastructure needed for the new population, such as increased transit, open space and recreation facilities, and childcare centers.
- 7. What will happen to existing residents, rent-controlled units, and community-serving businesses?** Most of the area where this program applies already has existing residents and neighborhood commercial businesses. Will there be replacement of rent-controlled units (not “counted” as bonus units), a right to return for existing tenants, and right to return or relocation of existing neighborhood businesses? Should the program be tailored to apply to vacant sites, parking lots and other “underutilized” sites?



January 28, 2016

re: Affordable Housing Bonus Program in Noe Valley

Dear President Fong and Fellow Planning Commissioners:

Prior to the meeting held last week at St. Phillip's the Staff informed neighbors that they had not considered a Community Meeting in Noe Valley or District 8 because they felt there were no soft sites that would accommodate this Program. After walking around Noe Valley and taking photos and making notes, it seems that the neighborhood was not properly assessed.

There *are* soft sites...parking lots adjacent to low density buildings. For example...the Walgreens parking lot on Jersey Street, is probably the most obvious.

And there are many other sites, perhaps they can be called "semi-soft"...low rise commercial buildings with no residences above. And there are some "soft-serve" sites...commercial buildings with one residence above.

AND additionally, there are many, many single family buildings outside of RH-1 and RH-2. I hesitate to highlight these buildings in public, particularly since in the last few years many, many single family homes have been remodeled and expanded to such a degree that they should have been declared demolitions because so little of the original structure remained. This resulted in a huge expansion of the high end luxury market that has dominated Noe Valley and contributed to our housing problem. Now we may be at a different point, where many properties will be expanded in the name of solving the housing crisis but are really just a new phase in the process of developers making a lot of money while adding to the housing crisis, no matter how well intentioned the AHBP may be.

It is good you are not voting today. Do you or the public have a map that shows those buildings that will be exempted due to the fact they contain rent control units per Supervisor Breed's proposed amendment? Is there a map that shows historic housing, that according to the Executive Summary, "will not be negatively affected by the proposed amendments". Actually it does not say they will not be *affected*, only that they will not be *negatively affected*.

A Question for you as Decision Makers: Much is made of the fact that this AHBP will really only affect "soft sites". If that is the case, then what is the point of this wholesale upzoning of not only Noe Valley but the City? There may be other ways to comply with the State of California and incentivize affordable housing.

Thank you. Georgia Schuttish

*Georgia Schuttish*



January 27, 2016

**To:** San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Attention: Affordable Housing Bonus Program (AHBP)

cc: Board of Supervisors

Subject: Unanimous Objection to Affordable Housing Bonus Program (AHBP)

The board of the Haight Ashbury Merchants Association (HAMA), with over 90 dues-paying members representing over 160 unique merchants on Haight street, met during its scheduled member meeting on Tuesday, January 19, 2016 to discuss, among other issues, the proposed Affordable Housing Bonus Program (AHBP). After open discussion, a unanimous vote was passed for a motion to both object the current proposed Affordable Housing Bonus Program (AHBP) as written.

The members present feel that their interests and property will be adversely affected by the ramifications of creating an economic incentive to demolish existing structures in the historic Haight-Ashbury neighborhood and the proposed changes which will substantially change the process by which neighbors participate in the approval process of new buildings.

The main two objections our board members had were:

1. **NEED TO PRESERVE NEIGHBORHOOD CHARACTER:** The Haight-Ashbury is a unique neighborhood which has a long history of participation in the zoning restrictions (e.g. formula retail, limited commercial uses) and new construction (e.g. compromise on the new Whole Foods market). While most of our member merchants do not own their building, a small number do. Our merchant building owners are greatly concerned about the potential for large scale property developers to significantly alter the neighborhood character without the appropriate opportunity for neighborhood input and dialogue about the appropriate scale, look and feel, and use of proposed demolition and/or new construction.
2. **DISPLACEMENT OF LONG-TERM COMMERCIAL TENANTS:** The AHBP would significantly change the way decisions about new commercial construction were to occur. Furthermore, it does not adequately provide for commercial tenant displacement. By creating economic incentives to demolish existing commercial properties, our members are greatly concerned that adequate consideration be given to merchants whose livelihood would be disrupted and severely impacted. We urge the city to go back to the drawing board and approach the need for greater affordable housing in a manner which will not have such a detrimental impact on long-term businesses.

Haight Ashbury Merchants Association (HAMA)  
1388 Haight Street #151  
San Francisco, CA 94117

We formerly request the Planning Commission and Board of Supervisors reject the AHBP as written and encourage the planning department to go back to the drawing board to identify an alternative plan to solve San Francisco's affordable housing crisis.

Sincerely,

Christin Evans, owner, Booksmith, and HAMA Board Member/Treasurer

Writing on behalf of our member organization



January 25, 2016

San Francisco Planning Commission  
City Hall, 1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**RE: Comments on Affordable Housing Bonus Program, Items 2014-001503GPA (General Plan Amendment) and 2014-001503PCA (Planning Code Amendment)**

Dear Planning Commissioners:

On behalf of the Telegraph Hill Dwellers, I want to express our serious concerns with the proposed Affordable Housing Bonus Program (AHBP) and conforming amendments that would re-write broad provisions of the City's General Plan.

THD strongly supports efforts to make housing in San Francisco more affordable and accessible to all. We believe that the proposed AHBP as written, though, is not the way to do it.

We are concerned that the proposed AHBP would be a de-facto rezoning that over-reaches by applying to more than 30,000 parcels, even though planning staff predicts that actual affordable housing would be created on only about 240 "soft sites," or less than 1% of those parcels.

We are concerned that the proposed AHBP fails to ensure residential density equity, applying, for example, to nearly all of District 3, despite its having one of the highest residential densities in San Francisco.

We are concerned that the proposed AHBP would override and undermine current zoning protections, allowing, for example, developers to build up to two (and possibly three) stories higher than current height limits.

We are concerned that the proposed AHBP would impose a one-size-fits-all program that could alter the character of our neighborhoods in unintended ways by failing to adequately account for, and tailor decisions to, the unique circumstances of individual sites.

We are concerned that the proposed AHBP would threaten small businesses through displacement.

We remain concerned that, despite Supervisor Breed's proposed amendments, the proposed AHBP would not ensure protection of rent-controlled buildings, whose exclusion from the AHBP could merely be deferred until after January 1, 2017, and not permanently.

P.O. BOX 330159 SAN FRANCISCO, CA 94133 • 415.843-1011 [www.THd.org](http://www.THd.org)

January 25, 2016

Page 2

We remain concerned that, despite assurances from planning staff, the proposed AHBP would short-circuit long-standing public process safeguards by hard-wiring critical design decisions into City Planning Code or delegating them to internal planning staff decisions, reducing or eliminating Planning Commission discretion and public input on key design issues.

We are further concerned that accommodation of the AHBP requires conforming amendments that undercut important policies and objectives of the General Plan in the Housing Element, the Urban Design Element, the Van Ness Area Plan, the Chinatown Area Plan, the Downtown Area Plan, and the Northeast Waterfront Plan, and in most cases weakening those policies and objectives through text appearing solely in asterisked footnotes or map notations.

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Therefore, we strongly urge the Planning Commission to reject the AHBP legislation as proposed, as well as conforming General Plan amendments.

Sincerely,



Stan Hayes  
President, Telegraph Hill Dwellers

cc: Supervisor Aaron Peskin, District 3 ([Aaron.Peskin@sfgov.org](mailto:Aaron.Peskin@sfgov.org))

"CSFN passed this resolution at the October 20, 2015, General Assembly Meeting in opposition to the proposed Local Affordable Housing Bonus Program Ordinance and the related General Plan Amendments. Below is a summary of the resolution statements:

Resolved, that the Coalition for San Francisco Neighborhoods (CSFN) opposes the adoption of the Local Affordable Housing Bonus Program and the Amendments to the General Plan and urges the Planning Commission to defer action at the November 5th meeting until the Design Guidelines specifically referenced in the proposed Amendments are available for public review and open meetings are held in the neighborhoods affected by the AHBP implementation, which essentially up-zones the entire city, changes neighborhood character and restricts open public review; and be it further

Resolved, that CSFN most strongly urges the Planning Department Director, the members of the Board of Supervisors and the Mayor to ensure that action be deferred on AHBP until all components of the draft legislation is completed by staff from Planning and the Mayor's Office of Housing and is made available for public review at open meetings in each of the Supervisorial Districts.

Thank you in advance for your assistance."

"The San Francisco Chamber of Commerce, representing over 1,500 local businesses with over 200,000 employees, supports the Affordable Housing Bonus Program (AHBP) that is being presented to the Planning Commission on November 5, 2015.

San Francisco has one of the highest housing costs in the nation, and as a result, we are experiencing a severe shortage of housing available to very low, low, moderate and middle-income residents. Construction of affordable housing requires both public subsidies and private support from market-rate developers in the forms of fees paid to the City and inclusionary housing programs, although public subsidies do not usually support middle-income housing development.

The AHBP provides incentives for developers to include affordable units in residential housing construction at all levels of affordability, including for San Francisco's middle-income earners who are being squeezed out because of lack of housing. This density bonus program will add more housing along transit and commercial corridors by enabling new buildings to add up to two floors in order to achieve 30% affordability on-site.

The AHBP creates a new tool for housing developers to build more affordable housing throughout San Francisco at no cost to taxpayers. The San Francisco Chamber of Commerce strongly supports this new density bonus program and we urge the Planning Commission to support it as well when it comes before you for a vote."

"Dear Planning Commissioners:

I am part of a coalition of neighbors that are demanding more affordable housing- I am steadfastly opposed to the AHBP as it is written. It allows developers to gain without an increase to truly affordable housing stock. We oppose the proposal and ask that you do not approve it. This proposal has not been thought through enough and is not ready for approval.

Thank you."

"Gil, Kearstin, Menaka, and Paolo,

It was a pleasure to meet you all last night. Thank you for the hard work you've put into crafting the Affordable Housing Bonus Program and painstakingly clearing up misconceptions about it. You are clearly dedicated public servants, and we're in awe of your endurance.

We wanted to take a moment to let you know more about our new ""YIMBY"" — that's Yes In My BackYard — neighborhood group. Dan and I met Jason and Kristy Friedrichs (cc'ed) through Nextdoor, were inspired to meet up in person, and co-founded Progress Noe Valley. So far, we have invited Karin Payson and Michael Fasman (cc'ed, also in attendance last night) to join our growing advisory board. We have 120 members on the basis of barely any publicity and are just getting started.

Our new website is a work in progress, but we invite you to learn more about us here:

<http://www.progressnoe.com/talking-points/>

As trained professionals, you will probably find our words familiar. Please feel free to forward this email to any relevant colleagues as well.

We hope that we successfully delighted you with informed support last night. Taking on the NIMBYs is no small task, but we're hoping to help turn the conversation and be a force for the greater good. Know that we are here and rooting for you. The housing crisis needs your leadership.

Warmly,

Laura Fingal-Surma

Advisory Board, Progress Noe Valley

Neighborhood Lead, Nextdoor Central Noe Valley

Vice President, Bethany Center Senior Housing

Member, YIMBY Party Congress

P.S. Hope to see you around the neighborhood, Gil!"

"Greetings President Fong and fellow Commissioners:

I am a resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem

alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character — unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism deter you from doing what's right for San Francisco. Please adopt this program.

Thank you,

Christine Huhn

4276 26th St, SF, CA 94131

Member, Progress Noe Valley"

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Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism prevent you from doing what's right for San Francisco. Please adopt this program."

"I am a long-term resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism prevent you from doing what's right for San Francisco. Please adopt this program."

"Dear Commission Secretary Ionin:

This request is submitted on behalf of the Coalition for San Francisco Neighborhoods (CSFN) for you to include this letter with the attached CSFN document in the package for the Planning Commission Hearing on November 5, 2015.

CSFN passed this resolution at the October 20, 2015, General Assembly Meeting in opposition to the proposed Local Affordable Housing Bonus Program Ordinance and the related General Plan Amendments. Below is a summary of the resolution statements:

Resolved, that the Coalition for San Francisco Neighborhoods (CSFN) opposes the adoption of the Local Affordable Housing Bonus Program and the Amendments to the General Plan and urges the Planning Commission to defer action at the November 5th meeting until the Design Guidelines specifically referenced in the proposed Amendments are available for public review and open meetings are held in the neighborhoods affected by the AHBP implementation, which essentially up-zones the entire city, changes neighborhood character and restricts open public review; and be it further

Resolved, that CSFN most strongly urges the Planning Department Director, the members of the Board of Supervisors and the Mayor to ensure that action be deferred on AHBP until all components of the draft legislation is completed by staff from Planning and the Mayor's Office of Housing and is made available for public review at open meetings in each of the Supervisorial Districts.

Thank you in advance for your assistance.

Sincerely,

Barbara J. Graham, barb.graham.sf@gmail.com

Executive Board Member

Coalition for San Francisco Neighborhoods

PO Box 320098

San Francisco CA 94132-0098 "

"December 2, 2015

To: Rodney Fong, President, San Francisco Planning Commission

From: George Wooding, President, Coalition for San Francisco Neighborhoods (CSFN)

Re: CSFN Resolution on Proposed San Francisco Affordable Housing Bonus Program (AHBP)

This email is to further explain the principles behind the CSFN Resolution dated Oct. 20, 2015, and to receive answers from the Planning Staff and the MOHCD regarding the many questions we have posed in Attachment A. As more AHBP public outreach informational meetings are held by Staff in all of the Supervisorial Districts over the next 6-8 weeks, even more questions and concerns will need to be addressed to gain broader support and ensure success for this very important and far reaching citywide program.

Since Staff will need more time to respond and fully expand the proposed program into a more robust affordable housing solution for San Franciscans, we highly recommend and urge the Planning Commission to direct Staff to put on indefinite hold the proposed AHBP Ordinance (2014-001503PCA, Board File 150969), as well as any related legislation which has a nexus to AHBP, including but not limited to 2015-012718PCA (Board File No. 150914) Item 9 on the Planning Commission's December 3, 2015 Agenda.

In the interim, the City can continue to comply with the State Density Bonus Law requirements (California Code Section 63915) and by creating Special Use Districts with conditional use permits, until a more comprehensive City program is developed in concert with the neighborhoods and community.

This letter is divided into the following sections:

Part I. Comments and Suggestions;

Part II. Where Do We Go From Here; a Proposed New Beginning; and

Attachment A. CSFN Questions for the Planning Department and

Attachment B. CSFN AHBP Resolution, October 20, 2015

Part I. Comments and Suggestions

1. There has been no neighborhood involvement and consideration.

It is fair to say that the philosophy of the program, as proposed, was developed with limited to no participation by affected neighborhoods throughout the City and their constituency groups. The Mayor, City staff and two consultants have been working on the AHBP program for well over a year, and now a much shorter period has been proposed for community ""outreach"" and public input. This is inadequate and disrespectful of the neighborhoods and their residents.

2. Negative impacts on RH-1 & RH-2 areas although apparently excluded under AHBP.

The Staff memo dated November 5, 2015, again offers assurances that RH-1 & RH-2 areas are excluded from the AHBP program but that doesn't mean much if the next door neighbor or the building across the street is zoned for RH-2. We now know that RH-2 parcels can be used for affordable housing projects that can include numerous micro units or single resident occupancy (SRO) units or be a group home. It isn't AHBP that allows this but other related legislation does. In this case, it is the Article 2 Code Consolidation that was passed in May 2015. The bottom line is that the builder is still entitled to the concessions and waivers offered under AHBP if there are units designated as affordable rentals or condominiums. Concessions like greater building bulk, height increases of 2-3 stories, building to the property line, 75% or more reduction in onsite parking, less open space do add up to increase profitability for the builder but it's at the expense of the neighbors, impacting neighborhood character, quality of life, more competition for street parking for the residents.

3. Proposed "one size fits all" program completely disregards neighborhood uniqueness.

As a consequence of the work primarily of two outside consultants and no input from the neighborhoods, the proposed program accommodates density increases by a uniform set of development waivers relating to height, density, open space, parking requirements and the like for San Franciscans, i.e., "one size fits all." There is no consideration of the unique character of neighborhoods, or their resultant and unique neighborhood land use and zoning, designed to address neighborhood-specific issues. These are not uniform across neighborhoods. Similarly, the Staff is proposing new AHBP Design Guidelines that also don't take neighborhood differences into account. In an effort to force all of San Francisco into one set of rules, the program mandates a policy of neighborhood uniformity. It is important to preserve and accommodate the uniqueness of our neighborhoods. This is what has made San Francisco, the iconic and desirable place that it is. However, the proposed AHBP program promotes Orange County like blandness and sameness, which is NOT what has made the San Francisco great.

4. Too much discretion delegated to Staff with inadequate review processes and review by the Planning Commission.

Under the proposed administrative priority processing policies and procedures that are purported to expedite project approval time for developers, all current conditional use requirements and reviews

under Section 309 and Section 329 are eliminated. In addition, critical findings, judgments and negotiations with developers are relegated to a staff person internal to the Planning Department, away from the eyes of the public and the Planning Commission.

Moreover, with the public's right to advance notification and their right to appeal and Planning Commission review and oversight all eliminated, the proposed internal administrative priority process is ripe for favoritism and manipulation. Transparency for the public is sacrificed for expediency for the developer.

5. Minimum square footage for different types of units must be specified.

The AHBP Ordinance does not mandate minimum square footages within unit envelopes for each below market unit type within a building, but it must, just as unit mixes are mandated, i.e., studio: XX sq.ft; 1 bedroom: YY sq. ft; 2 bedroom: ZZ sq ft.

6. Protection for rent controlled housing stock.

Historically, rent controlled housing has been a critical source of low and moderate income housing in San Francisco. Unfortunately, the stock has been dwindling and needs to be maintained. Regrettably, three of the four AHBP programs as well as the State Density Bonus Law clearly allow the destruction and replacement of rent controlled housing. What is the purpose of tearing rent controlled units out and replacing them one for one with; this does nothing to increase the total number of affordable units available We urge you to revise the proposed AHBP Ordinance program to specifically prohibit demolishing buildings in which rent controlled units exist or had existed within the five years preceding filing a bonus application.

In a similar vein, since mixed use projects can be created to ensure profitability, there should also be some equivalent protection against the loss of local small businesses, of which there is none now in the legislation.

7. Program doesn't meet Prop K voter approved policy goals.

Staff has repeatedly used Prop K as justification for extending affordable housing to include middle income persons who can have incomes as high as 140% of AMI under the proposed Local AHBP. In pushing this, Staff purports to rely heavily on Proposition K, implying that it states a goal of 50% middle income housing in new construction. In the Staff Memo to the Commission on November 5, 2015, it describes Prop K as a Policy of the City to build or rehab 30,000 new and rehabilitated homes throughout the City, of which at least one third would be low and moderate income units and "half within the reach of middle class San Franciscans." On p.3, there is a similar goal, referring to "working middle class San Franciscans." In other words, Prop K actually means that of the total new units to be built, 50%, in the aggregate, are for "Working households" of which, one component of 33% is for low and moderate, and the other component of 17% is for middle income. Moreover, it should be noted that the State Law does not include middle income housing as being eligible for bonuses. It is unclear what policy is being served by the big push for middle income housing over low and moderate when its Prop K is ABOUT

HALF of the Prop K goal of low and moderate? Greater support is needed for very low, low and moderate income.

8. Eliminate “vertical additions” from the AHBP programs.

The Staff currently states that there will not be ""vertical additions"" to existing buildings, meaning that the program for now is limited only to new construction from the ground up. Vertical additions should be specifically prohibited under AHBP until studies of the problems related to vertical additions are completed.

9. Infrastructure inadequate for this massive AHBP undertaking.

Inadequate attention has been paid to the community infrastructure that must accompany a massive upzoning of the scale proposed for the AHBP project. While the City assumes growth will happen along transportation corridors, there is no assurance that the developers won't put down foundations wherever the demand is and where they can find the cheapest land.

Moreover, transportation is but one part of the needed infrastructure. Equally important is school capacity (the program is to attract families), police and fire facilities, equipment and personnel, sewer and water facilities, especially in light of current and, most likely continuing conservation mandates and the need for increased street parking, which is dwindling. A coordinated, comprehensive City plan is a required pre-requisite for the proposed AHBP program.

10. Developer financial feasibility analysis needs to be redone.

The City's outside financial consultant made a faulty assumption that there would be no increase in the cost of land in conducting the developer financial feasibility analysis. We recommend that this analysis be redone based on alternative yearly increases of 2.5%, 5% and 10% to test the validity of the financial feasibility conclusions. "

#### "1. PLANNING COMMISSION

Planning Commission's role is greatly diminished. Today the Planning Commission's role is unrestricted, they can vote yes, no, and can make wholesale changes. Local or 100% affordable AHBP projects, once they are approved by a Planning Department team, the Planning Commission can only vote to approve the project and can only make “minor modification”. This is unacceptable.

A very important issue is that of the balance of power between the Planning Department Staff and the Planning Commission, and public input. The AHBP has a special team in the Planning Department to evaluate AHBP projects on code compliance and design review. The Planning Commission and the public do not always agree with Planning Department staff recommendations on design review and on bulk and heights. The AHBP completely removes the Planning Commission and the public from the approval process. San Francisco's lots are small and most buildings are closed aligned. Neighborhood character and scale are extremely important, the DR process allowed residents to modify or block

projects which are code compliant but have negative impact(s) on the neighborhood. The DR process will be disallowed. Sayonara, neighborhood character, scale and quality of life.

**2. AHBP TEAM**

How many people are on the AHBP approval team? What are their qualifications, what is their professional experience. How long have they lived in San Francisco. How is their work reviewed? Can the public review their decisions, can the public sit in on their meetings?

**3. DISCRETIONARY REVIEW**

I reviewed the Planning Commission's action on the Discretionary Review (DR) cases in the Planning Commission 2015 minutes. My findings are that there were 22 cases in which the Planning Commission voted to follow the recommendation of the Planning Staff, there were 15 instances when the Planning Commission voted to take DR against the Planning Department staff's recommendation, and made modifications. I did not consider default cases and withdrawals. This indicates Planning Commission voted against the Planning Department staff recommendations 40% of the time. Not a good indicator for the approval process in the department. The Planning Department staff needs mentoring by experienced Planners who have lived in the different neighborhoods in the City. Unfortunately, there are only a few experienced Planners in the department, most have retired or released.

**4. PLANNER EXPERIENCE DIFFERENCE**

I participated in two Japantown Better Neighborhood Area Plan (BNP), and the difference in the original plan and the second plan was extremely revealing. The Planner for the original plan was a very high level senior Planner, who now works for the Mayor. The original plan would allow for the demolition of the Japan Center and Garage. This would have decimated Japantown. The Planning Commission heard the protest at the Planning Commission hearing, and it directed that the plan needed to be revised and to make it acceptable to the Japantown Community.

The Planner for the second Japantown BNP was very experienced and lived in San Francisco for several decades. He had the feel of the neighborhoods, and appreciated the differences. The second Plan did not include the demolition of the Japan Center and Garage, it resulted in the Japantown Cultural Heritage and Economic Sustainability Strategy(JCHESS). It is about economic development, preserving and enhancing the historic and cultural uses and buildings, and making physical improvements within the project area.

This indicated to me that Planners who lived in San Francisco's neighborhoods are more sensitive to neighborhood character and scale. I believe the present Planning Staff is inexperienced and that Planning Commission and public input is mandatory and vital before any project is approved.

**5. RENT CONTROL PROBLEM**

The Planning Department staff anticipates only 240 soft sites, how many of those sites have a rent control issues. If they are minimal, how not permanently exclude rent control buildings, instead of a one

year study period. Many people believe rent control units will be sacrificed in the AHBP. If the property owners and developers see the AHBP incentives as very profitable, there will be thousands of buildings demolished, and the rent control problem will be a major issue.

**6. AHBP LOCATIONS**

Another problem is that the AHBP plan does not limit the locations to wide major transit corridors, and this can cause havoc on smaller streets, and in the mid-block of small streets. Many areas have a mix of two, three, or four story block face. Buildings on the north side of the building will be in shadows, and there will be decreased parking, decreased open space/rear yard, and decreased privacy. Neighborhood character will be greatly negatively impacted. Difficult to imagine a two story building next to a six or seven story apartment building, or even a three or four story building next to a six or seven story building.

**7. OPPORTUNITY SITES AND INCENTIVES, PARKING**

Planning Department estimates 250 soft sites (1-2 story lots, parking lots, gas stations) that might be ripe for development. If rents and condo prices increase there will be thousands more opportunity sites. Incentive: 2 to 3 additional stories above existing zoning. Incentive: increase density e.g. 4 units to 12 units. Incentive: \$3,000/mo rent x 10 units=\$30,000 income/month, x 12 months= \$360,000/year. Incentive: \$700,000/condo x 10=\$7,000,000! The Affordable Housing Bonus Plan can result in 75% less parking for projects with 30% affordable housing. Imagine 10 units and 3 parking spaces, ouch!

**8. QUALITY OF LIFE ISSUES**

Will shadows, open space, rear yards, privacy be considered. Commissioner Fong mentioned there have been contentious DR's over one story or 5 foot extensions at the Commission. I think he might have concerns since he lives in the Richmond District. Do the young Planning Staff know the history of DR's in the City, and how important quality of life is very important for long time residents of the City. Interestingly, most of the supporters of the AHBP were young people who have only lived in the City for a short time. They don't care about heights, density, shadows, open space, privacy, etc. and only about rental units being built.

There are many different issues with Affordable Housing Bonus Plan, it needs major revisions in regards to role of the Planning Commission, AHBP design team, Planning Staff experience, Discretionary Reviews, Rent Control, AHBP locations, opportunity sites, and quality of life issues. Please vote NO on the AHBP in the present form.

Yours truly,

Hiroshi Fukuda, President

Richmond Community Association

CSFN Land Use member"



"Dear Supervisors and Planning Commissioners,

As a part of the Affordable Divis coalition, I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses. Instead, I support a community-focused approach to planning, as the Affordable Divis coalition has created with our Community Plan"

"Dear Supervisors and Planning Commissioners,

I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses. Instead, I support a community-focused approach to planning, as the Affordable Divis coalition has created with our Community Plan.

All the best,

Caroline Hatch

94117"

"Dear Supervisors and Planning Commissioners,

As a part of the Affordable Divis coalition, I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses. Instead, I support a community-focused approach to planning, as the Affordable Divis coalition has created with our Community Plan.

Sincerely,

Susan Mallon, District 5 resident

909 Page Street #2

San Francisco, CA 94117"

"Dear Supervisors and Planning Commissioners:

As a part of the Affordable Divis Coalition, I am opposed to the Affordable Housing Bonus Program ( AHBP ) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses. Instead, I support a community-focused approach to planning, as the Affordable Divis coalition has created with our Community Plan.

Sicerely,

--

MARIO DONOSO ACOSTA

1270 Grove St. Apt. #104

San Francisco, Ca. 94117"

"Dear Planning Commissioners,

As a part of the Affordable Divis coalition, I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed. It does not require sufficient affordability in this very expensive city. It does nothing to protect existing rent controlled units and retail businesses that serve the neighborhood. Lastly, the allowable bulk and height threatens the character of a neighborhood and could lead to loss of green space and sunshine, both important health and quality of life factors in a congested city. Instead, I support a community-focused approach to planning, as the Affordable Divis coalition has created with our Community Plan.

Sincerely,

Denise Zietlow

1968 Hayes Street

San Francisco, CA"

"Dear President Fong and Commissioners:

As the representative of 35 neighborhood associations who are engaged in neighborhood planning issues, the Coalition for San Francisco Neighborhoods (CSFN) is submitting our AHBP Resolution with supporting comments and questions for the Commission's consideration.

Since Planning Staff are still in the process holding workshops all over the city on this legislation and will need more time to respond and fully expand the proposed program into a more robust affordable housing solution for San Franciscans, we highly recommend and urge the Planning Commission to direct Staff to put on indefinite hold the proposed AHBP Ordinance (2014-001503PCA, Board File 150969), as well as any related legislation which has a nexus to AHBP, including but not limited to 2015-012718PCA (Board File No. 150914) Item 9 on the Planning Commission's December 3, 2015 Agenda.

Thank you for your attention to our comments and concerns on these critically important issues for neighborhoods all over San Francisco.

Regards,

George Wooding, President

Coalition for San Francisco Neighborhoods"

"Dear Supervisors and Planning Commissioners,

As a part of the Affordable Divis coalition, I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses.

Instead, I support a community-focused approach to planning, as the Affordable Divis coalition has created with our Community Plan.

Thanks for your service,

Claire "

"Pacific Heights Residents Association (PHRA )is aware and concerned about the lack of affordable housing in San Francisco, we are also alarmed about the lack of public outreach to the neighborhoods and the fast tracking of the proposed Local AHBP and its related General Plan amendments. The Local AHBP essentially up-zones the entire city, changes neighborhood character and restricts open public review.

The State Density Bonus Law only requires City and County governments to develop a local inclusionary density bonus program, the proposed San Francisco Local AHBP Ordinance goes further than other local governments and in doing so undermines our zoning safeguards and the character of SF neighborhoods under the guise of delivering greater levels of affordable housing for the low, moderate and middle income households.

The Local AHBP includes administrative "priority processing procedures" for affordable housing development projects, it allows SF Planning Dept. staff to make decisions that bypass currently required neighborhood zoning change notifications and block public appeal procedures.

The SF Planning and the Mayor's Office of Housing developed the Local AHBP based on consulting studies and analytical projections of eleven properties and an analysis of three scenarios, without public review and community input from the neighborhoods, any impact estimates from this limited sample would be unreliable and biased. In addition, there is no comparative analysis to identify "unintended" disincentives that would encourage developers to fee-out, a key component for AHBP success.

No public subsidies can be used to fund on-site affordable housing for moderate and middle-income households under the Local AHBP program, market rate developers will need to maximize AHBP exemption incentives to ensure their profitability for on-site affordable housing projects versus paying off-site fees in lieu of not providing on-site affordable housing.

AHBP information on RH-1 and RH-2 classifications misleads the public by implying that AHBP densification won't apply to these properties, many in the Northern and Western neighborhoods are a combination of RH-1 and RH-2, with a mix of RM-2, RM-1, and/or NCD-1 and would be affected. Neighbors in these areas near an affordable housing developer building are no longer entitled to prior notification of the allowed developer incentives and have no recourse to appeal them.

San Francisco Planning & the Mayor's Office of Housing have been developing the Affordable Housing Bonus Program (AHBP) since December 2013, there has been no citizen involvement during this planning process. AHBP was the product of key stakeholders from the Mayor's Housing Working group on the 2014 Housing Element, with affordable and market rate developers, financiers, staff from many City agencies and related professionals. The AHBP, including both a new ordinance and amendments to the General Plan, is being fast-tracked through the Planning Commission and on to the Board of Supervisors and Mayor for enactment.

PHRA opposes the adoption of the Local Affordable Housing Bonus Program and the Amendments to the General Plan and urges the Planning Commission to defer action until the Design Guidelines specifically referenced in the proposed Amendments are available for public review and open meetings are held in the neighborhoods affected by the AHBP implementation, which essentially up-zones the entire city, changes neighborhood character and restricts open public review.

PHRA most strongly urges the Planning Department Director, the members of the Board of Supervisors and the Mayor to ensure that action be deferred on AHBP until all components of the draft legislation are completed by staff from Planning and the Mayor's Office of Housing and are made available for public review at open meetings in each of the Supervisorial Districts.

The City has provided some detail on the program, but there are still many unanswered concerns.

Our concerns include:

1. The program was developed over 18 months by the City and developers behind closed doors. There has been little neighborhood involvement and consideration.
2. Although RH-1 and RH-2 areas are apparently excluded under AHBP, there will still be negative impacts on these residential areas from this program.
3. The proposed ""one size fits all"" program completely disregards neighborhood uniqueness.
4. Residents in rent-controlled units may lose their units - at a minimum temporarily if not permanently.
5. Local small businesses could lose their leases under incentives that are favorable to developers."

"Dear Supervisors and Planning Commissioners,

As part of the Affordable Divis coalition, I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving businesses. Instead, I support a community-focused approach to planning, as the Affordable Divis has created with our community plan (<http://www.pdf-archive.com/2016/01/15/2016-divis-comm-plan-final/2016-divis-comm-plan-final.pdf>).

I am a resident voter who has serious concerns about the directions that our leadership personnel have taken our city and the negative impacts that are being seen in all our neighborhoods and to many of our most dedicated and long term citizens. The AHBP proposal is not a solution that will help ease the disparities that have had or threaten to have such debilitating consequences for the majority of our citizenry.

Please dismiss this plan and begin work on one that will legitimately have a positive impact for those of us who remain steadfastly devoted San Franciscans.

Thank you for your time and consideration,

Brett Miller

District 5"

"President Fong and fellow Commissioners:

As a long-time resident of Noe Valley and member of Protect Noe's Charm, I am writing to urge you to vote NO on the Affordable Housing Density Bonus Program as it is presently drafted.

This program offers carte blanche for demolition of buildings that already house people and neighborhood businesses. It's one thing to consider vacant lots or gas stations, but it is a different case completely when targeting entire blocks of a neighborhood with no consideration for human cost, historic preservation, and midblock open space.

The Planning Department's own published maps of Noe Valley point to a great number of RH-3 and RM-1 zoned houses that are earmarked for up-zoning, including narrow streets such as the block of Elizabeth Street between Sanchez and Dolores Streets. How can such a narrow street support five- to seven-story apartment complexes on both sides? Thanks to the amendment to exempt rent-controlled units, this block may or may not be spared, but as we all know, rent-control laws have many loopholes that are easily played by developers. There's no such zone as a "rent-controlled zone."

We often hear that Noe Valley will not be impacted other than a few "soft sites." If such is the case, why not ONLY earmark these soft sites instead of blocks and blocks of houses throughout the entire neighborhood? Increasing the housing stock is a shared goal but not at the expense of current residents.

Noe Valley needs its own plan, and that plan should be the result of a close collaboration between the residents and the City. Instead of the "one size fits all" approach, we need to work together to identify those "soft sites" in Noe Valley where up-zoning would have the least impact on residents and landscape of our neighborhood.

That is why I encourage you to vote NO on the proposed Density Bonus Program and instead direct staff to prepare tailored plans that recognize the character of the neighborhoods, including Noe Valley.

Very truly yours,

Robert W. Levenson

4115 Cesar Chavez St.

San Francisco, CA 94131"

"Dear President Fong and fellow Planning Commissioners,

My name is Janet Fowler. I am a resident of Noe Valley and a member of Protect Noe's Charm neighborhood organization. I am writing to urge you to vote NO on the Affordable Housing Density Bonus Program (AHBP).

This program in essence is a carte blanche for demolition -- the demolition of buildings that already house people and neighborhood businesses. It's one thing to consider vacant lots or gas stations and completely a different case when targeting entire blocks of a neighborhood with no consideration for human cost, historic preservation, and midblock open space.

The Planning Department's own published maps of Noe Valley pointed to a great number of RH-3 and RM-1 zoned houses that were earmarked for up-zoning, including narrow streets such as the block on Elizabeth between Sanchez and Dolores. How can such a narrow street support 5 to 7 story apartment complexes on both sides? Thanks to the amendment to exempt rent-controlled units, this block may or may not be spared, but as we all know, rent control laws have many loopholes that could easily enable developers to get around them. There's no such zone as a "rent-controlled zone". How can the up-zoning of an entire city be a function of the rental status of its buildings?

We often hear that Noe Valley will not be impacted other than a few "soft sites." If such is the case, why not ONLY earmark these soft sites instead of blocks and blocks of houses throughout the entire neighborhood? Increasing the housing stock is all good but not at the expense of the current residents.

Noe Valley needs its own plan, and that plan should be the result of a close collaboration between the residents and the City. Instead of the "one size fits all" approach, we need to work together to identify "soft sites" in Noe Valley whose up-zoning would have the least impact on residents and landscape of our neighborhood.

That is why I encourage you to vote NO on the AHBP and instead, propose a customized plan per neighborhood, including Noe Valley.

Sincerely,

Janet Fowler

434 Hoffman Avenue"

"President Fong and fellow Commissioners:

As a resident of Noe Valley and member of Protect Noe's Charm, we are writing to urge you to vote NO on the Affordable Housing Density Bonus Program, as currently drafted.

This program offers carte blanche for demolition of buildings that already house people and neighborhood businesses. It's acceptable to consider vacant lots or gas stations, but completely unacceptable to target entire blocks of a neighborhood with no consideration for human cost, historic preservation, and midblock open space.

The Planning Department's published maps of Noe Valley point to a great number of RH-3 and RM-1 zoned houses that are earmarked for up-zoning, including those along narrow streets such as the block of Elizabeth Street between Sanchez and Dolores Streets. How can such a narrow street support five- to seven-story apartment complexes on both sides? Thanks to the amendment to exempt rent-controlled units, this block may or may not be spared, but as we all know, rent-control laws have many loopholes that are easily exploited by developers. There's no such protection as a "rent-controlled zone."

We've been told, at a recent Planning Outreach meeting, that Noe Valley will not be impacted other than a few "soft sites." If such is the case, why not ONLY earmark those soft sites - instead of the blocks and blocks of houses throughout the entire neighborhood, such as those along 29th Street? We share the goal to increase the housing stock, but not at the expense of displacing current residents.

In fact, we believe Noe Valley needs its own plan, and that plan should be the result of a collaboration between the residents and the City, through such planning events like a 'planning charrette'. Instead of the "one size fits all" approach, we need to work together to identify those "soft sites" in Noe Valley where up-zoning would have the least impact on residents, traffic and parking and our neighborhood character and environment. Different neighborhoods require different height limits to better integrate these infill housing units into the appropriate neighborhood character. We also understand the Program allows for development of the entire up-zoned lot, without restrictions to preserve the mid-block open space. Increasing the density, yet robbing the residents of their valuable, rear yard open space is in direct conflict with the current Residential Planning Guidelines.

Lastly, this Program co-opts the Public Review process to benefit the developers with speedier Planning approvals. To eliminate the ability of neighbors to have input through the Public Review process or file DRs, is shortcutting the principles of democratic governance. This is why we encourage you to vote NO on the proposed Density Bonus Program and instead direct staff to prepare tailored plans to achieve your goals, while recognizing the character of the neighborhoods, including Noe Valley.

Respectfully,

Debra Dale and Philip Cohen

430 29th Street"

"Dear President Fong and fellow Planning Commissioners,

I am a native of Noe Valley for over 60 years and a member of Protect Noe's Charm neighborhood organization. I am writing to urge you to vote NO on the Affordable Housing Density Bonus Program (AHBP).

This program in essence is a carte blanche for demolition and that is the demolition of buildings that already house people and neighborhood businesses. It's one thing to consider vacant lots, but it's completely a different case when targeting entire blocks of a neighborhood with no consideration for human cost, historic preservation, and midblock open space.

The Planning Departments own published maps of Noe Valley pointed to a great number of RH-3 and RM-1 zoned houses that were earmarked for up-zoning, including narrow streets such as the block on Elizabeth between Sanchez and Church Streets. How can such a narrow street support 5 to 7 story apartment complexes on both sides? Thanks to the amendment to exempt rent controlled units, this block may or may not be spared but as we all know, rent control laws have many loop holes that could easily enable developers to get around them. There's no such zone as a "rent controlled zone". I live on Vicksburg Street, and it is earmarked for up-zoning. Also, it is a narrow street. How can the up-zoning of an entire city be a function of the rental status of its buildings?

We often hear that Noe Valley will not be impacted other than a few "soft sites". If such is the case, why not ONLY earmark these soft sites instead of blocks and blocks of houses throughout the entire neighborhood? Increasing the housing stock is all good but not at the expense of the current residents.

Noe Valley needs its own plan and that plan should be the result of a close collaboration between the residents and the City. Instead of the "one size fits all" approach, we need to work together to identify "soft sites" in Noe Valley whose up-zoning would have the least impact on residents and landscape of our neighborhood.

This is why I encourage you to Please vote NO on the AHBP and instead, propose a customized plan per neighborhood, including Noe Valley.

Thank you!

Carol Britschgi

119 Vicksburg Street"



"Dear President Fong and fellow Commissioners:

As a resident of Noe Valley for over 30 years, and a member of Protect Noe's Charm, I would appreciate your consideration in voting NO on the Affordable Housing Density Bonus Program in its current draft.

One of my main concerns is the ""one size fits all"" approach which does not take into consideration the character and scale of an individual neighborhood. Elizabeth St, where I live, is an example. The Planning Department's own published maps show RH-3 and RM-1 zoned houses that are earmarked for up-zoning on the narrow portion Elizabeth Street between Sanchez and Church Streets. How can such a narrow street support five- to seven-story apartment complexes on both sides? Please see the attached picture for further details.

We often hear that Noe Valley will not be impacted other than a few soft sites. If this is the case, why not ONLY earmark these soft sites instead of blocks and blocks of houses throughout the entire neighborhood? Increasing the housing stock is a shared goal but not at the expense of current residents.

Noe Valley needs its own plan, and that plan should be the result of a close collaboration between the residents and the City. We need to work together to identify those "soft sites" in Noe Valley where up-zoning would have the least impact on residents and landscape of our neighborhood.

Again, please vote NO on the proposed Density Bonus Program and instead have the plan revised to recognize the character of each of our neighborhoods, including Noe Valley.

Thank you!

Sincerely,

Jim Morrell

308 Elizabeth St"

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"I urge you to slow down the process and study further the impact and unintended consequences that the Affordable Housing Bonus plan will create in my neighborhood, the Richmond District.

While the problem of affordable housing is real, the impetus to act so quickly (within 90 days) is an artifice created by political pressures and newspaper articles, and I urge you to resist the pressures to look like you are being responsive and 'doing something' at the expense of creating a thoughtful, carefully crafted plan that considers the needs and character of each neighborhood.

As I understand it, the zoning changes for the Richmond District would be profound. Seventy-five percent of blocks would be included in this plan, allowing structures that are out of scale with the blocks and impacting light and views and current use of the existing homes and structures. I urge you to reduce

the scale of this plan and focus the rezoning and affordable housing on commercial corridors with public transportation.

There is a place for higher density housing. It makes sense to allow more density along the Geary corridor where there is more commercial activity and public transportation. A similar argument can be made for sections of Clement Street, Balboa Street, and California Street where there is already commercial activity and public transportation.

As a home owner who has gone through the process of applying for permission to remodel my home, I know that the planning department carefully scrutinizes any changes to the facade in order to maintain the character of the neighborhood and historic integrity of the structure. Legalizing an inlaw unit that the previous owner created has taken a long time, and required months of work with multiple visits to the planning department — as it should, since changes in the density impacts neighbors.

Removing zoning and use restrictions for deep pocketed developers who have no connection or commitment to the neighborhood and who are looking to maximize the number of units to offset their expenses is once again gaming the system against small home owners in favor of large developers. The tight restrictions stay in place for small home owners who live there, while big developers will have carte blanche. And it will not solve the problem of affordability, since that is a national problem that society needs to solve by adequately supporting the elderly and working families.

The Richmond is a neighborhood of single family homes, and those of us who live here want to maintain that character and scale. We can achieve that and still meet some of the need for affordable housing with a thoughtful, focused plan that doesn't allow large structures to pop up all over the district.

Thank you for your consideration of this.

Regards,"

"I found out by purest chance about the rush to approve the Affordable Housing Bonus Plan currently being proposed for many SF neighborhoods.

It's shocking to me that this has been allowed to move forward with so little public awareness or input—and on a rushed time line.

This plan will have widespread and lasting impacts on some of the only remaining residential neighborhoods not already overwhelmed by a rush to develop. It appears little effort has been put into informing the public or soliciting the concerns and opinions of current residents. I feel this plan is being forced on everyone under the "we need more housing" umbrella. Of course we need more housing that's affordable, but it should be planned with care and a view to the future livability of our neighborhoods.

A development plan of this scope deserves more time, more input and more consideration. As such, I respectfully request that the Planning Commission issue a continuance on this matter to allow the public its right to be fully informed.

Thank you."

"I am concerned with the rapid approval process for this proposed zoning change that will directly effect my neighborhood.

I would like to understand why this is being pushed through the process so quickly.

At this time in the City's history you would hope that the Planning Department would be even more thoughtful and careful.

Please explain the thinking behind this plan.

Thank you,"

"Dear Mayor Lee,

Please know that I oppose the Bonus Housing Program. Figures prove that there are already adequate housing permits issued for the next 25 years of normal growth. As a resident of the Richmond, I know that my neighborhood is not the the wise place for growth and fast growth will ruin its character. Lastly, growth for its own sake is neither desirable nor beneficial. I look to you to derail the Bonus Housing Program.

1. Population and housing permits in the pipeline:

The population of San Francisco is currently 955,000. For a long time, San Francisco's population growth has been about 50,000 per decade. This seems a manageable rate of growth.

However, we have now added the latest 50,000 in just the past 4 years. This new rate of growth is unsustainable: we do not have the infrastructure to quickly absorb this continued rate of increase, it will result in poor planning, and it will destroy the character of our neighborhoods. We should return to the normal rate of growth, and properly growing our housing stock is the means to accomplish this.

According to the 2015 SF Planning Department Housing Stock Report, we already have over 50,000 units in the pipeline approved and being constructed. This is enough housing for another 125,000 people. If we returned to typical, normal growth -- and remember, we don't have an obligation to house everyone who wants to come to SF (if that were the case, we'd have millions more coming) -- the existing units in the pipeline are already sufficient housing for the next 25 years of population growth.

Housing is the limit on the population growth, and this is a good thing.

2. Growth for its own sake is wrong, has unintended consequences, and makes things worse.

As an environmentalist, I agree with urbanization density. However, that growth must take place where there is adequate means to absorb it and infrastructure to support it. Increasing housing without increasing infrastructure makes things worse for everyone.

The absorption of new population should take place in the heart of the City along the newly-developing east side corridor, and in newly-planned communities such as Treasure Island. The jobs, the mass transit, the utilities, and the access/egress is all found on the east side of the City.

Large population growth is wrong for the Richmond. More people on the west side will exacerbate issues of transit, utilities, and employment distribution.

3. The beauty of a City is found in distinct neighborhood character.

Greater growth would cost the City its character. More specifically, here in the Richmond, it will cost the Richmond its distinct neighborhood character. Our character is primarily single family homes, walkable streets, and not the having the claustrophobic feeling of being in urban canyons jostling past one another in front of tall buildings.

As a practical footnote, I want to note that distrust is the correct response to someone who tries to inform me that they know better than me concerning something I know very well. The SF Planning Department presentation stated that the right ratio for parking is 1 car for every 4 units (and mind you, there is typically more than 1 adult per unit). As a practical matter, in my experience, this is flatly incorrect -- and indeed it is so far off the mark that I am correct to therefore disregard everything said by that speaker. I encourage you to listen to the Bonus Housing Plan details closely, and see whether those details correspond to your own experience. If they do not, then you should be very skeptical of the positive claims presented in the Plan, as I am."

"I am a resident of 29th St. in Noe Valley, requesting that Noe Valley be either exempted from this program entirely or that its adoption be postponed until serious questions on its impacts are resolved.

Please consider:

The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts.

In its present form, it cannot reasonably guarantee any significant increase in affordable housing stock and could, in fact, displace a great number of our neighbors without any promise that they will have a home here in the future.

It removes individual projects from an established public input processes.

It stands to undermine the fundamental qualities of our neighborhood, as well as much of our City.

While we recognize that there may be certain larger sites near us (such as a proposal for the former Real Foods store on 24th Street) which could be put to better use, there are far too many smaller lots that would be subject to this program. And while we expect some changes along 24th Street, this program is far too extreme when looked at the overall neighborhood context.

We think that this rezoning needs much further study and should be folded into any study of the issues of affordability, transportation, infrastructure, public safety, preservation, and quality of life.

While we recognize that the affordability issue is complex and severe, it should not be solved by fundamentally changing the character of long-established and vibrant neighborhoods.

Thank you."

"Thank you for taking the time to read my email. I am requesting not only that Noe Valley be exempted from this program entirely, but that program be postponed completely for the entire city until serious questions on its impacts are resolved. I have read an article by Tim Redmond in 48 Hills that is very persuasive in showing that this program is badly designed and shows basic indifference to regular people and small business owners. PLEASE do not pass this bill.

I am a long term resident of San Francisco (21 years) and have been in Noe Valley for the last 8. When I first moved here in 1994, I was a waitress, with very little money; and this great city still managed to find a place for me, because regular people could afford to live here. A UC Hastings graduate, I now practice as an immigration attorney and feel fortunate in my choice of profession and that I was able to purchase an apartment here many years ago. If I was evicted today, there is no way I could afford to live here. And that makes me think of all the hardworking, amazing San Franciscans who don't even make a portion of what I do annually. How will they survive and what is San Francisco doing to take care of them?

This City has a responsibility to everyone who lives here: not just to large businesses or technology workers. What a boring city we will have when all the artists, teachers, and the rest are evicted; and how lucky Oakland will be.

On that note, I encourage you to read ""Walkable City"" by Jeff Speck. He talks about how diversity in architecture and thriving unique neighborhood business areas help to increase property values and more importantly to create community with local residents. When you take away the interesting buildings, long term local residents and unique businesses, so his well documented argument goes, people stop wanting to live in the neighborhood. This particularly applies to the younger generation of educated graduates that the city seems to be so keen on attracting. There are certainly better options out there than offered by the misnamed ""Affordable Housing"" plan offered here.

I write this email in **STRONG** opposition to the Affordable Housing Density Bonus plan. Again, thank you for considering my request. "

"We recently heard that Noe Valley in proposed for the Density Bonus Program. We are quite stunned at the lack of notification about this and that residents are not going to vote on something that can impact our neighborhood far more than most items we do get to vote on.

We are asking that Noe Valley either be exempted from this program entirely or that its adoption be postponed until serious questions on its impacts are resolved.

Please consider:

The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts.

In its present form, this proposal doesn't guarantee any significant increase in affordable housing stock and will certainly undermine the fundamental, individual, unique qualities of our neighborhood, as well as much of San Francisco.

While we understand that there may be certain larger sites near us (such as a proposal for the former Real Foods store on 24th Street) which could be put to better use, there are far too many smaller lots that would be subject to this program. And while we expect some changes along 24th Street, this program is far too extreme when looked at the overall neighborhood context.

We think that this re-zoning needs much further study and should be folded into any study of the issues of affordability, transportation, infrastructure, public safety, preservation of open space, and quality of life.

While we recognize that the affordability issue is complex and severe, it should not be solved by fundamentally changing the character of long-established and vibrant neighborhoods.

Thank you for your consideration."

"I just read <http://www.modernluxury.com/san-francisco/story/the-housing-wars-hit-the-beach>

Your attempt to provide a little more housing is not enough and provides windfalls. Here are my thoughts:

We may have come to a time when the majority of San Franciscans will want to change the Planning Code and solve the affordability crisis so that median income people will again be able to live and raise families in San Francisco.

Last month we found that our housing affordability crisis was caused by our Planning Code which makes it very difficult to increase the supply of housing. I suggest that we have to increase the supply of housing because reducing demand, by a one child law or reducing immigration is not desirable and is absolutely impossible. A national one house law would help solve our problem but this is scarcely more possible.

I suggest that when a majority of voters understands the nature of crisis our Board of Supervisors will take a first step and declare that there is a Crisis. The second step, which has actually started, is to pursue the use of all City owned surplus sites for new affordable housing. This would include: City surplus lands; all of the MTA owned parking lots; the BART parking lot near the Glen Park Station, Mission Street BART stations and others but never for open space parks because as we have more people we will need as much park space as possible. Private parking lots, such as Stonestown and lot behind Davies Symphony Hall are also good sites for high rise buildings. Most these sites would require some structural steel or reinforced concrete to support the buildings above but that is much cheaper

than buying land. We should also encourage East Bay communities to build housing over their BART and other parking lots.

There are two kinds of affordable, earthquake proven, construction systems being used today in San Francisco. Either can be used at the above sites. One is: four, five or six stories of wooden construction over a reinforced concrete podium. The podium would be used for commercial space and parking. The other system is the thirteen story reinforced concrete which was used in the older Park Merced buildings and which will be used again for the expanded Park Merced starting construction soon. I prefer the Park Merced system because this will accommodate many more new housing units while destroying fewer existing houses.

Building on the above publicly owned sites can be started quickly, because the land is essentially free. Developers can be selected based on the number of affordable units that will be provided without additional subsidy. On these sites a mix of market rate and affordable housing units will help subsidize the affordable units and the total number of additional units provided will increase the supply and could slow down future increases in housing prices. If enough of these buildings can be constructed this may tend to reduce the future rate of housing price increase while also reducing the number of tall building required to be built in our low rise neighborhoods. Ideally when property owners realize that the price of their property may not increase forever more of them will be ready to sell.

The third step is implementing a City policy that says that we will build forty thousand or more housing units in the approximately twenty square miles of the low density portion of our City. These units should be in addition to the 30,000 units currently being planned for in the more dense parts of the City. Some of these additional units could be built on lots that are zoned for four stories but now only have one or two units. To visualize this additional housing consider that the units will be in apartment houses similar to those now in Park Merced, that is, thirteen stories tall with about 100 units per building. This means that there will: about 400 new tall buildings: or twenty tall building per square mile and each building will be on average about 1,200 feet from the nearest other tall building. However, it will be better to concentrate up to four tall buildings at the intersection near BART stations and major Muni transfer points and allow buildings to be as close as 500 feet apart close to transit and commercial streets. This means that, every day the people in these neighborhoods will see one or more of these buildings, along with few more people on the sidewalk as they walk to their Muni stop or shopping. Is this a severe impact? Those neighbors who drive a ways will see more buildings and more traffic unless the amount of parking in the new buildings is severely restricted. I suggest that these point increases in density surrounded by most of the existing low density housing will preserve most of San Francisco as it is now while still increasing the supply of housing enough to make housing more affordable.

Because the objective is not only about increasing density but also improving affordability we should mandate that a high percentage of units be affordable. We can also reduce the cost of the new units by not mandating a minimum parking supply and actually set a low maximum supply of parking so that people will be encouraged to reduce their cost of living by not owning a car. The reduced parking will be acceptable to the existing neighbors if the people in the new buildings are excluded from ever obtaining a residential parking permit. The ground floor of the buildings on commercial streets should be

mandated to be mostly commercial. The reasonable spaces between buildings will prevent the construction of a continuous wall. Even though density is necessary some open space should remain at ground level to partially maintain the continuity of our back yard areas.

Acquiring the number of lots, suitable for a 100 units at 400 sites might be reasonable because sites always come up for sale and the developer should be able convince adjacent owners to exchange their lots for one or two units near the top of the building. Mandating a high percentage of affordable housing in the new housing will tend to keep the price of buildings to be replaced reasonable. Using the concept of spot zoning based on strict conditions being met Ideally if possible the site should be acquired before it is up zoned to keep the price reasonable. It may be possible to acquire an old single family house and lot, from a willing seller, in exchange for two market rate view apartments in one of the new buildings. This could solve part of the problem of acquiring the land. Making a payment to the adjacent property owners could be a partial solution to the political problem. Properties are always coming up for sale. By some combination enough sites could be acquired. Convincing people to allow the construction of large buildings in their neighborhood to house more people while reducing the apparent price of their house is a very difficult political problem. Maybe, if the majority believe that some change is essential and they organize it is possible.

Hopefully these sites could be spot zoned for the thirteen story buildings, with a high percentage for affordable units.

This will not be easy because those who own their own homes, with little or no debt, can now look forward to passing their high priced home on to their children with no taxes on their gain or selling their house, if they must, to live elsewhere on the income from their accumulated price appreciation. These are the reasons that the Plan, to increase the supply of housing is called Over Reaching, probably impossible.

We will also have to develop a method to acquire the land for the housing, at minimum cost. We have to consider that the demand for housing has driven the price of the land under even a modest single family house, in a moderate neighbor hood to be 50% of the selling price and that if the zoning is changed before the land is acquired the price of the land will greatly increase and continue to represent an overly high proportion of the selling price of a unit. More on this later."

"I write in regards to the proposal laughably titled the Affordable Housing Density Bonus plan.

This does nothing to make housing affordable. The higher density model means that if a developer has to put in 30% affordable housing units, he gets 70% market rate units in exchange. Tear down a three unit building, build a ten-unit building with three affordable units and seven market rate units. That's not an affordable housing bonus, that's a get rich quick scheme.

Several neighbors have already lost light into their homes and sunlight from their backyards to monstrous "green" buildings with concrete patios built by real estate speculators. My mother's home is now overshadowed by a \$7 million, three story, 5600 square foot house that replaced a two-story home with with a rented in-law unit and small bungalow. So much for adding "affordable" housing.



"Affordable" is an inaccurate term. It means a studio priced for someone making between \$86,000 - \$100,000/year. After ten years in the district, a teacher in San Francisco makes \$68,000/year. After nearly fourteen years at a major company in downtown San Francisco, until I was laid off, I made \$80,000/year but, as is increasingly common, had to pay for my own medical insurance, so effectively had \$65,000/year. This puts me and hundreds of thousands of others in the area where we make too much to be eligible for low income housing, but too little to pay the rent and much too little to buy a home.

The redevelopment plans are set in neighborhoods that real estate developers see as most profitable. The Outer Richmond, the Sunset, Crocker Amazon, Bayview, Hunters Point, and other less desirable areas are not part of this "affordable housing" scheme. Placing the term "affordable" in front of this rezoning plan is a calculated misnomer, one analogous to the "democratic republic" Democratic Republic of Congo or the "peoples republic" part of the People's Republic of China.

State law says that buildings built after 1979 are not subject to rent control, so these new buildings would not be rent controlled, nor would they have to be rented at the same rate as the units they replaced. Displaced tenants are not guaranteed a return to their homes or a reasonable rate of rent. Neither are they guaranteed a temporary affordable and equal style or standard of living while the "remodel" is happening. There is no credible way to relocate tenants who are paying and can afford well below this heated market rate rent.

Building more has never lowered housing costs. If it did, Tokyo and Manhattan would be cheap places to live. Supply and demand, a demonstrably false economic theory, never applied to housing or luxury items. It certainly does not figure into an equation that includes huge amounts of cash available to a select few who drive up housing prices 20% and more above asking.

This plan exempts these new projects from public input into neighborhood planning. This alone makes the plan suspect and should raise legal issues. It certainly corrupts democratic process and dissolves any remaining trust in public officials. You are imposing a drastic change in law after denying people most affected by the change input to the process.

As a fourth generation San Franciscan I've seen and heard the same disproven arguments used over and over again. Every time a call for affordable housing goes out, developers and real estate agents hide their own profit motive behind the jargon of social justice. South of Market, Rincon Hill, the Western Addition, the Fillmore, Visitation Valley – all these neighborhoods were literally blown up to facilitate one plan after another. All at the cost of lives and livelihoods and all for the benefit of a developer who left behind a city changed for the worse, made less diverse, less affordable, and with much less character.

This plan may not blow up Victorians, but it is just as explosive and more damaging. If you examine this proposal it becomes evident that, at best, it is unfair and unwise. Please do the right thing and stop this proposal entirely."

"First of all, I was dissappointed that this meeting at the Hall of Flowers was so poorly publicized.

You need to do better community outreach, including signs in the Inner Sunset.

Secondly,

The ""amendment"" offered by London Breed does nothing to prevent rent controlled buildings from being demolished. As I understand it, it says that Planning needs to ""study"" the topic. Which means that rent controlled units may in fact be demolished.

The legislation needs to be written so that rent controlled units are excluded IN PERPETUITY!

When you cite a figure of 1%, for example, you do not give the total number of new buildings you estimate in total. What is that figure?

And how did you come up with these figures? They seem to be pie-in-the-sky, to say the least!

We need tighter controls on building appearance. We need to avoid erecting more hideous structures such as the ""La Boulange"" building at 9th and Irving."

"Greetings President Fong and fellow Commissioners:

I am (we are) requesting that Noe Valley be either exempted from this program entirely or that its adoption be postponed until serious questions on its impacts are resolved.

Please consider:

The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts.

In its present form, it cannot reasonably guarantee any significant increase in affordable housing stock and could, in fact, displace a great number of our neighbors without any promise that they will have a home here in the future.

It removes individual projects from an established public input processes.

It stands to undermine the fundamental qualities of our neighborhood, as well as much of our City.

While we recognize that there may be certain larger sites near us (such as a proposal for the former Real Foods store on 24th Street) which could be put to better use, there are far too many smaller lots that would be subject to this program. And while we expect some changes along 24th Street, this program is far too extreme when looked at the overall neighborhood context.

We think that this rezoning needs much further study and should be folded into any study of the issues of affordability, transportation, infrastructure, public safety, preservation, and quality of life.

While we recognize that the affordability issue is complex and severe, it should not be solved by fundamentally changing the character of long-established and vibrant neighborhoods.

Thank you."

"Dear President Fong and Commissioners:

I am a resident of Noe Valley and am requesting that Noe Valley be exempted from this program entirely. Alternatively, I request that its adoption be postponed until serious questions regarding its impacts are considered and resolved.

I recently became aware of this program by sheer accident. I have seen nothing about this in any newspaper and doubt that many others are aware of it. A plan of this magnitude should be broadly publicized so that those in the City that will be affected have an opportunity to review and consider the potential impact.

While I appreciate the growing concern over affordable housing, this plan does not guarantee any significant increase in affordable housing stock and could, in fact, displace a great number of current residents without any promise that they will have a home here in the future.

Our neighborhood has been subjected to more than its fair share of building. During the past several years we have seen numerous properties "remodeled" into "monster houses" resulting in loss of light, privacy and open space. The increased density does not benefit the neighborhood but rather detracts from what once was a very charming little neighborhood.

Granted, certain larger sites (such as a proposal for the former Real Foods store on 24th Street) might be put to better use, there are far too many smaller lots that would be subject to this program. And, as I understand the proposal, it would remove individual projects from established public input processes. If that were to occur, the overall impact to the neighborhood would be detrimental.

Simply put, this program is far too extreme and any plan of rezoning needs much further study and should be folded into a comprehensive study of the issues of affordability, transportation, infrastructure, public safety, preservation, and quality of life.

Thank you."

"Greetings President Fong and fellow Commissioners:

We are requesting that Noe Valley be either exempted from this program entirely or that its adoption be postponed until serious questions on its impacts are resolved.

Please consider:

The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts.

In its present form, it cannot reasonably guarantee any significant increase in affordable housing stock and could, in fact, displace a great number of our neighbors without any promise that they will have a home here in the future.

It removes individual projects from an established public input processes.

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While we recognize that there may be certain larger sites near us (such as a proposal for the former Real Foods store on 24th Street) which could be put to better use, there are far too many smaller lots that would be subject to this program. And while we expect some changes along 24th Street, this program is far too extreme when looked at the overall neighborhood context.

We think that this rezoning needs much further study and should be folded into any study of the issues of affordability, transportation, infrastructure, public safety, preservation, and quality of life.

While we recognize that the affordability issue is complex and severe, it should not be solved by fundamentally changing the character of long-established and vibrant neighborhoods.

Thank you.

Ken Chin and Fion Shih"

"I just spoke with the Planning Commission President, Rodney Fong, and he mentioned that the planning commission is meeting today at 12pm to vote on whether the Density Bonus program should have a continuance, and he advised me to write to you to state that I am concerned about the density bonus program being applied to 24th St and Noe Valley in general. I am hoping the Commission can be made aware of this email but since the meeting is at 12pm today there is not a lot of time.

There have already been various residential developments in the area which are not in keeping with neighborhood character (such as the monster home straddling two lots on the corner of Hill St and Sanchez St) and having two extra floors of space on the 24th st corridor will definitely have a strong adverse affect on neighborhood character.

I understand there is a strong lack of affordable housing in san francisco but I do not believe the solution is to damage the character and potentially property prices of neighborhoods like Noe Valley, and I do not believe that enabling more and more people to come to the city should be a priority over the quality of life of people already living here. I would like the neighborhood density bonus program to be cancelled or sent back to the drawing board.

Yours sincerely

Tim Hart

415 938 7054

(Hill St by Noe St)"

"Supervisors:

Please do not approve the Affordable Housing Bonus Program (AHBP). The negative impacts outweigh the benefits that would be gained.

The character of many neighborhoods is threatened: The AHBP essentially throws out the zoning laws that have been carefully crafted over decades to protect and guide development in our city. It will disrupt neighborhood stability and character because it is an incentive for property owners to demolish low-rise buildings and cash out. It especially threatens renters and rent-controlled units as existing buildings are encouraged to be torn down.

As presented, the AHBP:

- Automatically allows building height increases by a minimum of 2 to 3 stories, reducing privacy and sunlight, and casting more shadows on nearby open space. THIS IS NOT GOOD URBAN DESIGN! Many blocks of the targeted streets are not commercial and are presently 1 to 3 storey residential buildings. Introduction and encouragement of random buildings twice the existing height is inappropriate in many places and is in violation of the spirit of the Housing Plan.
- Weakens existing environmental review requirements
- Approves increased density while ignoring our already overcrowded transit infrastructure
- Applies AHBP Design Guidelines throughout SF in areas where they are inappropriate.
- Authorizes increased density by allowing more units per building.
- Cuts property line setbacks with greater building bulk and more units (and people!) but less open space for those same building occupants;
- Restricts current advance notification rights for adjacent neighbors and limits public review: Will The Affordable Housing Bonus Program no longer require a zoning variance or conditional use permit for a developer who simply purports to offer housing to a certain demographic?
- The income requirements to live in an AHBP unit are much too high and will not help the majority of San Francisco residents who need housing.

While I do support the concept of encouraging and providing housing for middle and low income people, I strongly support the preservation of neighborhood density, livability and character which the proposed increased height limits will threaten. The mere fact that some of the targeted streets bear the burden of extra automobile traffic and bus routes or have a certain zoning classification should not make them vulnerable to the increase of existing heights—heights which have been developed and protected by zoning and building codes for decades.

Many blocks of the targeted streets are not commercial and are currently 1 to 3 storey residential buildings. Introduction and encouragement of random buildings twice the existing height is inappropriate in many places and is in violation of the spirit of the Housing Plan. Will The Affordable Housing Bonus Program no longer require a zoning variance or conditional use permit for a developer

who simply purports to offer housing to a certain demographic? Will San Francisco residents suddenly face a five to six storey building next door with no recourse?

Please, DO NOT approve the Affordable Housing Bonus Program. It was essentially drafted without community input. It needs to go back to the drawing board.

Thank you in advance!

Beth Lewis

571 25th Avenue

SF, CA 94121"

"Dear Planning Commissioners,

I am writing because I am concerned about the proposed Affordable Housing Bonus Program, which I feel does not accomplish reaching the affordable housing goals as set out by Prop K or Mayor Lee.

Mayor Lee's Affordable Housing Goals

In 2014 Mayor Lee announced three primary goals to address the City's housing shortage and affordable housing crisis:

- Construction of 30,000 new and rehabilitated homes throughout the City
- At least one-third of those permanently affordable to very low, low and moderate income families
- The majority of those within financial reach of working, middle class San Franciscans.

As proposed, this program includes 1/8 of permanently affordable units to low-moderate income families (12%) and 1/5 to working middle class San Franciscans (18%). This is not 1/3 or 1/2, respectively, and definitely not a majority. 88% of the units proposed under this plan would be households making 120AMI and above.

The plan includes a vast area that was not studied: Residential Mixed - Apts and Houses -- RM-1, RM-2, RM-3 are not a Mixed Use districts. They are residential zones, not ""mixed use"" despite the word ""Mixed"" in the name. RMs were not included in the prototypical sites in the study.

The plan has no consideration towards historic districts, like Alamo Square, where I live.

I was looking through the Market Octavia Plan, a process that Commissioner Richards was a part, which took 6 years to finalize. It is a thoughtful land use plan with many stakeholders at the table. The height limits were raised based on the nature of the surrounding neighborhoods. For example, as Market nears Castro Street, you have corner lots with slightly higher building heights and lower heights mid-block. Towards Octavia, the height limits were raised considerably.

How is it that we are now proposing to pass this proposal across a great part of San Francisco without much community input, and with such a broad brush for increasing height and density. This plan is just not well thought out and is being rushed through the process. You'll end up with 5-story buildings next to 2-story buildings, completely blocking out their natural sunlight and looking out of place in general.

I ask that you carefully consider these points and require alternatives to this proposal that consider surrounding neighborhood character, historic districts, and either study the RM districts to determine if this plan would work there, or exclude them from the plan.

Finally, any density or height bonus should be tied to higher amounts of traditional affordable housing, which is currently 12% on-site and would continue to be 12% on-site with this plan. Let's ask for more.

Thank you,

Gus Hernandez

District 5 resident"

"I'm writing to express my thorough dissatisfaction with the process and the idea that the AHBP seeks to implement. This construct has been used several times in SF history and all have had terrible outcomes. From displacing residents that support and maintain our city, to the lowest of low incomes. THIS WILL NOT FIX THE HOUSING CRISIS IN SF. You are all on the hook for whatever happens, so please, please, please do it right!

To fix the housing crisis, we need well thought out plans that are new and different. We need a better law around rent control, such as not subsidizing someone that owns property elsewhere and uses rent control to fund their other real estate ventures. We need to stop controlling rent for those making \$150k and up, and there are a ton of them. We need to make rent control work for those it was intended for – low income, poverty level income, maids, janitors, service industry, teachers, city workers, and others. None of the new housing units that are going up are providing even 1 unit for these people that they can actually afford. We have cranes all over the city building towers, yet they aren't for the poor or low income...they are for the rich tech workers who don't care whatsoever about SF. The live/work lofts that were allowed under Slick Willie did nothing for the low income which was part of what it was supposed to do. Many of these buildings don't have low income requirements due to being under 10 units, which they were purposefully designed as.

Going about this massive destruction of buildings that exist to allow them to be larger, denser, or taller won't fix the problem since you will displace hundreds or thousands of the people that make this city run. If you destroy the places they live, they will move and find work elsewhere. It was proven years ago when ""mass destruction for the betterment of the city"" took place in SF...read the history books and you will see. Massive demolition of units these people live in today will cause an implosion of the workforce needed to make our city a tourist and business destination. To build more units, we need it to be done in an orderly manner and not at once. We need it to be done with very specific rules and code – not based on getting it done quickly at expense of quality and esthetics. All of the new buildings in the

downtown area are ugly steel & glass with little to no design...and all for the rich with a \$4k, \$5k, \$10k monthly rental. We need to fine building owners that neglect or keep units from being rented, whether a business or residential unit. We have business locations in many areas of the city (significant in District 8) that have been closed for 5, 10 or even 20 years due to landlords. The longer a unit sits empty, the more the tax rate should be; incent for good behavior, cause impact for bad.

There are disgusting SROs in the Tenderloin and Chinatown that should be scrapped and rebuilt, but no owner will do so since they can't go above a certain height and the laws prevent this from being worthwhile. There are a couple recent buildings (jointly between the city, TNDC, Glide) that are proof the concept works and should be used and expanded. If this model were used in other locations around the city, we could actually solve for the low income AND the need for more housing.

Mayor Lee, the supervisors, and the planning commission should be ashamed of allowing all of the tech buses to run wild in the city as this is what has caused a majority of the nightmare we now have. Very few of the commuters will live here in 5, 10 or more years, but the destruction of the city will have long occurred when they leave and they won't care anyway. If these workers had to commute without all the luxury bus options, we would have more BART ridership (meaning more revenue for an existing system), we would have less ridiculous rent prices since more would live closer to their work, our city roads would not be destroyed by the big buses going through residential neighborhoods where they break trees, get stuck and rip up the asphalt, cause traffic backups, cause more noise for residents, and generally are a nuisance.

SF is a great city, but when we make bad decisions we will pay for them for years or decades or forever. Right now the decision on affordable housing and how to save or destroy are city are being considered. The plans are disastrous and completely unacceptable to a quality of life and a quality of a great city. Please consider that the decisions being made will be a legacy – hopefully you will vote this down and prevent the mass destruction of housing and take time to determine a better way to move forward."

"Dear Ms. Dischinger and Mr. Rahaim,

My name is Katherine and I'm a homeowner in the Richmond district. I recently learned with great dismay of the SF Planning Department's proposal to allow six or seven story apartment buildings in 75% of the Richmond district as part of the AHBP. I was even more disturbed to learn that no effort was made to notify residents and that the planning commission has been given only 90 days to decide whether to approve.

I strongly oppose this proposal for three reasons.

1. The Richmond has many historic homes and a rich and diverse cultural history. Neighborhoods are tightly knit in a way that is unusual for a big city. To force large apartment buildings into 75% of the district will destroy its architectural heritage and, worse, the fabric of the community.



2. The plan does not limit the building of tall apartment buildings to major corridors such as Geary Avenue. This is a problem because the houses are already packed close together and the avenues are narrow and closely spaced. To introduce tall apartment buildings onto the avenues will destroy privacy, block sunlight, and irrevocably change the character of the streets. Worse, it will look ridiculous. I can think of no better example to illustrate this than to point to Edith Macefield's ""Up"" home in Seattle.

3. To allow this development in 75% of the Richmond makes it appear that our district is expected to bear an unfair and unreasonable burden of the city's affordable housing problem. How is it possible that luxury skyscrapers are going up as fast as they can be built in the southern area of the city but there is no room for affordable housing there where, architecturally, it would integrate much better with the existing buildings?

The swift and silent way in which the attempt has been made to pass this proposal has alarmed residents in the Richmond and started the process off with a great deal of distrust. I respectfully ask for a continuance so that we as residents have a chance to give input on a proposal that has so much potential to negatively affect our lives and communities.

Thank you for your consideration.

Sincerely,

Katherine Harrison"

"Katy, I am writing you to express my views, and give direction, regarding this issue. I, and my wife, Helen, wish you to vote this ill conceived measure down. If a measure similar to this one is needed, it most certainly should be voted on by those who will be affected by district however, it is not even remotely clear that such a need, as expressed in the current proposal, exists. The current measure smacks of Dick Cheney energy policies, in its lack of transparency, and the fact that it is being presented to the voters with so little community input.

The proposed options for multi-story residences with no on site parking is, in my opinion, sheer idiocy. We live in a residential neighborhood, where rentals of existing units, often with two to four cars per unit, make parking on the streets difficult if not impossible, at present. Adding the parking requirements of such high density units does much to further the general impression, among our friends and neighbors in this area, that the profit motive among the developers of this plan were given so much more consideration than that of the City's residents, and that the whole plan should be thrown out.

We are citizens and voters, and we have long memories, having lived at our current address, which we own and occupy, for thirty-five years. Please act accordingly. Steve & Helen Thompson"

"President Fong and other Commissioners:

We are requesting that the Density ""Bonus"" program be abandoned entirely or that its adoption be postponed until serious questions on its impacts are resolved.

1)The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts.

2) In its present form, it is essentially a ""give-away"" to developers and cannot reasonably guarantee any significant increase in affordable housing stock and could, in fact, displace a great number of our neighbors without any promise that they will have a home here in the future.

3) It stands to undermine the fundamental qualities of our neighborhoods, as well as much of our City.

We think that this rezoning needs much further study and should be folded into any study of the issues of affordability, transportation, infrastructure, public safety, preservation, and quality of life.

Thank you,

David Tripp and Mary Le

San Francisco

(415) 401-7500"

"Dear Commissioners and Planners,

I wish to express my non support for the proposed Affordable Housing Density program that is to be voted on Jan.28, 2016 by the Planning Commissioners.

As a Historic Preservationist I worry that our beloved Victorian and Edwardian architecture, which define and contribute to our neighborhoods, will be vulnerable to demolition. Our Victorian and Edwardian era buildings create a charm which attract tourist's dollars and supplies much needed rent controlled housing. Although I hear a one year moratorium on rent control housing demolition is being amended to the bill, I believe that this must be a permanent feature to ensure the longevity of our Victorian architecture.

I am also very concerned about the increased density on our streets, freeways and freeway access, on our already overcrowded Muni system, and on our aging sewer and water infrastructure. We need a well thought out plan that addresses these concerns and the Affordable Housing Density Bonus program does not achieve this!

While there is a great need for truly affordable housing for the middle class and working poor, I do not believe this is the route to follow. I see this as a huge profit giveaway to developers. If the planners want more affordable units they should request the Board of Supervisors mandate it by law without giving a density bonus to developers.

Everyone I am speaking with in the neighborhoods just sees this as government corruption, greed by developers, and a chance to railroad thru a poor plan without much public input.

Please scrap this current version and ask all neighborhood groups to put their input into creating a well thought out plan that addresses Historic Preservation, protection of rent controlled units, traffic, utility infrastructure, rear yard setbacks, and shadowing of yards and streets.

Sincerely,

Jim Siegel

1198 Fulton Street

San Francisco, CA 94117"

"Dear Supervisor Breed,

I am a voter living in D5, and I am very concerned about the Affordable Housing Bonus Program (AHBP). I am a middle class, middle aged man, who lives in a rent-controlled apartment, and this proposal scares me. The fragile membrane between shelter and homelessness for middle class people in San Francisco gets thinner everyday.

I urge you as someone who has known challenge, as a representative, as president of the board of supervisors, and as a neighbor, to vote down this plan.

All Renting San Franciscans are watching this, many of whom live in D5. Please do the right thing, advocate to your colleagues and vote no on the Affordable Housing Bonus Program.

Seriously, we can do better.

Sincerely,

Peter Nasatir"

"Dear Planning Commission,

I am against the Affordable Housing Bonus Program and urge you to not allow it to go through.

Clearly there is a housing crisis in San Francisco but this plan does not take into consideration the quality of life for the existing residents in the neighborhoods. We do not have the infrastructure to accommodate an influx of residents at this point and this plan does not seem to take that into consideration.

We live in the outer Richmond. It already takes forever to get anywhere in the city. That is the one big disadvantage to living out here. The parking situation, public transportation and driving situation need to be addressed if more people are going to be living out here.

Many home owners could lose views, or worse, light with six and seven story buildings going up next to them. This will decrease the value of many homes.

Plus, as of last Saturday when I attended one of the meetings it was not clear if those living under rent control would be safe or not. That is unacceptable.

This plan has been in the works for months and months before any residents even heard about it. Many people still know nothing about this. This could dramatically change the face of our neighborhoods and residents should have a say in how more housing will be built.

Thank you for your time,

Susana Bates"

"And is that really the thing you want to be your legacy?

The way the Density Housing Plan is being railroaded through is certainly an indication that the only voices being heard at City Hall these days are the voices of the developers.

Please do the right thing by the citizens of San Francisco (and the Richmond District) and put a stop to it, or at the very least slow it down enough so that when the inevitable correction (market or seismic) happens we don't end up with Detroit on our hands. There was a time that the people thought the auto industry would continue to thrive forever too, and in response built quite a city...

I'd hate to see our beautiful San Francisco see the same fate.

Kristin Clark"

"The " Affordable Housing Density Bonus Program is a sham . Just another in the long line of developer give- away's. As if they weren't making enough money as it is. Every empty lot in this city has been filled in with luxury housing rising 4-7 stories high.

I strongly urge the mayor, the planning department and all the supervisors to say no to this flawed plan for a number of reasons. We simply cannot destroy existing structures to build 70% market rate housing and potentially eliminating rent controlled units. I understand that Supervisor Breed is trying to get an amendment to this plan but in reading further , it will allow rent controlled units to be exempt for only one year. That's just bogus . And then when you consider the verbiage "affordable " What does that mean these days? ?

With the massive displacement this city has seen over the last 4 years that has targeted the lower and middle class , this will further that displacement and affect those two groups the most.

As if all of the construction the city has seen over the last 3 -4 years hasn't been enough. Our transit infrastructure is not able to keep up with the added density we already have, this sort of development would surely bury MUNI.

As a long time tenant and resident in district five, I will note of all the supervisors who vote in favor of this plan and remind each and everyone one of them that this is an election year for all odd numbered districts. If you are truly tenant friendly, you had better walk the walk and not just talk.

NO to this plan. It's clearly a sham and will benefit no one but the people who need help the least, and that is the developers.

Vincent Pietromartire "

"I am opposed to the Affordable Housing Bonus Program (AHBP) as currently proposed because it threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses. Instead, I support a community-focused approach to planning as the Affordable Divis coalition has created with their Community Plan.

Eihway Su

170 Parnassus Ave., #2

SF CA 94117"

"Dear President Fong and fellow Commissioners:

I would appreciate your consideration in exempting Noe Valley from this program entirely or that its adoption be postponed until several serious issues are resolved, including the following:

The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts.

In its present form it could displace a great number of our neighbors without any promise that they will have a home here in the future. We are told rent-controlled buildings are exempt from this program. In fact, the exemption is not permanent, and in fact is under a one-year moratorium as stated in the amendment by Supervisor Tang

It removes individual projects from an established public input processes. This is especially worrisome in view of the 6-story height exemption.

It stands to undermine the fundamental qualities of our neighborhood, as well as much of our City. Six-story buildings have no place in Noe Valley with its 2-3 story buildings and narrow streets.

We think that this rezoning needs much further study and should be folded into any study of the issues of affordability, transportation, infrastructure, public safety, preservation, and quality of life

Affordable housing is a tough, complicated issue. However, it should not be solved by fundamentally changing the character and livability of long-established and vibrant neighborhoods.

Thank you.

Jim Morrell

308 Elizabeth St

San Francisco, CA

94114"

"Dear Mr. Ionin,

I wish to express my lack of support for this ""Affordable Housing Density Bonus Program"" as it has too many prospective negative effects on housing for the people who would be displaced. I regret not being able to attend the Commission's meeting today, and I wasn't sure to whom I should address my reservations. Hopefully you will be able to transmit this comment to the appropriate persons.

Thank you very much.

Leah Forbes

730 Elizabeth Street

San Francisco, CA 94114"

"I went to the 1/21/16 AHBP meeting in Noe Valley and tried to be open to both sides of the issue. The next day I got into quite an argument with a neighbor over this issue. She wants more housing in NV; I don't - or didn't. As we talked, I realized that I don't really mind the idea of more housing, just not at the cost of losing the character of NV that we all love so much. People want to live here because it is like a small town and because the houses, even if they are not perfect, have character. But I have become skeptical of any development after what I've seen happening here: the ugliest, 70's Medical Building architecture which seems to be replacing most of the houses being renovated or torn down. Is there really a Design Review Team? I've read the guidelines, and I can not see where they are being followed in this neighborhood. Take Walgreens, for example. If they added a facade that looked like the original Walgreens, I wouldn't mind. But if they do what they did on Cesar Chavez Street, I would. Is there no way to keep the character of the homes/buildings? If that was done, I think there would be much less opposition to increasing the volume of houses in these communities.... Carol Broderick, 367 Jersey Street, Noe Valley, SF"

"The beachside is a crucial part of our city and there should not be weight increases there."

"I am a very low income senior who has lived in my rent control for 30 years. I am very afraid I may fall through the cracks and be forced to move."

"A disguise that screams pro developer - bigger, taller (smaller units), less parking, less open space, and on. The problem is Muni - make it better, more frequent, etc. You "fix" everything - no pkg, etc, etc, but Muni rots!"

"You are trying to sell this program by showing us what larger attractive buildings can look like. You have not addressed the consequences of larger buildings on the quality of life. More traffic, more cars

looking for places to park because the projects will not have enough parking spaces, more overall congestion. There is no plan for parallel infrastructure or transportation improvement. The only people who will profit are the developers. You should all be ashamed of yourselves for destroying what makes this city special."

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"Thank you. I live in the Sunset. We need more density but smart. 7 floors okay w/me."

"Unfortunately, I will not be able to make the upcoming meeting on November 5, however I wanted to share my support for this plan. As a resident of Inner Richmond, I feel like this is a part of town well equipped in terms of future transit planning and space to help do more for the city in terms of housing residents. This program adds density that feels like it fits into the city well and provides room for me people like me, who have not been in the City all that long, to find out what makes this city so great. It's a much needed step toward making this a better, more equitable city for more people, newer and older residents alike.

Thanks for your consideration."

"I am a resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism prevent you from doing what's right for San Francisco. Please adopt this program.

I am a resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism prevent you from doing what's right for San Francisco. Please adopt this program."

"I am writing to express my strong support for the Density Bonus Program and its plan to allow increased density in certain transit accessible corridors around San Francisco, including Noe Valley, where I reside. As a renter in San Francisco, I directly face the challenges of ultra-high rents on a day to day basis. If I wanted to relocate, I would be unable to afford to do so, a direct result of the lack of available housing.

I know that you are having a meeting on January 28th. However, like many San Francisco residents, I work a full time job that does not allow me to leave in the middle of the day. I urge you to consider my opinion, and the silent voices of others unable to attend the City Hall meeting because they are too busy working to afford skyrocketing rent prices."

"I am a resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. In addition, the inclusion of apartments for those making up to ~\$92K per year is a brilliant recognition of the fact that middle-wage earners are getting squeezed just as much as those on the bottom end. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character — unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism deter you from doing what's right for San Francisco. Please adopt this program."

"Everyone agrees that San Francisco needs more housing, especially affordable housing. In order to bring rents down in general and create more affordable housing the Affordable Housing Bonus Program is being studied, created, and was presented to District 3. :Public could present questions, but was not invited to speak. On January 28 in City Hall, Room 400 from noon on there is the possibility of public input to the Planning Department.

The Affordable Housing Bonus Program proposes that an extra two floors can be added to existing height limits. The pictures presented illustrating how these two extra floors impact on the neighborhood were all from wide streets, I pointed out that District 3, the North East Corner of San Francisco has many



narrow alleys, An addition of two more floors to any of the high limits in an alley would cut out light, sun light, and create more traffic due to increased density, also reduce any quality of life. I mentioned that there are right now alley guide lines. They admitted that they have not addressed this problem of narrow alleys - present zoning with two extra floors, and they are going to look into it and into the existing alley guidelines.

Aaron Peskin was there, but had left by the time I was able to get this problem of narrow alleys to the attention of the presenters.

I hope the Planning Department is going to look into this and let the neighborhood organizations know about their suggestions of how to solve the alley problem.

The presenter Kirsten of the Planning Department was well informed and gave a comprehensive presentation of what right now is on the table. The Plan seems still to be a work in progress therefore important points are still under consideration. The Neighborhood Organizations should be able to give useful suggestions and work with the Planning Department on this plan. All this has a very big impact on the residents. I hope that a final plan will be presented to the voters for acceptance or rejection."

"Good Morning Supervisor,

My apologies for not attending the community meeting you held last night. Tuesdays are terribly busy with after-school activities for my children. My daughter is on the St. Ignatius swim team. Go Hammerheads. My other two had their capoeira class.

A neighbor who attended the meeting told me that you proposed eliminating the blocks from Great Highway and from Lincoln to Lawton from the AHBP program.

This is wonderful news! I just wanted to confirm with you. Would the map be altered before the SF Planning Department votes on the legislation? Our concern is that once it reaches the committee and subsequently, the full board that your amendment could be voted down.

Also, many of us are wondering if you plan on introducing some of your earlier plans from the Sunset Blueprint of encouraging new business development, secondary units in rear yards, and legalization of in-laws. If I am not mistaken, many neighbors supported these measures.

Thank you Katy,

Warm Regards,

Tim Murphy"

"President Fong and fellow Commissioners:

I am a homeowner and resident of Noe Valley, and I am writing to express my support for the Affordable Housing Bonus Program (AHBP). Some neighbors are opposed to the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a housing crisis. Although the AHBP cannot solve the problem alone, it is one of the best solutions on the table.

We can both gradually grow our housing stock and maintain neighborhood character — unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism deter you from doing what's right for San Francisco. Please adopt this program.

Thank you,

Jonathan Perlow"

"Commissioners,

I would like to draw your attention to the Department's recommendation for the Affordable Housing Bonus Program (AHBP), items 7a/b on your January 28th agenda. Staff would like to use this time to provide an update on feedback from the nearly 20 community meetings and amendments made to the draft legislation. We anticipate that these updates information will narrow the breadth of considerations. We are recommending that after the hearing, the item be continued until April 7th, to provide staff time to address remaining considerations and complete a few more community meetings, including a second meeting in District 10.

""Preliminary Recommendation: Hold the hearing as scheduled and continue action to April 7, 2016""

Further, I'd like to address a comment made by a member of the public about the AHBP outreach at your last hearing. There was an assertion that staff were excluding and/or targeting specific organizations, including in one instance, reaching out to an advocacy group via personal email. This is not an accurate nor is it a fair portrayal of staff's work. Staff has attempted to engage in broad outreach, including conducting nearly 20 community meetings. In so doing, they have not contacted any group from a personal account but have on occasion, as part of our outreach, used a contact work Google account. In these instances, any entries have been linked explicitly to: kearstin.dischinger.sfgov.org@gmail.com - which is used exclusively for City business.

Thank you for your time and attention to this important project.

Best.

Gil Kelley

GIL KELLEY, FAICP

Director of Citywide Planning

**Exhibit D Public Comment**  
**Hearing Date: February 25, 2016**

**CASE NO. 2014-001503PCA**  
**Affordable Housing Bonus Program**

Planning Department

City and County of San Francisco

1650 Mission Street, Suite 400

San Francisco, California 94103

gil.kelley@sfgov.org"

"Greetings President Fong and fellow Commissioners:

I am a resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character — unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism deter you from doing what's right for San Francisco. Please adopt this program.

--

Fred Stevens-Smith

+1-650-526-8703"

"Hi! I am a San Francisco voter and resident in Nob Hill. I am in favor of the AHBP, and anything that will bring more housing supply to San Francisco. Don't let the haters get you down :(

Let me know what I can do/who I can write to help support."

"Hi,

I am a SF resident and voter living in Nob Hill. I'm writing to express my support for the Affordable Housing Bonus Program. I think it's a great idea to bring more housing to SF and I think the measures in the bill to protect existing residents are more than fair.

Sincerely,

Kevin Burke"

"Greetings President Fong and fellow Commissioners:

I am a resident of Noe Valley, and I am writing to express my full support for the Affordable Housing Bonus Program (AHBP). Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

Opponents are using scare tactics and spreading misinformation on social media. Don't let obstructionism deter you from doing what's right for San Francisco. Please adopt this program.

Thank you,

Robert Kahn

3963 Cesar Chavez"

"Dear President Fong, and fellow Commissioners:

This note starts with a simple concept: Charm is more than a Gingerbread façade.

I'll explain.

Ever since I moved to SF 10 years ago, I've lived in Noe Valley. My friends and I (now all professional 30-40-somethings) are the same: we live in and/or simply love calling Noe Valley home (the youngest of us, me, for no less than 10 years; some others reaching the 20-year-plus mark). We love the progress and booming technology sector (that now most of us work in - from everyone's favorite car-sharing app, to fintech, to enterprise software startups), but we also love the working-class roots of Noe Valley and the neighborhood's ability to blend of those roots at spots like The Valley Tavern on one hand, Paxti's Pizza on the other. The truth is, the ""charm"" of Noe Valley doesn't only lie in a century-old Gingerbread façade. It lies in the authenticity of Noe Valley: a place where construction workers, avid Niner fans that get a little too rowdy, and happy-houring-Google-Bus-goers alike can grab a cold pint and either an pretty-OK sushi to go order (Hamano), a decent submarine sandwich (Subs Inc.) or a fancy mediterranean platter (Novy). But the charm of Noe Valley goes away the instant it becomes the bland product of some neurotic protectionists, where everything is engineered to be perfectly posh on the outside, but actually lacks character on the inside.

Preventing this sad outcome is a direct product of our ability to let Noe grow, as well as not exempting Noe Valley from the Affordable Housing Bonus Program. Heck, if a dozen ""well off"" and stereotypically ""techie"" folks like me and my friends can't really consider purchasing homes/apartments in the neighborhood (essentially investing in our futures in Noe Valley) just when we're all reaching what's normally a home-buying point in our lives, certainly more working class, and/or municipal-oriented folks

like teachers, cops, and firefighters can't. Many of those folks rely on Noe's southern location for the same reasons others do: proximity to the Peninsula, freeways, etc. Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis that's affecting a wide spectrum of people, from upper middle class to middle class to lower-income / very-working-class families. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character — unless the term character is really code for exclusivity. If any neighborhood does not do its part, it pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

And that's sad to me. A boring, bland, exclusive, homogenized Noe Valley is a sad Noe Valley, and a sad SF. In short, if the only people who can live longterm in Noe Valley are the super rich, what makes the neighborhood unique and interesting in the first place eventually dies.

I am just another proud, swooning resident of Noe Valley, but I am writing to express my full support for the AHBP. Some neighbors are fighting the program and asking for Noe Valley to be exempted. They do not represent me.

Thanks for your time,

Emilie Cole

573 Eureka Street"

"I support increased density along transit corridors. We desperately need more housing in San Francisco. I know that appears to be opposition in Noe Valley so I want to weigh in as a supporter.

Cynthia Gregory

418 Duncan St

San Francisco CA 94131"

**Requested Amendments from Legislative Sponsor**

Underline text is proposed language  
 Strikethrough is deleted language  
 Italics is existing language

Page number	Line Number	Section	Changes
9	21	Section 206.3 (b) Local Affordable Housing Bonus Program-Applicability	<i>(1) contains <del>three</del> <u>five</u> or more residential units, as defined in Section 102, not including any Group Housing as defined in Section 102, efficiency dwelling units with reduced square footage defined in Section 318, and Density Bonus Units permitted through this Section 206.3, or any other density bonus;</i>
10	10	Section 206.3 (b) Local Affordable Housing Bonus Program-Applicability	<i>(2) is located in any zoning district that: (A) is not designated as an RH-1 or RH-2 Zoning Districts; and (B) establishes a maximum dwelling unit density through a ratio of number of units to lot area, including RH-3, RM, RC, C-2, Neighborhood Commercial, Named Neighborhood Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts; but only if the SoMa Mixed Use District has a density measured by a maximum number of dwelling units per square foot of lot area; (C) is in the Fillmore Neighborhood Commercial Transit District and Divisadero Neighborhood Commercial Transit District; and (D) is not in the North of Market Residential Special Use District, Planning Code Section 249.5 until the Affordable Housing Incentive Study is completed at which time the Board will review whether the North of Market Residential Special Use District should continue to be excluded from this Program. The Study will explore opportunities to support and encourage the provision of housing at the low, moderate, and middle income range in neighborhoods where density</i>

			<p><i>controls have been eliminated. The goal of this analysis is to incentivize increased affordable housing production levels at deeper and wider ranges of AMI and larger unit sizes in these areas through 100% affordable housing development as well as below market rate units within market rate developments; and (E) is not located on property under the jurisdiction of the Port of San Francisco.</i></p>
22, 23		<p>Section 206.5 (b) State Residential Density Bonus Program: Analyzed-Applicability</p>	<p><i>(D) is located in any zoning district that: (i) is not designated as an RH-1 or RH-2 Zoning District; (ii) establishes a maximum dwelling unit density through a ratio of number of units to lot area, including but not limited to, RH-3, RM, RC, C-2, Neighborhood Commercial, Named Neighborhood Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts, but only if the SoMa Mixed Use District has a density measured by a maximum number of dwelling units per square foot of lot area; (iii) is in the Fillmore Neighborhood Commercial Transit District and Divisadero Neighborhood Commercial Transit District; and <del>(D)</del>-(iv) is not in the North of Market Residential Special Use District, Planning Code Section 249.5 until the Affordable Housing Incentive Study is completed at which time the Board will review whether the North of Market Residential Special Use District should continue to be excluded from this Program. The Study will explore opportunities to support and encourage the provision of housing at the low, moderate, and middle income range in neighborhoods where density controls have been eliminated. The goal of this analysis is to incentivize increased affordable housing production levels at deeper and wider ranges of AMI and larger unit sizes in these areas through 100% affordable housing development as well as below market rate units within market rate developments; (v) is not located on property under the</i></p>

			<u>jurisdiction of the Port of San Francisco.</u>
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The following are amendments proposed by Supervisor Breed, which the Legislative Sponsors (Mayor Ed Lee and Supervisor Tang) would like to incorporate into the Ordinance.

Page number	Line Number	Section	Changes
12	3	Section 206.3 (c) Local Affordable Housing Bonus Program-Requirements	<p><del><i>(5) Provides replacement units for any units demolished or removed that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are units qualifying for replacement as units being occupied by households of Low or Very Low Income, consistent with the requirements of Government Code section 65915(c)(3).</i></del></p> <p><del><i>(6) (5) Unless and until the Planning Department study required in Section 206.8 is completed and any legislative action taken, does not demolish, remove or convert any units that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37; and,</i></del></p> <p><del><i>(7) Provides replacement units for any units demolished or removed that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are units qualifying for replacement as units having been subject to a recorded</i></del></p>



			covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income or <i>being occupied by households of Low or Very Low Income, consistent with the requirements of Government Code section 65915(c)(3).</i>
14	19	Section 206.9 (e) (1) (A) (ii) Local Affordable Housing Bonus Project Implementation	<u>(ii) A signed affidavit in a form acceptable to the Planning Department and City Attorney establishing that no units on the property are or were subject to rent control within the preceding 5 years, and document of the</u> <del>The</del> <u> number of dwelling units which are on the property, or if the dwelling units have been vacated or demolished in the five year period preceding the application, have been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through the City or other public entity's valid exercise of its police power</u> <del>not including rent control;</del> <u> or occupied by lower or very low income households;</u>
23	23	Section 206.5 (b) State Residential Density Bonus Program: Analyzed- Applicability	<del>(H) Unless and until the Planning Department study required in Section 206.8 is completed and any legislative action taken, does not demolish, remove or convert any units that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37; and,</del>  <u>(I) Provides replacement units for any units demolished or removed that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are units qualifying for replacement as units having been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income or being occupied by households of Low or Very Low Income, consistent with the requirements of</u>

			<i>Government Code section 65915(c)(3).</i>
29	24	Section 206.9 (d) (7) Applicability State Residential Density Bonus Program: Application	<u>(ii) A signed affidavit in a form acceptable to the Planning Department and City Attorney establishing that no units on the property are or were subject to rent control within the preceding 5 years, and document of the</u> <i>The number of dwelling units which are on the property, or if the dwelling units have been vacated or demolished in the five year period preceding the application, have been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through the City or other public entity's valid exercise of its police power</i> <u>not including rent control;</u> <i>or occupied by lower or very low income households;</i>

[General Plan Amendment – Affordable Housing Bonus Programs]

Ordinance amending the General Plan to make conforming changes in association with legislation creating the Affordable Housing Bonus Program by amending the Housing Element, Urban Design Element, Van Ness Avenue Area Plan, Chinatown Area Plan, Downtown Area Plan, and Northeastern Waterfront Area Plan; making findings, including findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1 and affirming the Planning Department's determination under the California Environmental Quality Act.

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

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

Section 1. Findings.

(a) Charter Section 4.105 and Planning Code Section 340 provide that the Planning Commission shall periodically recommend to the Board of Supervisors, for approval or rejection, proposed amendments to the San Francisco General Plan.

(b) Planning Code Section 340 provides that an amendment to the General Plan may be initiated by a resolution of intention by the Planning Commission, which refers to, and incorporates by reference, the proposed General Plan amendment. Section 340 further provides that the Planning Commission shall adopt the proposed General Plan amendment after a public hearing if it finds from the facts presented that the public necessity, convenience

1 and general welfare require the proposed amendment or any part thereof. If adopted by the  
2 Commission in whole or in part, the proposed amendment shall be presented to the Board of  
3 Supervisors, which may approve or reject the amendment by a majority vote.

4 (c) The Affordable Housing Bonus Program implements Housing Element Program  
5 39b. The Affordable Housing Bonus Program provides incentives for developers to include  
6 more affordable housing for very low, low, moderate, and middle-income households.  
7 Development bonuses, such as increased density, would be offered on a graduated scale  
8 based on the percentage of affordable units provided. This proposed Program is one of the  
9 tools put forward by the City to address its affordable housing goals. The proposed Affordable  
10 Housing Bonus Program goals are to: (1) increase the numbers of on-site affordable units; (2)  
11 improve feasibility of underutilized sites; (3) increase availability of middle-income housing;  
12 and (4) expedite entitlement of 100 percent affordable housing units.

13 (d) Pursuant to Planning Code Section 340, the Planning Commission initiated this  
14 amendment on \_\_\_\_\_, 2015, in Motion No. \_\_\_\_\_. Pursuant to Planning Code Section  
15 340 and Charter Section 4.105, the Planning Commission adopted this amendment to the  
16 various elements of the General Plan on \_\_\_\_\_, 2015 in Resolution No. \_\_\_\_\_, finding that  
17 this amendment serves the public necessity, convenience and general welfare, and is in  
18 conformity with the General Plan and the eight Priority Policies in Planning Code Section  
19 101.1.

20 (e) The Planning Department has determined that the actions contemplated in this  
21 ordinance comply with the California Environmental Quality Act (California Public Resources  
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
23 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference. The Board affirms  
24 this determination.  
25

1 (f) The \_\_\_\_\_, 2015 letter from the Planning Department transmitting the proposed  
2 General Plan amendment to various elements of the General Plan associated with the  
3 Affordable Housing Bonus Program, and the resolutions adopted by the Planning  
4 Commission with respect to the approval of this amendment General Plan, are on file with the  
5 Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

6 (g) The Board of Supervisors finds, pursuant to Planning Code Section 340, that  
7 this General Plan amendment, set forth in the documents on file with the Clerk of the Board in  
8 File No. \_\_\_\_\_, will serve the public necessity, convenience and general welfare for the  
9 reasons set forth in Planning Commission Resolution No. \_\_\_\_\_ and incorporates those  
10 reasons herein by reference.

11 (h) The Board of Supervisors finds that this General Plan amendment, as set forth  
12 in the documents on file with the Clerk of the Board in Board File No. \_\_\_\_\_, is in  
13 conformity with the General Plan and the eight priority policies of Planning Code Section  
14 101.1 for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_. The Board  
15 hereby adopts the findings set forth in Planning Commission Resolution No. \_\_\_\_\_ and  
16 incorporates those findings herein by reference.

17  
18 Section 2. The San Francisco General Plan is hereby amended by revising the text,  
19 tables, and maps in the specified sections of the Housing Element, Urban Design Element,  
20 Van Ness Avenue Area Plan, Chinatown Area Plan, Downtown Area Plan, and Northeastern  
21 Waterfront Area Plan, as follows:

22 **Housing Element**

23 **Map 6 – Generalized Permitted Housing Densities by Zoning Districts**

24 Add this language under the legend:  
25

1        \*To encourage greater levels of affordability on-site, the City may adopt affordable housing  
2 policies to permit general densities that are higher than shown here.

3  
4        Table I-58 - Generalized Permitted Housing Densities by Zoning Districts

5        Add this language to the bottom of table:

6        \* To encourage greater levels of affordability on-site, the City may adopt affordable housing  
7 policies to permit general densities that are higher than shown here.

8  
9        POLICY 7.7 Support housing for middle income households, especially through  
10 programs that do not require a direct public subsidy such as providing development incentives for  
11 higher levels of affordability, including for middle income households.

12  
13        POLICY 11.3 Ensure growth is accommodated without substantially and adversely  
14 impacting existing residential neighborhood character.

15        Accommodation of growth should be achieved without damaging existing residential  
16 neighborhood character. In community plan areas, this means development projects should  
17 adhere to adopted policies, design guidelines and community review procedures. In existing  
18 residential neighborhoods, this means development projects should defer to the prevailing  
19 height and bulk of the area, while recognizing that the City may maintain neighborhood character  
20 while permitting larger overall building mass for projects including more affordable units on-site.

21        To ensure character is not impacted, the City should continue to use community  
22 planning processes to direct growth and change according to a community-based vision. The  
23 Planning Department should utilize residential design guidelines, neighborhood specific  
24 design guidelines, and other documents describing a specific neighborhoods character as  
25

1 guideposts to determine compatibility of proposed projects with existing neighborhood  
2 character.

3 The Department should support the adoption of neighborhood-specific design  
4 standards in order to enhance or conserve neighborhood character, provided those guidelines  
5 are consistent with overall good-planning principles and help foster a more predictable, more  
6 timely, and less costly pre-development process. To this end, the Department should develop  
7 official procedures for submittal of neighborhood-initiated design guidelines, for review by  
8 Department staff, and for adoption or endorsement.

9  
10 POLICY 11.5 Ensure densities in established residential areas promote compatibility  
11 with prevailing neighborhood character.

12 Residential density controls should reflect prevailing building types in established  
13 residential neighborhoods. Particularly in RH-1 and RH-2 areas, prevailing height and  
14 bulk patterns should be maintained to protect neighborhood character. Other strategies to  
15 maintain and protect neighborhood character should also be explored, including  
16 "neighborhood livability initiatives" that could examine guidelines and principles to preserve  
17 what is beloved about the area. Such an initiative could result in strategies to  
18 improve the appearance and accessibility of neighborhood commercial districts, or  
19 neighborhood specific design guidelines for specific RH-1 and RH-2 neighborhoods. Outside of  
20 RH-1 and RH-2 neighborhoods, the City may maintain neighborhood character while permitting larger  
21 overall building mass for projects including more affordable units on-site.

## 22 23 Urban Design Element

24 Objective 3: Moderation of Major New Development To Complement The City Pattern,  
25 The Resources To Be Conserved, And The Neighborhood Environment.

1 As San Francisco grows and changes, new development can and must be fitted in with  
2 established city and neighborhood patterns in a complementary fashion. Harmony with  
3 existing development requires careful consideration of the character of the surroundings at  
4 each construction site. The scale of each new building must be related to the prevailing height  
5 and bulk in the area, and to the wider effects upon the skyline, views and topographic form.  
6 Designs for buildings on large sites have the most widespread effects and require the greatest  
7 attention.\*

8 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
9 *policies to permit projects heights that are several stories taller and building mass that is larger than*  
10 *described here.*

#### 12 Map 4 - Urban Design Guidelines for Height and Bulk Districts

13 Add additional bullet point in box at bottom of page:

14 *→To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
15 *policies to permit heights that are several stories taller than described here.*

16 *Refer to the Affordable Housing Bonus Program Design Guidelines.*

#### 18 Map 5 - Urban Design Guidelines for Bulk of Buildings

19 Add additional bullet point in box at bottom of page:

20 *→To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
21 *policies to permit heights and bulk restrictions that are several stories taller than described here.*

22 *Refer to the Affordable Housing Bonus Program Design Guidelines.*

#### 24 Van Ness Avenue Area Plan



1 Objective 1: Continue existing Commercial Use of the avenue and add a significant  
2 increment of new housing. Redwood to Broadway

3 Although there are 18 buildings containing 980 dwelling units in this subarea most of  
4 the buildings are in non-residential use.

5 This section of Van Ness Avenue is one of the few areas in the city where new housing  
6 can be accommodated with minimal impacts on existing residential neighborhoods and public  
7 services.

8 Some of the features that make the area attractive for medium density mixed use  
9 development with high density housing are as follows:

10 This 16 block strip along Van Ness Avenue maintains a "central place" location and  
11 identity. The area is close to the city's major employment center, is well-served by transit, has  
12 well developed infrastructure (roadway, water, sewer and other public services), wide  
13 roadway (93+ feet) and sidewalks (16+ feet), has continuous commercial frontage and  
14 numerous attractive, architecturally outstanding buildings.

15 There are a number of large parcels which are substantially under-developed.

16 A height limitation of between 80 and 130 ft.\* would allow sufficient development to  
17 make feasible over time the construction of housing on under used parcels.

18 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
19 *policies to permit heights that are several stories taller than described here.*

20  
21 POLICY 5.1 Establish height controls to emphasize topography and adequately frame  
22 the great width of the Avenue.

23 Existing height limits on the Avenue range from 40 feet at the northern end to 130 feet  
24 in the central portion. This height differentiation responds to topographic conditions as well as  
25 land use patterns, maintaining distinctions between areas of different character. For example,

1 height districts are gradually tapered from 130 feet around the hilltop at Washington Street to  
2 80 feet at Pacific Avenue and further to 65 and 40 feet towards the Bay shoreline. Although  
3 the majority of existing height controls are adequate to define both the overall topography as  
4 well as the great width of the Avenue, the height limit between California and Pacific Streets  
5 should be lowered from the existing 130/105-ft. level to 80 ft. in order to facilitate the transition  
6 between the greater building heights along the southern part of the Avenue and the mostly  
7 low-rise residential development north of Broadway. Development to maximum height should  
8 be closely monitored to avoid blocking views between the high slopes on both sides of the  
9 Avenue. Good proportion between the size of a street and that of its buildings is important for  
10 streets to be interesting and pleasant places. The proposed height limits, combined with the  
11 Van Ness Plan's proposed bulk controls, encourage definition of the 93-foot wide Avenue.\*

12 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
13 *policies to permit heights that are several stories taller than described here.*

14  
15 Policy 5.3 Continue the street wall heights as defined by existing significant buildings  
16 and promote an adequate enclosure of the Avenue.

17 New construction on Van Ness Avenue can occur in two basic situations. In some  
18 cases, the development will take place between or adjacent to architecturally significant  
19 buildings. In this instance, continuity of design and scale between the old and the new is of  
20 major importance. In other cases, new development will take place in a more isolated design  
21 context; for example, between two existing two-story, non-descript commercial structures. In  
22 this instance, the overall continuity of scale along the Avenue is of greater importance than  
23 the design character of adjacent buildings. Setbacks of up to 20 feet in depth should be  
24 considered for all new development above 40 feet in height and should be required whenever  
25 necessary to continue existing significant street wall heights and to define an adequate

1 enclosure of the Avenue\*. Setbacks can also serve to buffer the upper-level residential units  
2 from street-level noise.

3 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
4 *policies to permit heights that are several stories taller and building mass that is larger than described*  
5 *here.*

6  
7 Map 1 - Van Ness Avenue Area Plan and Generalized Land Use and Density Plan

8 Add following asterisk to bottom of page:

9 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
10 *policies to permit heights that are several stories taller and building mass that is larger than described*  
11 *here.*

12  
13 Map 2 - Van Ness Avenues Area Plan Height and Bulk Districts Map

14 Add following asterisk to bottom of page:

15 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
16 *policies to permit heights that are several stories taller and building mass that is larger than described*  
17 *here.*

18  
19 **Chinatown Area Plan**

20 POLICY 1.1 Maintain the low-rise scale of Chinatown's buildings.

21 Although adjacent to Downtown, Chinatown is not the appropriate setting for tall  
22 buildings. Seventy five percent of the structures in Chinatown are three stories or less in  
23 height. Height districts in the Planning Code should be based on the generalized height plan  
24 below.\* Requiring setbacks for new buildings above three stories will help achieve a  
25 complementary scale.

1           *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
2 *policies to permit heights that are several stories taller and building mass that is larger than described*  
3 *here.*

4  
5           Map 1 - Chinatown Area Plan Generalized Height Plan

6           Add following asterisk to bottom of map:

7           *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
8 *policies to permit heights that are several stories taller and building mass that is larger than described*  
9 *here.*

10  
11          Map 3 - Chinatown Area Plan Land Use and Density Plan

12         **Add following asterisk to bottom of map:**

13         *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
14 *policies to permit heights that are several stories taller and building mass that is larger than described*  
15 *here.*

16  
17         **Downtown Area Plan**

18         Map 1 – Downtown Land Use and Density Plan

19         Add additional bullet in 'Map to be edited' box:

20         *-To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
21 *policies to permit heights that are several stories taller and building mass that is larger than described*  
22 *here.*

23  
24         Map 5 - Downtown Area Plan Downtown Height and Bulk Districts

25         Add additional bullet in 'Map to be edited' box:

1 -To encourage greater levels of affordability on-site, the City may adopt affordable housing  
2 policies to permit heights that are several stories taller and building mass that is larger than described  
3 here.

#### 5 **Northeastern Waterfront Area Plan**

6 Objective 10: To develop the full potential of the northeastern waterfront in accord with  
7 the unusual opportunities presented by its relation to the bay, to the operating port, fishing  
8 industry, and downtown; and to enhance its unique aesthetic qualities offered by water,  
9 topography, views of the city and bay, and its historic maritime character

10 Policy 10.26: Restrict development south of Broadway to the Height and Bulk Districts  
11 shown on Map 2.\*

12 \*To encourage greater levels of affordability on-site, the City may adopt affordable housing  
13 policies to permit heights that are several stories taller than described here.

#### 15 **Map 2 Northeast Waterfront Area Plan Height and Bulk Plan (Map 2)**

16 Add following asterisk under legend:

17 \*To encourage greater levels of affordability on-site, the City may adopt affordable housing  
18 policies to permit heights that are several stories taller than described here.

20 Policy 26.27 Change the Height and Bulk District on Block 3743 from 84-E to 40-X.  
21 Change the Height and Bulk District on the rest of the Rincon Park Site to open space.\*

22 \*To encourage greater levels of affordability on-site, the City may adopt affordable housing  
23 policies to permit heights that are several stories taller than described here.

1 Policy 30.18: Develop housing in small clusters of 100 to 200 units. Provide a range of  
2 building heights with no more than 40 feet in height along the Embarcadero and stepping up  
3 in height on the more inland portions to the maximum of 160 feet. In buildings fronting on  
4 Brannan Street in the 160 foot height area, create a strong base which maintains the street  
5 wall created by the residential complex to the east and the warehouse buildings to the west.  
6 Orient the mix of unit types to one and two bedrooms and include some three and four  
7 bedroom units. Pursue as the income and tenure goals, a mix of 20 percent low, 30 percent  
8 moderate and 50 percent middle and upper income, and a mix of rental, cooperative, and  
9 condominium units.\*

10 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
11 *policies to permit heights that are several stories taller than described here.*

12  
13 Policy 30.22: Do not permit buildings to exceed 65 percent coverage of land or parking  
14 podium. To the maximum extent feasible, provide open space at ground level and provide  
15 planting in the ground. Ensure that any open space on top of a podium provides easy  
16 pedestrian and visual transition from the sidewalk.\*

17 *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
18 *policies to permit heights that are several stories taller than described here.*

19  
20 Section 3. The Board of Supervisors hereby approves the following amendments to  
21 the General Plan Land Use Index:

22 The Land Use Index shall be updated as necessary to reflect the amendments set forth  
23 in Section 2, above.

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

5  
6           Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
10 additions, and Board amendment deletions in accordance with the "Note" that appears under  
11 the official title of the ordinance.

12  
13 APPROVED AS TO FORM:  
14 DENNIS J. HERRERA, City Attorney

15 By:



16 SUSAN CLEVELAND-KNOWLES  
17 Deputy City Attorney

18 n:\legan\alas2015\1600094\01052627.docx  
19  
20  
21  
22  
23  
24  
25

[Planning Code – Affordable Housing Bonus Programs]

**Ordinance amending the Planning Code to create the Affordable Housing Bonus Programs, consisting of the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing Bonus Program, the Analyzed State Density Bonus Program and the Individually Requested State Density Bonus Program, to provide for development bonuses and zoning modifications for affordable housing, in compliance with, and above those required by the State Density Bonus Law, Government Code Section 65915 et seq.; to establish the procedures in which the Local Affordable Housing Bonus Program and the 100 Percent Affordable Housing Bonus Program shall be reviewed and approved; adding a fee for applications under the Program; and amending the Planning Code to exempt projects from the height limits specified in the Planning Code and the Zoning Maps; and affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.**

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

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

Section 1.



1 (a) The Planning Department has determined that the actions contemplated in this  
2 ordinance comply with the California Environmental Quality Act (California Public Resources  
3 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
4 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference. The Board  
5 affirms this determination.

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

11 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code  
12 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth  
13 in Planning Commission Resolution No. \_\_\_\_\_, and the Board incorporates such  
14 reasons herein by reference.

15  
16 Section 2. The Planning Code is hereby amended by adding Section 206 through  
17 206.8 to read as follows:

18 **SEC. 206. THE AFFORDABLE HOUSING BONUS PROGRAMS.**

19 *This section shall be known as the Affordable Housing Bonus Programs, which includes the*  
20 *Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing Bonus Program, the*  
21 *Analyzed State Density Bonus Program and the Individually Requested State Density Bonus Program.*

22 **SEC. 206.1. PURPOSE AND FINDINGS.**

23 *(a) The purpose of the Affordable Housing Bonus Programs is to facilitate the development and*  
24 *construction of affordable housing in San Francisco. Affordable housing is of paramount statewide*  
25 *concern, and the California State legislature has declared that local and state governments have a*

1 responsibility to use the powers vested in them to facilitate the improvement and development of  
2 housing to make adequate provision for the housing needs of all economic segments of the community.  
3 The State Legislature has found that local governments must encourage the development of a variety of  
4 types of housing for all income levels, including multifamily rental housing and assist in the  
5 development of adequate housing to meet the needs of low- and moderate-income households.

6 (b) Affordable housing is an especially paramount concern in San Francisco. San Francisco  
7 has one of the highest housing costs in the nation, but San Francisco's economy and culture rely on a  
8 diverse workforce at all income levels. It is the policy of the Board of Supervisors to provide housing  
9 to these workers and ensure that they pay a proportionate share of their incomes to live in adequate  
10 housing and to not commute ever-increasing distances to their jobs. The Association of Bay Area  
11 Governments determined that San Francisco's share of the Regional Housing Need for January 2015  
12 to June 2022 was provision of 28,870 new housing units, with 6,234 (or 21.6%) as very low, 4,639 (or  
13 16.1%) as low, and 5,460 (or 18.9%) as moderate income units.

14 (c) This Board of Supervisors, and the voters in San Francisco, have long recognized the need  
15 for the production of affordable housing. The voters, or this Board have adopted measures such as the  
16 establishment of the mandatory Inclusionary Affordable Housing Ordinance in Planning Code section  
17 415; the San Francisco Housing Trust Fund, adopted in 2012, which established a fund to create,  
18 support and rehabilitate affordable housing, and set aside \$20 million in its first year, with increasing  
19 allocations to reach \$50 million a year for affordable housing; the adoption of Proposition K in 2014  
20 which established as City policy that the City, by 2020, will help construct or rehabilitate at least  
21 30,000 homes, with more than 50% of the housing affordable for middle-income households, and at  
22 least 33% as affordable for low-and moderate income households; and the multiple programs that rely  
23 on Federal, State and local funding sources as identified in the Mayor's Office of Housing and  
24 Community Development Comprehensive Plan.

1           (d) Historically, in the United States and San Francisco, affordable housing requires high  
2 levels of public subsidy, including public investment and reliance on public dollars. Costs to subsidize  
3 an affordable housing unit vary greatly depending on a number of factors, such as household income of  
4 the residents, the type of housing, and the cost to acquire land acquisition. Currently, MOHCD  
5 estimates that the level of subsidy for an affordable housing units is approximately \$250,000 per unit.  
6 Given this high cost per unit, San Francisco can only meet its affordable housing goals through a  
7 combination of increased public dollars dedicated to affordable housing and other tools that do not  
8 rely on public money.

9           (e) Development bonuses are a long standing zoning tool that enable cities to encourage  
10 private development projects to provide public benefits including affordable housing. By offering  
11 increased development potential, a project sponsor can offset the expenses necessary to provide  
12 additional public benefits. In 1979, the State of California adopted the Density Bonus Law,  
13 Government Code section 65915 et seq, which requires that density bonuses and other concessions and  
14 incentives be offered to projects that provide a minimum amount of on-site affordable housing.

15           (f) In recognition of the City's affordable housing goals, including the need to produce more  
16 affordable housing without need for public subsidies, the Planning Department contracted with David  
17 Baker Architects and Seifel Consulting to determine a menu of zoning modifications and development  
18 bonuses that could offset a private developer's costs of providing various levels of additional on-site  
19 affordable housing. David Baker Architects and Seifel Consulting analyzed various parcels in San  
20 Francisco, to determine the conditions in which a zoning accommodation would be necessary to  
21 achieve additional density. The analysis modeled various zoning districts and lot size configurations,  
22 consistent with current market conditions and the City's stated policy goals, including to achieve a mix  
23 of unit types, including larger units that can accommodate larger households. These reports are on file  
24 in Board of Supervisors File No. \_\_\_\_\_.  
25

1           (g) Based on the results of the studies, the Department developed four programs set forth in  
2 this Section 206, the Affordable Housing Bonus Programs, which provide options by which developers  
3 can include affordable units on-site in exchange for increased density and other zoning or design  
4 modifications. These programs are the Local Affordable Housing Bonus Program, the 100 Percent  
5 Affordable Housing Bonus Program, the Analyzed State Density Bonus Program and the Individually  
6 Requested Bonus Program.

7           (h) The goal of the Local Affordable Housing Program is to increase affordable housing  
8 production, especially housing affordable to Middle Income households. Housing for Middle Income  
9 Households in San Francisco is necessary to stabilize San Francisco's households and families, ensure  
10 income and household diversity in the long term population of San Francisco, and reduce  
11 transportation impacts of middle income households working in San Francisco. Middle Income  
12 households do not traditionally benefit from public subsidies.

13           (i) The 100 Percent Affordable Housing Bonus Program provides additional incentives for  
14 developers of 100% affordable housing projects, thereby reducing the overall cost of such  
15 developments on a per unit basis.

16           (j) The Affordable Housing Bonus Program also establishes a clear local process for all  
17 projects seeking the density bonuses guaranteed through the State Density Bonus Law. The State  
18 Analyzed Program provides an expedited process for projects that comply with a pre-determined menu  
19 of incentives, concessions and waivers of development standards that the Department, in consultation  
20 with David Baker Architects and Seifel Consulting can appropriately respond to neighborhood context  
21 without causing adverse impacts on public health and safety, and provide affordable units through the  
22 City's already-established Inclusionary Housing Program. Projects requesting density or concessions,  
23 incentives and waivers outside of the City's preferred menu may seek a density bonus consistent with  
24 State law in the Individually Requested Density Bonus Program.

25           **SEC. 206.2 DEFINITIONS.**

1        This Section applies to Sections 206 through 206.8. The definitions of Section 102 and the  
2 definitions in Section 401 for “Area Median Income” or “AMI,” “First Construction Document,”  
3 “Housing Project,” “Life of the Project,” “MOHCD,” “On-site Unit,” “Off-site Unit,” “Principal  
4 Project,” and “Procedures Manual,” shall generally apply. For purposes of this Section 206 et seq.,  
5 the following definitions shall apply, and shall prevail if there is a conflict with other sections of the  
6 Planning Code.

7        “100 Percent Affordable Housing Project” shall be a project where all of the dwelling units  
8 with the exception of the manager’s unit are “Affordable Units” as that term is defined in section  
9 406(b).

10       “Affordable to a Household of Lower, Very Low, or Moderate Income shall mean, at a  
11 minimum (1) a maximum purchase price that is affordable to a Household of Lower, Very Low, or  
12 Moderate Income, adjusted for the household size, assuming an annual payment for all housing costs of  
13 33 percent of the combined household annual gross income, a down payment recommended by the  
14 Mayor’s Office of Housing and Community Development and set forth in the Procedures Manual, and  
15 available financing; and (2) an affordable rent as defined in Section 50053 of the Health and Safety  
16 Code sufficient to ensure continued affordability of all very low and low-income rental units that  
17 qualified the applicant for the award of the density bonus for 55 years or a longer period of time if  
18 required by the construction or mortgage financing assistance program, mortgage insurance program,  
19 or rental subsidy program.

20       “Affordable to a Household of Middle Income” shall mean, at a minimum, (1) a maximum  
21 purchase price that is affordable to a Household of Middle Income at 140% of Area Median Income,  
22 adjusted for the household size, assuming an annual payment for all housing costs of 33 percent of the  
23 combined household annual gross income, a down payment recommended by the Mayor’s Office of  
24 Housing and Community Development and set forth in the Procedures Manual, and available  
25 financing; and (2) the maximum annual rent for an affordable housing unit shall be no more than 30%

1 of the annual gross income for a Household of Middle Income at an Area Median Income of 120%, as  
2 adjusted for the household size, as of the first date of the tenancy.

3 "Base Density" is lot area divided by the maximum lot area per unit permitted under existing  
4 density regulations (e.g 1 unit per 200, 400, 600, 800, or 1000 square feet of lot area). Calculations  
5 that result in a decimal point of 0.5 and above are rounded to the next whole number. In the Fillmore  
6 Neighborhood Commercial Transit District and the Divisadero Neighborhood Commercial Transit  
7 District, "Base Density" shall mean 1 unit per 600 square feet of lot area.

8 "Density Bonus" means a density increase over the Maximum Allowable Residential Density  
9 granted pursuant to Government Code Section 65915 and Section 206 et seq.

10 "Density Bonus Units" means those market rate dwelling units granted pursuant to the  
11 provisions of this Section 206.3, 206.5 and 206.6 that exceed the otherwise Maximum Allowable  
12 Residential Density for the development site.

13 "Development standard" shall mean a site or construction condition, including, but not limited  
14 to, a height limitation, a setback requirement, a floor area ratio, an onsite open space requirement, or  
15 an accessory parking ratio that applies to a residential development pursuant to any ordinance,  
16 general plan element, specific plan, charter, or other local condition, law, policy, resolution or  
17 regulation.

18 "Household of Middle Income" shall mean a household whose combined annual gross income  
19 for all members does not exceed 140% of AMI to qualify for ownership housing and 120% of AMI to  
20 qualify for rental housing.

21 "Inclusionary Units" shall mean on-site income-restricted residential units provided within a  
22 development that meet the requirements of the Inclusionary Affordable Housing Program, Planning  
23 Code Section 415 et seq.

24 "Lower, Very Low, or Moderate Income" means annual income of a household that does not  
25 exceed the maximum income limits for the income category, as adjusted for household size, applicable

1 to San Francisco, as published and periodically updated by the State Department of Housing and  
2 Community Development pursuant to Sections 50079.5, 50105, or 50093 of the California Health and  
3 Safety Code. Very low income is currently defined in California Health and Safety Code section  
4 50105 as 50% of area median income. Lower Income is currently defined in California Health and  
5 Safety Code section 50079.5 as 80% of area median income. Moderate Income is currently defined in  
6 California Health and Safety Code section 50093 as 120% of area median income.

7 "Maximum Allowable Residential Density" means the maximum number of dwelling units per  
8 square foot of lot area in zoning districts that have such a measurement, or, in zoning districts without  
9 such a density measurement, the maximum number of dwelling units that could be developed on a  
10 property while also meeting all other applicable Planning Code requirements and design guidelines,  
11 and without obtaining an exception, modification, variance, or waiver from the Zoning Administrator  
12 or Planning Commission for any Planning Code requirement.

13 "Middle Income Unit" shall mean a residential unit affordable to a Household of Middle  
14 Income.

15 "Qualifying Resident" means senior citizens or other persons eligible to reside in a Senior  
16 Citizen Housing Development.

17 "Regulatory Agreement" means a recorded and legally binding agreement between an applicant  
18 and the City to ensure that the requirements of this Chapter are satisfied. The Regulatory Agreement,  
19 among other things, shall establish: the number of Restricted Affordable Units, their size, location,  
20 terms and conditions of affordability, and production schedule.

21 "Restricted Affordable Unit" means a dwelling unit within a Housing Project which will be  
22 Affordable to Very Low, Lower or Moderate Income Households, as defined in this Section 206.2 for a  
23 minimum of 55 years. Restricted Affordable Units shall meet all of the requirements of Government  
24 Code 65915, except that Restricted Affordable Units that are ownership units shall not be restricted  
25 using an equity sharing agreement."

1 "Senior Citizen Housing Development" has the meaning in California Civil Code section 51.3.

2 **SEC. 206.3. LOCAL AFFORDABLE HOUSING BONUS PROGRAM.**

3 (a) **Purpose.** This Section sets forth the Local Affordable Housing Bonus Program. The Local  
4 Affordable Housing Bonus Program or "Local Program" provides benefits to project sponsors of  
5 housing projects that set aside a total of 30% of residential units onsite at below market rate rent or  
6 sales price, including a percentage of units affordable to low and moderate income households  
7 consistent with Section 415, the Inclusionary Housing Program, and the remaining percentage  
8 affordable to a Household of Middle Income. The purpose of the Local Affordable Housing Bonus  
9 Program is to expand the number of Inclusionary Units produced in San Francisco and provide  
10 housing opportunities to a wider range of incomes than traditional affordable housing programs, which  
11 typically provide housing only for very low, low or moderate income households. The Local Program  
12 allows market-rate projects to match the City's shared Proposition K housing goals that 50% of new  
13 housing constructed or rehabilitated in the City by 2020 be within the reach of working middle class  
14 San Franciscans, and at least 33% affordable for low and moderate income households.

15 (b) **Applicability.** A Local Affordable Housing Bonus Project or "Local Project" under this  
16 Section 206.3 shall be a project that:

17 (1) contains three or more residential units, as defined in Section 102, not including any  
18 Group Housing as defined in Section 102, efficiency dwelling units with reduced square footage  
19 defined in Section 318, and Density Bonus Units permitted through this Section 206.3, or any other  
20 density bonus;

21 (2) is located in any zoning district that: (A) is not designated as an RH-1 or RH-2  
22 Zoning Districts; and (B) establishes a maximum dwelling unit density through a ratio of number of  
23 units to lot area, including RH-3, RM, RC, C-2, Neighborhood Commercial, Named Neighborhood  
24 Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts; but only if the SoMa  
25 Mixed Use District has a density measured by a maximum number of dwelling units per square foot of



1 lot area; (C) is in the Fillmore Neighborhood Commercial Transit District and Divisadero  
2 Neighborhood Commercial Transit District; and (D) is not in the North of Market Residential Special  
3 Use District, Planning Code Section 249.5 until the Affordable Housing Incentive Study is completed at  
4 which time the Board will review whether the North of Market Residential Special Use District should  
5 continue to be excluded from this Program. The Study will explore opportunities to support and  
6 encourage the provision of housing at the low, moderate, and middle income range in neighborhoods  
7 where density controls have been eliminated. The goal of this analysis is to incentivize increased  
8 affordable housing production levels at deeper and wider ranges of AMI and larger unit sizes in these  
9 areas through 100% affordable housing development as well as below market rate units within market  
10 rate developments; and,

11 (3) is not seeking and receiving a density or development bonus under the provisions of  
12 California Government Code Section 65915 et seq, Planning Code Section 207, Section 124(f), Section  
13 202.2(f), 304, or any other State or local program that provides development bonuses;

14 (4) includes at least 135% of the Base Density as calculated under Planning Code  
15 Section 206.5;

16 (5) in Neighborhood Commercial Districts is not a project that involves merging lots  
17 that result in more than 125 feet in lot frontage for projects located; and

18 (6) consists only of new construction, and excluding any project that includes an  
19 addition to an existing structure.

20 (c) **Local Affordable Housing Bonus Project Eligibility Requirements.** To receive the  
21 development bonuses granted under this Section, a Local Project must meet all of the following  
22 requirements:

23 (1) Comply with the Inclusionary Affordable Housing Program, Section 415 of this  
24 Code, by providing the applicable number of units on-site under Section 415.6. For projects not subject  
25 to the Inclusionary Affordable Housing Program, the applicable number of on-site units under this

1 section shall be zero. If the Dial Alternative currently proposed in an ordinance in Board of  
2 Supervisors File No. 150911 is adopted and permits a project sponsor to provide more Inclusionary  
3 Units at higher AMIs than currently required (referred to as “dialing up”), a project sponsor may dial  
4 up and meet the requirements of this subsection (D). If the Dial Alternative of the Inclusionary  
5 Affordable Housing Program is ever amended to allow a project sponsor to provide fewer Inclusionary  
6 Units at lower AMIs than currently required (referred to as “dialing down”), then a Project cannot  
7 qualify for this Section 206.5 if it elects to dial down;

8 (2) Provide an additional percentage of affordable units in the Local Project as Middle  
9 Income Units, as defined herein, such that the total percentage of Inclusionary Units and Middle  
10 Income Units equals 30%. The Middle Income Units shall be restricted for the Life of the Project and  
11 shall comply with all of the requirements of the Procedures Manual authorized in Section 415. As  
12 provided for in subsection (e), the Planning Department and MOHCD shall amend the Procedures  
13 Manual to provide policies and procedures for the implementation, including monitoring and  
14 enforcement, of the Middle Income units;

15 (3) Demonstrate to the satisfaction of the Environmental Review Officer that the Local  
16 Project does not:

17 (A) cause a substantial adverse change in the significance of an historic  
18 resource as defined by California Code of Regulations, Title 14, Section 15064.5,

19 (B) create new shadow in a manner that substantially affects outdoor recreation  
20 facilities or other public areas; and

21 (C) alter wind in a manner that substantially affects public areas;

22 (4) Inclusive of Inclusionary Units and Middle Income Units, provides either (A) a  
23 minimum unit mix of at least 40% of all units as two bedroom units or larger; or (B) any unit mix such  
24 that 50% of all bedrooms within the Local Project are provided in units with more than one bedroom.

1 Local Projects are not eligible to modify this requirement under Planning Code Section 303, 328, or  
2 any other provision of this Code; and,

3 (5) Provides replacement units for any units demolished or removed that are subject to  
4 the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code  
5 Section 37, or are units qualifying for replacement as units being occupied by households of Low or  
6 Very Low Income, consistent with the requirements of Government Code section 65915(c)(3).

7 (d) **Development Bonuses.** Any Local Project shall, at the project sponsor's request, receive  
8 any or all of the following:

9 (1) **Form based density.** Notwithstanding any zoning designation to the contrary,  
10 density of a Local Project shall not be limited by lot area but rather by the applicable requirements and  
11 limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not  
12 limited to, height, including any additional height allowed by subsection (d)(2), Bulk, Setbacks,  
13 Required Open Space, Exposure and unit mix as well as applicable design guidelines, elements and  
14 area plans of the General Plan and design review, including consistency with the Affordable Housing  
15 Bonus Program Design Guidelines, referenced in Section 328, as determined by the Planning  
16 Department.

17 (2) **Height.** Up to 20 additional feet above the height authorized for the Local Project  
18 under the Height Map of the Zoning Map. This additional height may only be used to provide up to two  
19 additional 10-foot stories to the project, or one additional story of no more than 10 feet in height.  
20 Building features exempted from height controls under Planning Code Section 260(b) shall be  
21 measured from the roof level of the highest story provided under this section.

22 (3) **Ground Floor Ceiling Height.** In addition to the permitted height allowed under  
23 (d)(2), Local Projects with active uses on the ground floor as defined in Section 145.1(b)(2) shall  
24 receive up to a maximum of 5 additional feet in height above the height limit, in addition to the  
25 additional 20 feet granted in subsection (2) above. However, the additional 5 feet may only be applied

1 at the ground floor to provide a 14-foot (floor to ceiling) ceiling height for nonresidential uses, and to  
2 allow walk-up dwelling units to be consistent with the Ground Floor Residential Design Guidelines.  
3 This additional 5 feet shall not be granted to projects that already receive such a height increase under  
4 Planning Code Section 263.20.

5 (4) **Zoning Modifications.** Local Affordable Housing Bonus Projects may select up to  
6 three of the following zoning modifications:

7 (A) **Rear yard:** The required rear yard per Section 134 or any applicable  
8 special use district may be reduced to no less than 20 percent of the lot depth, or 15 feet, whichever is  
9 greater. Corner properties may provide 20 percent of the lot area at the interior corner of the property  
10 to meet the minimum rear yard requirement, provided that each horizontal dimension of the open area  
11 is a minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing  
12 midblock open space, if any, formed by the rear yards of adjacent properties.

13 (B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements of  
14 Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that  
15 is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in  
16 every horizontal dimension at each subsequent floor.

17 (C) **Off-Street Loading:** Off-street loading spaces per Section 152 shall not be  
18 required.

19 (D) **Automobile Parking:** Up to a 75% reduction in the residential and  
20 commercial parking requirements in Section 151 or any applicable special use district.

21 (E) **Open Space:** Up to a 5% reduction in common open space if provided  
22 under Section 135 or any applicable special use district.

23 (F) **Additional Open Space:** Up to an additional 5% reduction in common open  
24 space if provided under Section 135 or any applicable special use district, beyond the 5% provided in  
25 subsection (E) above.

1                                **(G) Inner Courts as Open Space:** *In order for an inner court to qualify as*  
2 *useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal*  
3 *dimension, and for the height of the walls and projections above the court on at least three sides (or 75*  
4 *percent of the perimeter, whichever is greater) to be no higher than one foot for each foot that such*  
5 *point is horizontally distant from the opposite side of the clear space in the court. Local Affordable*  
6 *Housing Bonus Projects may instead provide an inner court that is at least 25 feet in every horizontal*  
7 *dimension, with no restriction on the heights of adjacent walls. All area within such an inner court*  
8 *shall qualify as common open space under Section 135.*

9                                **(e) Implementation.**

10                              **(1) Application.** *The following procedures shall govern the processing of a request for*  
11 *a project to qualify under the Local Program.*

12                              **(A)** *An application to participate in the Local Program shall be submitted with*  
13 *the first application for approval of a Housing Project and processed concurrently with all other*  
14 *applications required for the Housing Project. The application shall be submitted on a form prescribed*  
15 *by the City and shall include at least the following information:*

16                                      **(i)** *A full plan set, including a site plan, elevations, sections and floor*  
17 *plans, showing total number of units, number of and location of Inclusionary Units, and Middle Income*  
18 *Units; and a draft Regulatory Agreement;*

19                                      **(ii)** *The number of dwelling units which are on the property, or if the*  
20 *dwelling units have been vacated or demolished in the five year period preceding the application, have*  
21 *been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels*  
22 *affordable to persons and families of lower or very low income; subject to any other form of rent or*  
23 *price control through the City or other public entity's valid exercise of its police power; or occupied by*  
24 *lower or very low income households; and*

1 (iii) If the property includes a parcel or parcels in which dwelling units  
2 under subsection (ii) are located or were located in the five year period preceding the application, the  
3 type and size of those units, and the incomes of the persons or families occupying those units.

4 (iv) The requested development bonuses and/or zoning modifications  
5 from those listed in subsection (d).

6 (B) Documentation that the applicant has provided written notification to all  
7 existing commercial or residential tenants that the applicant intends to develop the property pursuant  
8 to this section. Any affected commercial tenants shall be given priority processing similar to the  
9 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
10 Commission on February 12, 2015 under Resolution Number 19323, to support relocation of such  
11 business in concert with access to relevant local business support programs.

12 (2) **Procedures Manual.** The Planning Department and MOHCD shall amend the  
13 Procedures Manual, authorized in Section 415, to include policies and procedures for the  
14 implementation, including monitoring and enforcement, of the Middle Income units. As an amendment  
15 to the Procedures Manual, such policies and procedures are subject to review and approval by the  
16 Planning Commission under Section 415. Amendments to the Procedures Manual shall include a  
17 requirement that project sponsors complete a market survey of the area before marketing Middle  
18 Income Units. All affordable units that are affordable to households between 120 and 140% of AMI  
19 must be marketed at a price that is at least 20% less than the current market rate for that unit size and  
20 neighborhood, in addition to any other applicable Program requirements.

21 (3) **Notice and Hearing.** Local Projects shall comply with Section 328 for review and  
22 approval.

23 (4) **Controls.** Local Projects shall comply with Section 328. Notwithstanding any other  
24 provision of this Code, no conditional use authorization shall be required for a Local Project unless  
25 such conditional use requirement was adopted by the voters.

1                   (5) **Regulatory Agreements.** Recipients of a Density Bonus, Incentive, Concession,  
2 waiver, or modification shall enter into a Regulatory Agreement with the City, as follows.

3                   (A) The terms of the agreement shall be acceptable in form and content to the Planning  
4 Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the  
5 authority to execute such agreements.

6                   (B) Following execution of the agreement by all parties, the completed Density Bonus  
7 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and  
8 recorded on the Housing Project.

9                   (C) The approval and recordation of the Regulatory Agreement shall take place prior to  
10 the issuance of the First Construction Document. The Regulatory Agreement shall be binding to all  
11 future owners and successors in interest.

12                   (D) The Regulatory Agreement shall be consistent with the guidelines of the City's  
13 Inclusionary Housing Program and shall include at a minimum the following:

14                   (i) The total number of dwelling units approved for the Housing Project,  
15 including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units or  
16 other restricted units;

17                   (ii) A description of the household income group to be accommodated by the  
18 Restricted Affordable Units, and the standards for determining the corresponding Affordable Rent or  
19 Affordable Sales Price. The project sponsor must commit to completing a market survey of the area  
20 before marketing Middle Income Units. All affordable units that are affordable to households between  
21 120 and 140% of AMI must be marketed at a price that is at least 20% less than the current market  
22 rate for that unit size and neighborhood, in addition to any other applicable Program requirements;

23                   (iii) The location, dwelling unit sizes (in square feet), and number of bedrooms  
24 of the Restricted Affordable Units;

1                                    (iv) Term of use restrictions for Restricted Affordable Units of at least 55 years  
2 for Moderate Income units and at least 55 years for Low and Very Low units;  
3                                    (v) A schedule for completion and occupancy of Restricted Affordable Units;  
4                                    (vi) A description of any Concession, Incentive, waiver, or modification, if any,  
5 being provided by the City;  
6                                    (vii) A description of remedies for breach of the agreement (the City may  
7 identify tenants or qualified purchasers as third party beneficiaries under the agreement); and  
8                                    (viii) Other provisions to ensure implementation and compliance with this  
9 Section.

10                    **SEC. 206.4. THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM.**

11                    (a) Purpose and Findings. This Section 206.4 describes the 100 Percent Affordable Housing  
12 Bonus Program, or “100 Percent Affordable Housing Program”. In addition to the purposes  
13 described in section 206.1, the purpose of the 100 Percent Affordable Housing Program is to facilitate  
14 the construction and development of projects in which all of the residential units are affordable to Low  
15 and Very-Low Income Households. Projects pursuing a development bonus under this 100 Percent  
16 Affordable Program would exceed the City’s shared Proposition K housing goals that 50% of new  
17 housing constructed or rehabilitated in the City by 2020 be within the reach of working middle class  
18 San Franciscans, and at least 33% affordable for low and moderate income households.

19                    (b) Applicability. A 100 Percent Affordable Housing Bonus Project under this Section 206.4  
20 shall be a Housing Project that:

21                                    (1) contains three or more Residential Units, as defined in Section 102, not including  
22 Density Bonus Units permitted through this Section 206 through a density bonus;

23                                    (2) is located in any zoning district that:

24                                    (A) is not designated as an RH-1 or RH-2 Zoning District; and

25                                    (B) allows Residential Uses;



1                   (3) is not seeking and receiving a density or development bonus under the provisions of  
2 California Government Code Section 65915 et seq., Planning Code Sections 207, 124(f), 304, 803.8 or  
3 any other state or local program that provides development bonuses; and

4                   (4) meets the definition of a “100 Percent Affordable Housing Project” in Section  
5 206.2.

6                   (5) demonstrates to the satisfaction of the Environmental Review Officer that the  
7 Project does not:

8                   (A) cause a substantial adverse change in the significance of an historic  
9 resource as defined by California Code of Regulations, Title 14, Section 15064.5,

10                   (B) create new shadow in a manner that substantially affects outdoor recreation  
11 facilities or other public areas; and

12                   (C) alter wind in a manner that substantially affects public areas.

13                   (c) **Development Bonuses.** A 100 Percent Affordable Housing Bonus Project shall, at the  
14 project sponsor’s request, receive any or all of the following:

15                   (1) **Priority Processing.** 100 Percent Affordable Housing Bonus Projects shall receive  
16 Priority Processing.

17                   (2) **Form based density.** Notwithstanding any zoning designation to the contrary,  
18 density of the 100 Percent Affordable Housing Bonus Project shall not be limited by lot area but rather  
19 by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and  
20 limitations include, but are not limited to, height, including any additional height allowed by subsection  
21 (c)(2) herein, Bulk, Setbacks, Open Space, Exposure and unit mix as well as applicable design  
22 guidelines, elements and area plans of the General Plan and design review, including consistency with  
23 the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined  
24 by the Planning Department.

1                   (3) **Height.** 100 Percent Affordable Housing Bonus Projects shall be allowed up to 30  
2 additional feet, not including allowed exceptions per Section 260(b), above the property's height  
3 district limit in order to provide three additional stories of residential use. This additional height may  
4 only be used to provide up to three additional 10-foot stories to the project, or one additional story of  
5 not more than 10 feet in height

6                   (4) **Ground Floor Ceiling Height.** In addition to the permitted height allowed under  
7 subsection (c)(3), 100 Percent Affordable Housing Bonus Projects with active ground floors as defined  
8 in Section 145.1(b)(2) shall receive one additional foot of height, up to a maximum of an additional five  
9 feet at the ground floor, exclusively to provide a minimum 14-foot (floor to ceiling) ground floor ceiling  
10 height.

11                   (5) **Zoning Modifications.** 100 Percent Affordable Housing Bonus Projects may select  
12 any or all of the following zoning modifications:

13                   (A) **Rear Yard:** the required rear yard per Section 134 or any applicable  
14 special use district may be reduced to no less than 20% of the lot depth or 15 feet, whichever is greater.  
15 Corner properties may provide 20% of the lot area at the interior corner of the property to meet the  
16 minimum rear yard requirement, provided that each horizontal dimension of the open area is a  
17 minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock  
18 open space, if any, formed by the rear yards of adjacent properties.

19                   (B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements of  
20 Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that  
21 is no less than 15 feet in every horizontal dimension, and such open area is not required to expand in  
22 every horizontal dimension at each subsequent floor.

23                   (C) **Off Street Loading:** No off-street loading spaces under Section 152.

24                   (D) **Automobile Parking:** Up to a 100% reduction in the minimum off-street  
25 residential and commercial automobile parking requirement under Article 1.5 of this Code.

1                    (E) **Open Space:** Up to a 10% reduction in common open space requirements if  
2 required by Section 135, but no less than 36 square feet of open space per unit.

3                    (F) **Inner Courts as Open Space:** In order for an inner court to qualify as  
4 useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal  
5 dimension, and for the height of the walls and projections above the court on at least three sides (or 75  
6 percent of the perimeter, whichever is greater) to be no higher than one foot for each foot that such  
7 point is horizontally distant from the opposite side of the clear space in the court. 100% Affordable  
8 Housing Bonus Projects may instead provide an inner court that is at least 25 feet in every horizontal  
9 dimension, with no restriction on the heights of adjacent walls. All area within such an inner court  
10 shall qualify as common open space under Section 135.

11                    (d) **Implementation.**

12                    (1) **Application.** The following procedures shall govern the processing of a request for  
13 a project to qualify as under the 100 Percent Affordable Housing Bonus Program.

14                    (A) An application to participate in the 100 Percent Affordable Housing Bonus  
15 Program shall be submitted with the first application for approval of a Housing Project and processed  
16 concurrently with all other applications required for the Housing Project. The application shall be  
17 submitted on a form prescribed by the City and shall include at least the following information:

18                    (i) A full plan set including a site plan, elevations, sections and floor  
19 plans, showing total number of units, unit sizes and planned affordability levels and any applicable  
20 funding sources;

21                    (ii) The requested development bonuses from those listed in subsection  
22 (c); and,

23                    (iii) Unit size and distribution of multi-bedroom units.

24                    (B) Documentation that the applicant has provided written notification to all  
25 existing commercial or residential tenants that the applicant intends to develop the property pursuant

1 to this section. Any affected commercial tenants shall be given priority processing similar to the  
2 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
3 Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such  
4 business in concert with access to relevant local business support programs.

5 (2) **Conditions.** Entitlements of 100 Percent Affordable Housing Bonus Projects  
6 approved under this Section shall be valid for 10 years from the date of Planning Commission or  
7 Planning Department approval.

8 (3) **Notice and Hearing.** 100 Percent Affordable Housing Bonus Projects shall comply  
9 with Section 328 for review and approval.

10 (4) **Controls.** Notwithstanding any other provision of this Code, no conditional use  
11 authorization shall be required for a 100 Percent Affordable Housing Bonus Project, unless such  
12 conditional use requirement was adopted by the voters.

13 **206.5. STATE RESIDENTIAL DENSITY BONUS PROGRAM: ANALYZED**

14 (a) **Purpose:** Sections 206.5, 206.6, and 206.7 shall be referred to as the San Francisco State  
15 Residential Density Bonus Program or the State Density Bonus Program. First, the Analyzed State  
16 Density Bonus Program in Section 206.5 offers an expedited process for projects that seek a density  
17 bonus that is consistent with the pre-vetted menu of incentives, concessions and waivers that the  
18 Planning Department and its consultants have already determined are feasible, result in actual cost  
19 reductions, and do not have specific adverse impacts upon public health and safety of the physical  
20 environment. Second the Individually Requested State Density Bonus Program in Section 206.6 details  
21 the review, analysis and approval process for any project seeking a density bonus that is consistent  
22 with State Law, but is not consistent with the requirements for the Analyzed State Density Bonus  
23 Program established in Section 206.5. Third, Sections 206.7, describes density bonuses available  
24 under the State code for the provision of childcare facilities.

1           This Section 206.5 implements the Analyzed State Density Bonus Program or “Analyzed State  
2 Program.” The Analyzed State Program offers an expedited process for projects that seek a density  
3 bonus that is consistent with, among other requirements set forth below, the pre-vetted menu of  
4 incentives, waiver and concessions.

5           **(b) Applicability:**

6           (1) A Housing Project that meets all of the requirements of this subsection (b)(1) or is a  
7 Senior Housing Project meeting the criteria of (b)(2) shall be an Analyzed State Density Bonus Project  
8 or an “Analyzed Project” for purposes of Section 206 et seq. A Housing Project that does not meet all  
9 of the requirements of this subsection (b), but seeks a density bonus under State law may apply for a  
10 density bonus under Section 206.6 as an Individually Requested State Density Bonus Project. To  
11 qualify for the Analyzed State Density Bonus Program a Housing Project must meet all of the  
12 following:

13           (A) contain five or more residential units, as defined in Section 102, not  
14 including any Group Housing as defined in Section 102, efficiency dwelling units with reduced square  
15 footage defined in Section 318, and Density Bonus Units permitted through this Section 206.5 or other  
16 density program;

17           (B) is not seeking and receiving a density or development bonus under Section  
18 207; the Local Affordable Housing Bonus Program, Section 206.3; the 100 Percent Affordable Housing  
19 Bonus Program, Section 206.4; or any other local or State density bonus program that provides  
20 development bonuses;

21           (C) for projects located in Neighborhood Commercial Districts is not seeking to  
22 merge lots that result in more than 125 in lot frontage on any one street;

23           (D) is located in any zoning district that: (i) is not designated as an RH-1 or  
24 RH-2 Zoning District; (ii) establishes a maximum dwelling unit density through a ratio of number of  
25 units to lot area, including but not limited to, RH-3, RM, RC, C-2, Neighborhood Commercial, Named

1 Neighborhood Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts, but only if  
2 the SoMa Mixed Use District has a density measured by a maximum number of dwelling units per  
3 square foot of lot area; (iii) is in the Fillmore Neighborhood Commercial Transit District and  
4 Divisadero Neighborhood Commercial Transit District; and (D) is not in the North of Market  
5 Residential Special Use District, Planning Code Section 249.5 until the Affordable Housing Incentive  
6 Study is completed at which time the Board will review whether the North of Market Residential  
7 Special Use District should continue to be excluded from this Program. The Study will explore  
8 opportunities to support and encourage the provision of housing at the low, moderate, and middle  
9 income range in neighborhoods where density controls have been eliminated. The goal of this analysis  
10 is to incentivize increased affordable housing production levels at deeper and wider ranges of AMI and  
11 larger unit sizes in these areas through 100% affordable housing development as well as below market  
12 rate units within market rate developments; and

13 (E) is providing all Inclusionary Units as On-site Units under Section 415.6. If  
14 the Dial Alternative currently proposed in an ordinance in Board of Supervisors File No. 150911 is  
15 adopted and permits a project sponsor to provide more Inclusionary Units at higher AMIs than  
16 currently required (referred to as “dialing up”), a project sponsor may dial up and meet the  
17 requirements of this subsection (D). If the Dial Alternative of the Inclusionary Affordable Housing  
18 Program is ever amended to allow a project sponsor to provide fewer Inclusionary Units at lower AMIs  
19 than currently required (referred to as “dialing down”), then a Project cannot qualify for this Section  
20 206.5 if it elects to dial down;

21 (F) includes a minimum of nine foot ceilings on all residential floors;

22 (G) is seeking only Concessions or Incentives set forth in subsection (c)(4);

23 (H) is seeking height increases only in the form of a waiver as described in  
24 subsection (c)(5); and,

(I) provides replacement units for any units demolished or removed that are subject to the San Francisco Residential Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are units qualifying for replacement as units being occupied by households of low or very low income, consistent with the requirements of Government Code section 65915(c)(3).

(2) A Senior Housing Project, as defined in Section 102, may qualify as an Analyzed State Density Bonus Project if it follows all of the procedures and conditions set forth in Planning Code Section 202.2(f).

(c) **Development Bonuses.** All Analyzed State Law Density Bonus Projects shall receive, at the project sponsor's written request, any or all of the following:

(1) **Priority Processing.** Analyzed Projects that provide 30% or more of Units as On-site Inclusionary Housing Units or Restricted Affordable Units that meet all of the requirements of for an Inclusionary Housing Unit shall receive Priority Processing.

(2) **Density Bonus.** Analyzed Projects that provide On-site Inclusionary Housing Units or Restricted Affordable Units that meet all of the requirements of for an Inclusionary Housing Unit shall receive a density bonus as described in Table 206.5 A as follows:

Table 206.5A

Density Bonus Summary – Analyzed

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
<u>Restricted Affordable Units or Category</u>	<u>Minimum Percentage of Restricted Affordable Units</u>	<u>Percentage of Density Bonus Granted</u>	<u>Additional Bonus for Each 1% Increase In Restricted Affordable Units</u>	<u>Percentage of Restricted Units Required for Maximum 35% Density Bonus</u>
<u>Very Low Income</u>	<u>5%</u>	<u>20%</u>	<u>2.50%</u>	<u>11%</u>
<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>1.50%</u>	<u>20%</u>
<u>Moderate Income</u>	<u>10%</u>	<u>5%</u>	<u>1%</u>	<u>40%</u>

<p>1 <u>Senior Citizen Housing, as</u></p> <p>2 <u>defined in § 102, and meeting</u></p> <p>3 <u>the requirements of</u></p> <p>4 <u>§ 202.2(f).</u></p>	<p><u>100%</u></p>	<p><u>50%</u></p>	<p><u>----</u></p>	<p><u>----</u></p>
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5 Note: A density bonus may be selected from more than one category, up to a maximum of 35% of the  
6 Maximum Allowable Residential Density.

7 In calculating density bonuses under this subsection 206.5(c)(2) the following shall apply:

8 (A) When calculating the number of permitted Density Bonus Units or Restricted  
9 Affordable Units, any fractions of units shall be rounded to the next highest number. Analyzed Density  
10 Bonus Program projects must include the minimum percentage of Restricted Affordable Units  
11 identified in Column B of Table 206.5A for at least one income category, but may combine density  
12 bonuses from more than one income category, up to a maximum of 35% of the Maximum Allowable  
13 Residential Density.

14 (B) An applicant may elect to receive a Density Bonus that is less than the  
15 amount permitted by this Section; however, the City shall not be required to similarly reduce the  
16 number of Restricted Affordable Units required to be dedicated pursuant to this Section and  
17 Government Code Section 65915(b).

18 (C) In no case shall a Housing Project be entitled to a Density Bonus of more  
19 than 35%, unless it is a Senior Housing Project meeting the requirements of Section 202.2(f).

20 (D) The Density Bonus Units shall not be included when determining the  
21 number of Restricted Affordable Units required to qualify for a Density Bonus. Density bonuses shall  
22 be calculated as a percentage of the Maximum Allowable Residential Density.

23 (E) Any Restricted Affordable Unit provided pursuant to the on-site  
24 requirements of the Inclusionary Affordable Housing Program, Section 415 et seq., shall be included  
25 when determining the number of Restricted Affordable Units required to qualify for a Development



Bonus under this Section 206.5. The payment of the Affordable Housing Fee shall not qualify for a Development Bonus under this Section. The provision of Off-site Units shall not qualify the Principal Project for a Density Bonus under this Section; however an Off-site Unit may qualify as a Restricted Affordable Unit to obtain a density bonus for the Off-site Project.

(F) In accordance with state law, neither the granting of a Concession, Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of itself, to require a general plan amendment, zoning change, variance, or other discretionary approval.

(3) **Concessions and Incentives.** Analyzed Projects shall receive concessions or incentives, in the amounts specified in Table 206.5B :

Table 206.5B

Concessions and Incentives Summary – Analyzed Projects

<u>Target Group</u>	<u>Restricted Affordable Units</u>		
<u>Very Low Income</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>
<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Moderate Income (Common Interest Development)</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Maximum Incentive(s)/Concession(s)</u>	<u>1</u>	<u>2</u>	<u>3</u>

Notes: 1. Concessions or Incentives may be selected from only one category (very low, lower, or moderate) 2. Common Interest Development is defined in California Civil Code Section 4100.

(4) **Menu of Concessions and Incentives:** In submitting a request for Concessions or Incentives, an applicant for an Analyzed State Density Bonus Project may request the specific Concessions and Incentives set forth below. The Planning Department, based on Department research and a Residential Density Bonus Study prepared by David Baker Architects, Seifel Consulting, and the San Francisco Planning Department dated August 2015, on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, has determined that the following Concessions and Incentives are

1 generally consistent with Government Code Section 65915(d) because, in general, they: are required  
2 in order to provide for affordable housing costs; will not be deemed by the Department to have a  
3 specific adverse impact as defined in Government Code Section 65915(d); and are not contrary to State  
4 or Federal law.

5 (A) **Rear yard:** the required rear yard per Section 134 or any applicable special  
6 use district may be reduced to no less than 20% of the lot depth, or 15 feet, whichever is greater.  
7 Corner properties may provide 20% of the lot area at the interior corner of the property to meet the  
8 minimum rear yard requirement, provided that each horizontal dimension of the open area is a  
9 minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock  
10 open space, if any, formed by the rear yards of adjacent properties.

11 (B) **Dwelling Unit Exposure:** the dwelling unit exposure requirements of  
12 Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that  
13 is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in  
14 every horizontal dimension at each subsequent floor.

15 (C) **Off-Street Loading:** off-street loading spaces under Section 152 shall not  
16 be required.

17 (D) **Parking:** up to a 50% reduction in the residential and commercial parking  
18 requirement, per Section 151 or any applicable special use district.

19 (E) **Open Space:** up to a 5% reduction in required common open space per  
20 Section 135, or any applicable special use district.

21 (F) **Additional Open Space:** up to an additional 5% reduction in required  
22 common open space per Section 135 or any applicable special use district, beyond the 5% provided in  
23 subsection (E) above.

24 (5) **Waiver or Modification of Height Limits.** Analyzed Projects may request a waiver  
25 of the applicable height restrictions if the applicable height limitation will have the effect of physically

precluding the construction of a Housing Project at the densities or with the Concessions or Incentives permitted by this subsection (c)(4). Analyzed Projects may receive a height bonus as of right of up to twenty feet or two stories, excluding exceptions permitted per Section 260(b), if the applicant demonstrates that it qualifies for a height waiver through the following formula:

**Step one: Calculate Base Density and Bonus Density Limits**

Calculate Base Density (BD), as defined in Section 206.2.

Bonus Density Limit (BD): ED multiplied by 1.XX where XX is the density bonus requested per Section 206.5 of this Code (e.g. 7%, 23%, 35%), not to exceed 1.35, the maximum density bonus available by this Section.

**Step two: Calculate Permitted Envelope (PE).** Buildable envelope available under existing height and bulk controls.

PE equals lot area multiplied by permitted lot coverage, where lot coverage equals .75, or .8 if the developer elects to request a rear yard modification under Section 206.5(c)(4)(A), multiplied by existing height limit (measured in number of stories), minus one story for projects in districts where non-residential uses are required on the ground floor, and minus any square footage subject to bulk limitations (for parcels that do not have an X bulk designation).

**Step three: Calculate Bonus Envelope (BE)** Residential envelope necessary to accommodate additional density (“Bonus envelope” or “BE”)

BE equals Bonus Density multiplied by 1,000 gross square feet

**Step four: Calculate Additional Residential Floors.** Determine the number of stories required to accommodate bonus:

(A) If BE is less than or equal to PE, the project is not awarded height under this subsection (c)(5).

(B) If BE is greater than PE, the project is awarded height, as follows:

1 (i) If BE minus PE is less than the lot area multiplied by 0.75, project is  
2 allowed 1 extra story; total gross square footage of building not to exceed BE;

3 (ii) If BE minus PE is greater than the lot area multiplied by 0.75 (i.e. if  
4 the difference is greater than one story), project is allowed two extra stories; total gross square footage  
5 of building not to exceed BE.

6 (d) **Application.** An application for an Analyzed State Density Bonus Project under this  
7 Section 206.5 shall be submitted with the first application for approval of a Housing Project and shall  
8 be processed concurrently with all other applications required for the Housing Project. The  
9 application shall be on a form prescribed by the City and, in addition to any information required for  
10 other applications, shall include the following information:

11 (1) A description of the proposed Housing Project, including the total number of  
12 dwelling units, Restricted Affordable Units, and Density Bonus Units proposed;

13 (2) Any zoning district designation, Base Density, assessor's parcel number(s) of the  
14 project site, and a description of any Density Bonus, Concession or Incentive, or waiver requested;

15 (3) A list of the requested Concessions and Incentives from Section 206.5(c)(4);

16 (4) If a waiver or modification of height is requested under Section 206.5(c)(5), a  
17 calculation demonstrating how the project qualifies for such waiver under the formula;

18 (5) A full plan set including site plan, elevations, sections, and floor plans, number of  
19 market-rate units, Restricted Affordable Units, and Density Bonus units within the proposed Housing  
20 Project. The location of all units must be approved by the Planning Department before the issuance of  
21 the building permit;

22 (6) Level of affordability of the Restricted Affordable Units and a draft Regulatory  
23 Agreement;

24 (7) The number of rental dwelling units which are on the property, or if the dwelling  
25 units have been vacated or demolished in the five year period preceding the application, have been and

1 which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to  
2 persons and families of lower or very low income; subject to any other form of rent or price control  
3 through the City or other public entity's valid exercise of its police power; or occupied by lower or very  
4 low income households; and

5 (8) If the property includes a parcel or parcels in which dwelling units under subsection  
6 (7) are located or were located in the five year period preceding the application, the type and size of  
7 those units, and the incomes of the persons or families occupying those units.

8 (9) Documentation that the applicant has provided written notification to all existing  
9 commercial or residential tenants that the applicant intends to develop the property pursuant to this  
10 section. Any affected commercial tenants shall be given priority processing similar to the  
11 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
12 Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such  
13 business in concert with access to relevant local business support programs.

14 (e) **Review Procedures.** An application for an Analyzed State Density Bonus Project, shall be  
15 acted upon concurrently with the application for other permits related to the Housing Project.

16 (1) Before approving an application for an Analyzed Project, the Planning Department  
17 or Commission shall make written findings that the Housing Project is qualified as an Analyzed State  
18 Density Bonus Project.

19 (2) The review procedures for an Analyzed Project, including notice, hearings, and  
20 appeal, shall be the procedures applicable to the Housing Project regardless of whether it is applying  
21 for a State Density Bonus under this Section 206.5. However, any notice shall specify that the Housing  
22 Project is seeking a Development Bonus and shall provide a description of the Development Bonuses  
23 requested. Analyzed Projects shall also be reviewed for consistency with the Affordable Housing Bonus  
24 Program Design Guidelines.

1           (f) **Regulatory Agreements.** Recipients of a Density Bonus, Incentive, Concession, waiver, or  
2 modification shall enter into a Regulatory Agreement with the City, as follows.

3           (1) The terms of the agreement shall be acceptable in form and content to the Planning  
4 Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the  
5 authority to execute such agreements.

6           (2) Following execution of the agreement by all parties, the completed Density Bonus  
7 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and  
8 recorded on the Housing Project.

9           (3) The approval and recordation of the Regulatory Agreement shall take place prior to  
10 the issuance of the First Construction Document. The Regulatory Agreement shall be binding to all  
11 future owners and successors in interest.

12           (4) The Regulatory Agreement shall be consistent with the guidelines of the City's  
13 Inclusionary Housing Program and shall include at a minimum the following:

14           (A) The total number of dwelling units approved for the Housing Project,  
15 including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units or  
16 other restricted units;

17           (B) A description of the household income group to be accommodated by the  
18 Restricted Affordable Units, and the standards for determining the corresponding Affordable Rent or  
19 Affordable Sales Price;

20           (C) The location, dwelling unit sizes (in square feet), and number of bedrooms  
21 of the Restricted Affordable Units;

22           (D) Term of use restrictions for Restricted Affordable Units of at least 55 years  
23 for Moderate Income units and at least 55 years for Low and Very Low units;

24           (E) A schedule for completion and occupancy of Restricted Affordable Units;  
25

1                    (F) A description of any Concession, Incentive, waiver, or modification, if any,  
2                    being provided by the City;

3                    (G) A description of remedies for breach of the agreement (the City may identify  
4                    tenants or qualified purchasers as third party beneficiaries under the agreement); and

5                    (H) Other provisions to ensure implementation and compliance with this  
6                    Section.

7                    **SEC. 206.6. STATE DENSITY BONUS PROGRAM: INDIVIDUALLY REQUESTED.**

8                    (a) **Purpose and Findings:** This Section 206.6 details the review, analysis and approval  
9                    process for any project seeking a density bonus that is consistent with State Law, Government Code  
10                    section 65915 et seq., but is not consistent with the pre-vetted menu of concessions, incentives or  
11                    waivers, or other requirements established in Section 206.5 as analyzed by the Planning Department in  
12                    coordination with David Baker and Seifel Consulting, and shall be known as the Individually Requested  
13                    State Density Bonus Program.

14                    California State Density Bonus Law allows a housing developer to request parking ratios not to  
15                    exceed the ratios set forth in Government Code section 65915(p)(1), which may further be reduced as  
16                    an incentive or concession. Because in most cases San Francisco regulates parking by dwelling unit as  
17                    described in Article 1.5 of this Code, the minimum parking ratios set forth in the Government Code are  
18                    greater than those allowed in San Francisco. Given that San Francisco's parking ratios are already  
19                    less than the State ratios, the City finds that the State's minimum parking ratio requirement does not  
20                    apply.

21                    (b) **Applicability.** A Housing Project that does not meet any one or more of the criteria of  
22                    Section 206.5(b) under the Analyzed State Density Bonus Program, but meets the following  
23                    requirements, may apply for a Development Bonus under this Section 206.6 as an "Individually  
24                    Requested State Density Bonus Project" or "Individually Requested Project" if it meets all of the  
25                    following criteria:

(1) contains five or more residential units, as defined in Section 102;

(2) is not seeking and receiving a density or development bonus under Section 207; the Local Affordable Housing Bonus Program, Section 206.3; the 100 Percent Affordable Housing Bonus Program, Section 206.4; Section 304, or any other local or state bonus program that provides development bonuses.

(3) provides Restricted Affordable Housing Units, including but not limited to Inclusionary Housing Units, at minimum levels as provided in Table 206.6A; and,

(4) provides replacement units for any units demolished or removed that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are units qualifying for replacement as units being occupied by households of low or very low income, consistent with the requirements of Government Code section 65915(c)(3).

(5) Is in any zoning district except for RH-1 or RH-2, unless the Code permits the development of a project of 5 units or more on a site or sites.

**(c) Development Bonuses.** Any Individually Requested Density Bonus Project shall, at the project sponsor's request, receive any or all of the following:

(1) **Density Bonus.** Individually Requested Projects that provide On-site Inclusionary Housing Units or Restricted Affordable Units shall receive a density bonus as described in Table 206.6A as follows:

Table 206.6 A

Density Bonus Summary – Individually Requested Project

<u>Restricted Affordable Units or Category</u>	<u>Minimum Percentage of Restricted Affordable Units</u>	<u>Percentage of Density Bonus Granted</u>	<u>Additional Bonus for Each 1% Increase In Restricted Affordable Units</u>	<u>Percentage of Restricted Units Required for Maximum 35% Density Bonus</u>
<u>Very Low Income</u>	<u>5%</u>	<u>20%</u>	<u>2.50%</u>	<u>11%</u>



<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>1.50%</u>	<u>20%</u>
<u>Moderate Income</u>	<u>10%</u>	<u>5%</u>	<u>1%</u>	<u>40%</u>
<u>Senior Citizen Housing</u>	<u>100%</u>	<u>20%</u>	<u>-----</u>	<u>-----</u>

Note: A density bonus may be selected from only one category up to a maximum of 35% of the Maximum Allowable Residential Density.

In calculating density bonuses under this subsection 206.6(c)(1) the following shall apply:

(A) When calculating the number of permitted Density Bonus Units or Restricted Affordable Units, any fractions of units shall be rounded to the next highest number.

(B) An applicant may elect to receive a Density Bonus that is less than the amount permitted by this Section; however, the City shall not be required to similarly reduce the number of Restricted Affordable Units required to be dedicated pursuant to this Section and Government Code Section 65915(b).

(C) Each Housing Project is entitled to only one Density Bonus, which shall be selected by the applicant based on the percentage of Very Low Income Restricted Affordable Units, Lower Income Restricted Affordable Units, or Moderate Income Restricted Affordable Units, or the Housing Project's status as a Senior Citizen Housing Development. Density bonuses from more than one category may not be combined. In no case shall a Housing Project be entitled to a Density Bonus of more than thirty-five percent (35%), unless it is a Senior Housing Project meeting the requirements of Section 202.2(f).

(D) The Density Bonus Units shall not be included when determining the number of Restricted Affordable Units required to qualify for a Density Bonus. Density bonuses shall be calculated as a percentage of the Maximum Allowable Residential Density.

(E) Any Restricted Affordable Unit provided pursuant to the on-site requirements of the Inclusionary Affordable Housing Program, Section 415 et seq., shall be included when determining the number of Restricted Affordable Units required to qualify for a Development

1 Bonus under this Section 206.6. The payment of the Affordable Housing Fee shall not qualify for a  
2 Development Bonus under this Section. The provision of Off-site Units shall not qualify the Principal  
3 Project for a Density Bonus under this Section; however an Off-site Unit may qualify as a Restricted  
4 Affordable Unit to obtain a density bonus for the Off-site Project.

5 (F) In accordance with state law, neither the granting of a Concession,  
6 Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of  
7 itself, to require a general plan amendment, zoning change, variance, or other discretionary approval.

8 (G) No additional Density Bonus shall be authorized for a Senior Citizen  
9 Development beyond the Density Bonus authorized by subsection (I) of this Section.

10 (H) Certain other types of development activities are specifically eligible for a  
11 development bonuses pursuant to State law, including land donation under Government Code Section  
12 65915(g), condominium conversions under Government Code section 65915.5 and qualifying mobile  
13 home parks under Government Code section 65915(b)(1)(C). Such projects shall be considered  
14 Individually Requested State Density Bonus Projects.

15 (2) **Concessions and Incentives.** This Section includes provisions for providing  
16 Concessions or Incentives pursuant to Government Code Section 65915 et seq, as set forth in Table  
17 206.6B. For purposes of this Section 206.6, Concessions and Incentives as used interchangeably shall  
18 mean such regulatory concessions as specified in Government Code Section 65915(k) to include:

19 (A) A reduction of site Development Standards or architectural design  
20 requirements which exceed the minimum applicable building standards approved by the State  
21 Building Standards Commission pursuant to Part 2.5 (commencing with Section 18901) of Division 13  
22 of the Health and Safety Code, including, but not limited to, a reduction in setback, coverage, and/or  
23 parking requirements which result in identifiable, financially sufficient and actual cost reductions;

24 (B) Allowing mixed use development in conjunction with the proposed  
25 residential development, if nonresidential land uses will reduce the cost of the residential project and

the nonresidential land uses are compatible with the residential project and existing or planned development in the area where the Housing Project will be located; and

(C) Other regulatory incentives or concessions proposed by the developer or the City that result in identifiable, financially sufficient, and actual cost reductions.

Table 206.6B

Concessions and Incentives Summary – Individually Requested Project

<u>Target Group</u>	<u>Restricted Affordable Units</u>		
<u>Very Low Income</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>
<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Moderate Income (Common Interest Development)</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Maximum Incentive(s)/Concession(s)</u>	<u>1</u>	<u>2</u>	<u>3</u>

Notes: 1. Concessions or Incentives may be selected from only one category (very low, lower, or moderate). 2. Common Interest Development is defined in California Civil Code Section 4100.

(3) Request for Concessions and Incentives. In submitting a request for Concessions or Incentives that are not specified in Section 206.5(c)(4), an applicant for an Individually Requested Density Bonus Project must provide documentation described in subsection (d) below in its application. The Planning Commission shall hold a hearing and shall approve the Concession or Incentive requested unless it makes written findings, based on substantial evidence that:

(A) The Concession or Incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the California Health and Safety Code, or for rents for the Restricted Affordable Units to be as specified in this Section 206.6; or

(B) The Concession or Incentive would have a specific adverse impact, as defined in Government Code Section 65589.5(d)(2) upon public health and safety or the physical environment or any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the Housing Project unaffordable to low- and moderate-income households.

1                                    (C) The Concession or Incentive would be contrary to state or federal law.

2                                    (4) **Waiver or Modification.** An applicant may apply for a waiver or modification of  
3                                    Development Standards that will have the effect of physically precluding the construction of a Housing  
4                                    Project at the densities or with the Concessions or Incentives permitted by this Section 206.6. The  
5                                    Planning Commission will not grant a waiver or modification under this Section unless it is necessary  
6                                    to achieve the additional density or the Concessions or Incentives permitted by this Section 206.6. The  
7                                    developer must submit sufficient information as determined by the Planning Department demonstrating  
8                                    that Development Standards that are requested to be waived or modified will have the effect of  
9                                    physically precluding the construction of a Housing Project meeting the criteria of this Section 206.6 at  
10                                   the densities or with the Concessions or Incentives permitted. The Planning Commission shall hold a  
11                                   hearing to determine if the project sponsor has demonstrated that the waiver is necessary. The  
12                                   Planning Commission may deny a waiver if it finds on the basis of substantial evidence that:

13                                   (A) It is not required to permit the construction of a Housing Project meeting the  
14                                   density permitted or with the Concessions and Incentives permitted under this Section 206.6;

15                                   (B) The Waiver is not required in order to provide for affordable housing costs,  
16                                   as defined in Section 50052.5 of the California Health and Safety Code, or for rents for the Restricted  
17                                   Affordable Units to be as specified in this Section 206.6;

18                                   (C) The Waiver would have a specific adverse impact, as defined in Government  
19                                   Code Section 65589.5(d)(2) upon public health and safety or the physical environment or any real  
20                                   property that is listed in the California Register of Historical Resources and for which there is no  
21                                   feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the  
22                                   Housing Project unaffordable to low- and moderate-income households; or,

23                                   (D) The Waiver would be contrary to state or federal law.

1                   (5) Nothing in this Section shall be construed to require the provision of direct financial  
2 incentives for the Project, including the provision of publicly owned land by the City or the waiver of  
3 fees or dedication requirements.

4                   (d) **Application.** An application for a Density Bonus, Incentive, Concession, or waiver under  
5 this Section 206.6 shall be submitted with the first application for approval of a Housing Project and  
6 shall be processed concurrently with all other applications required for the Housing Project. The  
7 application shall be on a form prescribed by the City and, in addition to any information required for  
8 other applications, shall include the following information:

9                   (1) A description of the proposed Project, and a full plan set, including a site plan,  
10 elevations, section and floor plans, with the total number and location of dwelling units, Restricted  
11 Affordable Units, and Density Bonus Units proposed;

12                   (2) A plan set sufficient for the Planning Department to determine the project site's  
13 Maximum Allowable Residential Density. The project sponsor shall submit plans for a base project  
14 that demonstrates a Code complying project on the Housing Project site without use of a modification,  
15 Conditional Use Authorization, Variance, Planned Unit Development, or other exception from the  
16 Planning Code. Such plans shall include similar detail to the proposed Housing Project. The project  
17 sponsor shall demonstrate that site constraints do not limit the Maximum Allowable Residential Density  
18 for the base project in practice. If the project sponsor cannot make such a showing, the Zoning  
19 Administrator shall determine whether the Maximum Allowable Residential Density shall be adjusted  
20 for purposes of this Section.

21                   (3) The zoning district designations, Maximum Allowable Residential Density,  
22 assessor's parcel number(s) of the project site, and a description of any Density Bonus, Concession or  
23 Incentive, or waiver requested;

24                   (4) If a Concession or Incentive is requested that is not included within the menu of  
25 Incentives/Concessions set forth in subsection 206.5(c), a submittal including financial information or

1 other information providing evidence that the requested Concessions and Incentives result in  
2 identifiable, financially sufficient, and actual cost reductions required in order to provide for  
3 affordable housing costs as defined in Health and Safety Code Section 50052.5, or for rents for the  
4 Restricted Affordable Units to be provided as required under this Program. The cost of reviewing any  
5 required financial information, including, but not limited to, the cost to the City of hiring a consultant  
6 to review the financial data, shall be borne by the applicant. The financial information shall include all  
7 of the following items:

8 (A) The actual cost reduction achieved through the Concession or Incentive;

9 (B) Evidence that the cost reduction allows the applicant to provide affordable  
10 rents or affordable sales prices; and

11 (C) Any other information requested by the Planning Director. The Planning  
12 Director may require any financial information including information regarding capital costs, equity  
13 investment, debt service, projected revenues, operating expenses, and such other information as is  
14 required to evaluate the financial information;

15 (5) If a waiver or modification is requested, a submittal containing the following  
16 information. The cost of reviewing any required information supporting the request for a waiver,  
17 including, but not limited to, the cost to the City of hiring a consultant to review the architectural  
18 information, shall be borne by the applicant.

19 (A) Why the Development Standard would physically preclude the construction  
20 of the Development with the Density Bonus, Incentives, and Concessions requested.

21 (B) Any other information requested by the Planning Director as is required to  
22 evaluate the request;

23 (6) Level of affordability of the Restricted Affordable Units and a draft Regulatory  
24 Agreement;

1                   (7) The number of residential units which are on the property, or if the residential units  
2 have been vacated or demolished in the five year period preceding the application, have been and  
3 which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to  
4 persons and families of lower or very low income; subject to any other form of rent or price control  
5 through the City or other public entity's valid exercise of its police power; or occupied by lower or very  
6 low income households;

7                   (8) If the property includes a parcel or parcels in which dwelling units under (6) are  
8 located or were located in the five year period preceding the application, the type and size of those  
9 units, the incomes of the persons or families occupying those units.

10                  (9) Documentation that the applicant has provided written notification to all existing  
11 commercial or residential tenants that the applicant intends to develop the property pursuant to this  
12 section. Any affected commercial tenants shall be given priority processing similar to the  
13 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
14 Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such  
15 business in concert with access to relevant local business support programs.

16                  (10) If a Density Bonus or Concession is requested for a land donation under  
17 Government Code Section 65915(g), the application shall show the location of the land to be dedicated,  
18 provide proof of site control, and provide evidence that all of the requirements and each of the findings  
19 included in Government Code Section 65915(g) can be made;

20                  (11) If a density bonus or Concession is requested for a Child Care Facility under  
21 Section 206.7, the application shall show the location and square footage of the child care facilities  
22 and provide evidence that all of the requirements and each of the findings included in Government  
23 Code Section 65915(h) can be made;

1                   (12) If a Density Bonus or Concession is requested for a condominium conversion, the  
2 applicant shall provide evidence that all of the requirements found in Government Code Section  
3 65915.5 can be met.

4                   (e) **Review Procedures.** An application for a Density Bonus, Incentive, Concession, or waiver  
5 shall be acted upon concurrently with the application other permits related to the Housing Project.

6                   (1) Before approving an application for a Density Bonus, Incentive, Concession, or  
7 waiver, for any Individually Requested Density Bonus Project, the Planning Commission shall make the  
8 following findings as applicable.

9                   (A) The Housing Project is eligible for the Affordable Housing Bonus Program.

10                  (B) The Housing Project has demonstrated that any Concessions or Incentives  
11 are required in order to provide for affordable housing costs, as defined in Section 50052.5 of the  
12 California Health and Safety Code, or for rents for the targeted units, based upon the financial analysis  
13 and documentation provided.

14                  (C) If a waiver or modification is requested, a finding that the Development  
15 Standards for which the waiver is requested would have the effect of physically precluding the  
16 construction of the Housing Project with the Density Bonus or Concessions and Incentives permitted.

17                  (D) If the Density Bonus is based all or in part on donation of land, a finding  
18 that all the requirements included in Government Code Section 65915(g) have been met.

19                  (E) If the Density Bonus, Concession or Incentive is based all or in part on the  
20 inclusion of a Child Care Facility, a finding that all the requirements included in Government Code  
21 Section 65915(h) have been met.

22                  (F) If the Concession or Incentive includes mixed-use development, a finding  
23 that all the requirements included in Government Code Section 65915(k)(2) have been met.



1                   (2) If the findings required by subsection (a) of this Section cannot be made, the  
2 Planning Commission may deny an application for a Concession, Incentive, waiver or modification  
3 only if it makes one of the following written findings, supported by substantial evidence:

4                   (A) The Concession, Incentive, waiver or modification is not required to provide  
5 for the affordability levels required for Restricted Affordable Units;

6                   (B) The Concession, Incentive, waiver or modification would have a specific,  
7 adverse impact upon public health or safety or the physical environment or on real property listed in  
8 the California Register of Historic Resources, and there is no feasible method to satisfactorily mitigate  
9 or avoid the specific adverse impact without rendering the Housing Project unaffordable to Low and  
10 Moderate Income households. For the purpose of this subsection, "specific adverse impact" means a  
11 significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public  
12 health or safety standards, policies, or conditions as they existed on the date that the application for the  
13 Housing Project was deemed complete; or

14                   (C) The Concession, Incentive, waiver or modification is contrary to state or  
15 federal law.

16                   (3) The review procedures for an Individually Requested Density Bonus Project,  
17 including notice, hearings, and appeal, shall be the procedures applicable to the Housing Project  
18 regardless of whether it is applying for a State Density Bonus under this Section 206.6. However, any  
19 notice shall specify that the Housing Project is seeking a Development Bonus and shall provide a  
20 description of the development bonuses requested. Individually Requested Projects shall also be  
21 reviewed for consistency with the Affordable Housing Bonus Program Design Guidelines.

22                   (4) In accordance with state law, neither the granting of a Concession, Incentive,  
23 waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of itself, to  
24 require a general plan amendment, zoning change, variance, or other discretionary approval.

1           (f) **Regulatory Agreements.** Recipients of a Density Bonus, Incentive, Concession, waiver, or  
2 modification shall enter into a Regulatory Agreement with the City, as follows.

3           (1) The terms of the agreement shall be acceptable in form and content to the Planning  
4 Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the  
5 authority to execute such agreements.

6           (2) Following execution of the agreement by all parties, the completed Density Bonus  
7 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and  
8 recorded on the Housing Project.

9           (3) The approval and recordation of the Regulatory Agreement shall take place prior to  
10 the issuance of the First Construction Document. The Regulatory Agreement shall be binding to all  
11 future owners and successors in interest.

12           (4) The Regulatory Agreement shall be consistent with the guidelines of the City's  
13 Inclusionary Housing Program and shall include at a minimum the following:

14           (A) The total number of dwelling units approved for the Housing Project,  
15 including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units or  
16 other restricted units;

17           (B) A description of the household income group to be accommodated by the  
18 Restricted Affordable Units, and the standards for determining the corresponding Affordable Rent or  
19 Affordable Sales Price;

20           (C) The location, dwelling unit sizes (in square feet), and number of bedrooms  
21 of the Restricted Affordable Units;

22           (D) Term of use restrictions for Restricted Affordable Units of at least 55 years  
23 for Moderate Income units and at least 55 years for Low and Very Low units;

24           (E) A schedule for completion and occupancy of Restricted Affordable Units;  
25

1 (F) A description of any Concession, Incentive, waiver, or modification, if any,  
2 being provided by the City;

3 (G) A description of remedies for breach of the agreement (the City may identify  
4 tenants or qualified purchasers as third party beneficiaries under the agreement); and

5 (H) Other provisions to ensure implementation and compliance with this  
6 Section.

7 **SEC. 206.7. CHILD CARE FACILITIES.**

8 (a) For purposes of this Section 206.7, "Child Care Facility" means a child day care facility  
9 other than a family day care home, including, but not limited to, infant centers, preschools, extended  
10 day care facilities, and school age child care centers

11 (b) When an applicant proposes to construct a Housing Project that is eligible for a Density  
12 Bonus under Section 206.6 and includes a Child Care Facility that will be located on the premises of,  
13 as part of, or adjacent to, the Housing Project, all of the provisions of this Section 206.7 shall apply  
14 and all of the provisions of Section 206.6 shall apply, except as specifically provided in this Section  
15 206.7.

16 (c) When an applicant proposes to construct a Housing Project that is eligible for a Density  
17 Bonus under Section 206.6 and includes a Child Care Facility that will be located on the premises of,  
18 as part of, or adjacent to, the Housing Project, the City shall grant either:

19 (1) An additional density bonus that is an amount of square feet of residential space  
20 that is equal to or greater than the square footage of the Child Care Facility; or

21 (2) An additional Concession or Incentive that contributes significantly to the economic  
22 feasibility of the construction of the Child Care Facility.

23 (d) The City shall require, as a condition of approving the Housing Project, that the following  
24 occur:

1                   (1) The Child Care Facility shall remain in operation for a period of time that is as long  
2 as or longer than the period of time during which the Affordable Units are required to remain  
3 affordable. In the event the childcare operations cease to exist, the Zoning Administrator may approve  
4 in writing an alternative community service use for the child care facility.

5                   (2) Of the children who attend the Child Care Facility, the children of Very Low, Lower  
6 and Moderate Income households shall equal a percentage that is equal to or greater than the  
7 percentage of Restricted Affordable Units in the Housing Project that are required for Very Low,  
8 Lower and Moderate Income households pursuant to Section 206.6.

9                   (e) Notwithstanding subsections (a) and (b) above, the City shall not be required to provide a  
10 density bonus or a Concession or Incentive for a child care facility if it finds, based upon substantial  
11 evidence, that the community has adequate child care facilities.

12                   **SEC. 206.8. AFFORDABLE HOUSING BONUS PROGRAM EVALUATION.**

13                   (a) Within one year from the effective date of Section 206 and following, the Planning  
14 Department shall provide an informational presentation to the Planning Commission, and any other  
15 City agency at their request, presenting an overview of all projects that request or receive development  
16 bonuses under the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing  
17 Bonus Program and the Analyzed and Individually Requested State Density Bonus Program (“the  
18 Bonus Programs”).

19                   (b) Annual Reporting. The Planning Department shall include information on projects which  
20 request and receive development bonuses under the Bonus Programs in any relevant Department  
21 publications regarding the development of housing in San Francisco, including, but not limited to, the  
22 Quarterly Pipeline Report, the Housing Inventory and the Housing Balance Report.

23                   - (c) Data Report. The Planning Department, in coordination with MOHCD, shall prepare a  
24 Data Report reviewing the Bonus Programs every five years, beginning five years from the Effective  
25 Date of Section 206 and following. This report shall include, but not be limited to, information on the:

- 1       -           (1) number of projects utilizing the Bonus Programs;
- 2       -           (2) number of units approved and constructed under the Bonus Programs and the AMI  
3 levels of such units;
- 4       -           (3) number of additional affordable units in excess of that otherwise required by Section  
5 415;
- 6       -           (4) geographic distribution of projects, including the total number of units in each  
7 project, utilizing the Bonus Programs;
- 8       -           (5) number of larger unit types, including the number of 3 bedroom units;
- 9       -           (6) square feet of units by bedroom count;
- 10      -           (7) number of projects with 9 or fewer units that participate; and
- 11      -           (8) Number of appeals of projects in the Program and stated reason for appeal.

12           (d) Program Evaluation and Update:

13                   (1) Purpose and Contents. In coordination with the Data Report, the Department shall  
14 prepare a Program Evaluation and Update. The Program Evaluation and Update shall include an  
15 analysis of the Bonus Programs effectiveness as it relates to City policy goals including, but not limited  
16 to Proposition K (2014) and the Housing Element. The Program Evaluation and Update shall include  
17 a review of all of the following:

18                           (A) Target income levels for the Local Affordable Housing Bonus Program in  
19 relation to market values and assessed affordable housing needs.

20                           (B) Feasibility of the Local Affordable Housing Bonus Program, in relations to  
21 housing policy goals, program production, and current market conditions.

22                           (C) Requested and granted concessions and incentives, including consideration  
23 of whether the menu of zoning modification or concessions and incentives set forth in Section  
24 206.3(d)(4), 206.4(c)(5) and 206.5(c)(4) respond to the needs of projects seeking approvals under the  
25 Bonus Programs; consideration of whether the elected zoning modifications or incentives and

1 concessions result in a residential project that responds to the surrounding neighborhood context; and  
2 review and recommendation for additions or modifications to the list of zoning modifications or  
3 concessions and incentives in 206.3(d)(4), 206.4(c)(5) and 206.5(c)(4).

4 (D) Geography and neighborhood specific considerations. Review and analysis  
5 of where Bonus Program projects are proposed and approved, including an analysis of land values,  
6 zoning, height controls and neighborhood support.

7 (E) Review of the process for considering projects under the Program, including  
8 a review of Section 328, the appeal process, and other relevant process considerations.

9 (2) Public Hearing: The Program Evaluation and Update shall be prepared no less  
10 than every five years, beginning five years from the Effective Date of this Ordinance, and may be  
11 completed as a series of reports and in coordination with ongoing monitoring of affordable housing  
12 policies, or feasibility analyses. The Planning Commission shall hold a hearing on the Program  
13 Evaluation and Update and any recommendations for modification to any of the Bonus Programs.

14  
15 Section 3. The Planning Code is hereby amended by adding Sections 328, to read as  
16 follows:

17 **SEC. 328. LOCAL AND 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT**  
18 **AUTHORIZATION**

19 (a) Purpose. The purpose of this Section is to ensure that all Local and 100 Percent Affordable  
20 Housing Bonus projects under Section 206.3 or 206.4 are reviewed in coordination with priority  
21 processing available for certain projects with greater levels of affordable housing. While most projects  
22 in the Program will likely be somewhat larger than their surroundings in order to facilitate higher  
23 levels of affordable housing, the Planning Commission and Department shall ensure that each project  
24 is consistent with the Affordable Housing Bonus Design Guidelines and any other applicable design  
25

1 guidelines, as adopted and periodically amended by the Planning Commission, so that projects respond  
2 to their surrounding context, while still meeting the City's affordable housing goals.

3 (b) **Applicability.** This section applies to all qualifying Local and 100 Percent Affordable  
4 Housing Bonus Projects that meet the requirements described in Planning Code Sections 206.3 or  
5 206.4.

6 (c) **Planning Commission Design Review:** The Planning Commission shall review and  
7 evaluate all physical aspects of a Local or 100 Percent Affordable Housing Bonus Project at a public  
8 hearing. The Planning Commission recognizes that most qualifying projects will need to be larger in  
9 height and mass than surrounding buildings in order to achieve the Affordable Housing Bonus  
10 Program's affordable housing goals. However, the Planning Commission may, consistent with the  
11 Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines,  
12 and upon recommendation from the Planning Director, make minor modifications to a project to  
13 reduce the impacts of such differences in scale.

14 Additionally, as set forth in subsection (d) below, the Planning Commission may grant minor  
15 exceptions to the provisions of this Code. However, such exceptions should only be granted to allow  
16 building mass to appropriately shift to respond to surrounding context, and only when such  
17 modifications do not substantially reduce or increase the overall building envelope permitted by the  
18 Program under Section 206.3 or 206.4. All modifications and exceptions should be consistent with the  
19 Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In  
20 case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program  
21 Design Guidelines shall prevail.

22 The Planning Commission may require these or other modifications or conditions, or  
23 disapprove a project, in order to achieve the objectives and policies of the Affordable Housing Bonus  
24 Program or the purposes of this Code. This review shall limited to design issues including the  
25 following:

1                   (1) whether the bulk and massing of the building is consistent with the Affordable  
2 Housing Bonus Design Guidelines.

3                   (2) whether building design elements including, but not limited to architectural  
4 treatments, façade design, and building materials, are consistent with the Affordable Housing Bonus  
5 Program Design Guidelines and any other applicable design guidelines.

6                   (3) whether the design of lower floors, including building setback areas, commercial  
7 space, townhouses, entries, utilities, and parking and loading access is consistent with the Affordable  
8 Housing Bonus Program Design Guidelines, and any other applicable design guidelines.

9                   (4) whether the required streetscape and other public improvements such as tree  
10 planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other  
11 applicable design guidelines.

12                   (d) **Exceptions.** As a component of the review process under this Section 328, the Planning  
13 Commission may grant minor exceptions to the provisions of this Code as provided for below, in  
14 addition to the development bonuses granted to the project in Section 206.3(d) or 206.4(c). Such  
15 exceptions, however, should only be granted to allow building mass to appropriately shift to respond to  
16 surrounding context, and only when the Planning Commission finds that such modifications: 1) do not  
17 substantially reduce or increase the overall building envelope permitted by the Program under Sections  
18 206.3 or 206.4; and 2) are consistent with the Affordable Housing Bonus Design Guidelines. These  
19 exceptions may include:

20                   (1) Exception from residential usable open space requirements per Section 135, or any  
21 applicable special use district.

22                   (2) Exception from satisfaction of loading requirements per Section 152.1, or any  
23 applicable special use district.

24                   (3) Exception for rear yards, pursuant to the requirements of Section 134, or any  
25 applicable special use district.



1                   (4) Exception from dwelling unit exposure requirements of Section 140, or any  
2 applicable special use district.

3                   (5) Exception from satisfaction of accessory parking requirements per Section 152.1, or  
4 any applicable special use district.

5                   (6) Where not specified elsewhere in this Subsection (d), modification of other Code  
6 requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section  
7 304), irrespective of the zoning district in which the property is located.

8                   (e) **Required Findings.** If a Local Affordable Housing Bonus Program Project or 100 Percent  
9 Affordable Housing Bonus Project otherwise requires a conditional use authorization due only to 1) a  
10 specific land use, 2) use size limit, or 3) requirement adopted by the voters, then the Planning  
11 Commission shall make all findings and consider all criteria required by this Code for such use or use  
12 size as part of this Local and 100 Percent Affordable Housing Bonus Project Authorization.

13                   (f) **Hearing and Decision.**

14                   (1) **Hearing.** The Planning Commission shall hold a public hearing for all projects that  
15 are subject to this Section.

16                   (2) **Notice of Hearing.** Notice of such hearing shall be provided pursuant to the same  
17 requirements for Conditional Use requests, as set forth in Section 306.3 and 306.8.

18                   (3) **Director's Recommendations on Modifications and Exceptions.** At the hearing,  
19 the Planning Director shall review for the Commission key issues related to the project based on the  
20 review of the project pursuant to Subsection (c) and recommend to the Commission modifications, if  
21 any, to the project and conditions for approval as necessary. The Director shall also make  
22 recommendations to the Commission on any proposed exceptions pursuant to Subsection (d).

23                   (4) **Decision and Imposition of Conditions.** The Commission, after public hearing and,  
24 after making appropriate findings, may approve, disapprove or approve subject to conditions, the  
25 project and any associated requests for exception. As part of its review and decision, the Planning

1 Commission may impose additional conditions, requirements, modifications, and limitations on a  
2 proposed project in order to achieve the objectives, policies, and intent of the General Plan or of this  
3 Code.

4 (5) **Appeal.** The decision of the Planning Commission may be appealed to the Board of  
5 Appeals by any person aggrieved within 15 days after the date of the decision by filing a written notice  
6 of appeal with that body, setting forth wherein it is alleged that there was an error in the interpretation  
7 of the provisions of this Code or abuse of discretion on the part of the Planning Commission.

8 (6) **Discretionary Review.** No requests for discretionary review shall be accepted by  
9 the Planning Department or heard by the Planning Commission for projects subject to this Section.

10 (7) **Change of Conditions.** Once a project is approved, authorization of a change in  
11 any condition previously imposed by the Planning Commission shall require approval by the Planning  
12 Commission subject to the procedures set forth in this Section.

13  
14 Section 4. The Planning Code is hereby amended by amending Sections 250, 260,  
15 and 352 to read as follows:

16 **SEC. 250. HEIGHT AND BULK DISTRICTS ESTABLISHED.**

17 (a) In order to carry out further the purposes of this Code, height and bulk districts are  
18 hereby established, subject to the provisions of this Article 2.5.

19 (b) No building or structure or part thereof shall be permitted to exceed, except as  
20 stated in Sections 172, ~~and~~ 188, and 206 of this Code, the height and bulk limits set forth in this  
21 Article for the district in which it is located, including the height limits for use districts set forth  
22 in Section 261.

23 \* \* \* \*

24  
25 **SEC. 260. HEIGHT LIMITS; MEASUREMENT.**

(a) **Method of Measurement.** The limits upon the height of buildings and structures shall be as specified on the Zoning Map, *except as permitted by Section 206*. In the measurement of height ~~for purposes of such limits~~, the following rules shall be applicable:

\* \* \* \*

**SEC. 352. COMMISSION AND ZONING ADMINISTRATOR HEARING APPLICATIONS.**

\* \* \* \*

*(o) **Affordable Housing Bonus Program (Section 206 and following).** The initial fee amount is not to exceed 50% of the construction cost. A \$120 surcharge shall be added to the fees for a conditional use or planned unit development to compensate the City for the costs of appeals to the Board of Supervisors.*

<u>Estimated Construction Cost</u>	<u>Initial Fee</u>
<u>No construction cost, excluding extension of hours</u>	<u>\$1,012.00</u>
<u>No construction cost, extension of hours</u>	<u>\$724.00</u>
<u>Wireless Telecommunications Services (WTS)</u>	<u>\$5,061.00</u>
<u>\$1.00 to \$9,999.00</u>	<u>\$724.00</u>
<u>\$10,000.00 to \$999,999.00</u>	<u>\$724.00 plus 0.328% of cost over \$10,000.00</u>
<u>\$1,000,000.00 to \$4,999,999.00</u>	<u>\$4,033.00 plus 0.391% of cost over \$1,000,000.00</u>
<u>\$5,000,000.00 to \$9,999,999.00</u>	<u>\$19,986.00 plus 0.328% of cost over \$5,000,000.00</u>
<u>\$10,000,000.00 to \$19,999,999.00</u>	<u>\$36,701.00 plus 0.171% of cost over \$10,000,000.00</u>
<u>\$20,000,000.00 or more</u>	<u>\$54,120.00</u>

Section 5. Effective Date and Operative Effect. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance. This ordinance applies to projects that the Planning Department or Planning Commission have not approved

1 as of the effective date. For projects that have not yet submitted applications to the Planning  
2 Department or other City entity, all of the provisions of the ordinance apply. The Planning  
3 Department shall develop a policy to apply the provisions of this ordinance to projects that  
4 have already submitted applications, but have not obtained approvals, to permit such projects  
5 to amend their applications.

6  
7 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
8 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
9 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
10 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
11 additions, and Board amendment deletions in accordance with the "Note" that appears under  
12 the official title of the ordinance.

13  
14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

16 By: \_\_\_\_\_  
17 Susan Cleveland-Knowles  
Deputy City Attorney

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23  
24  
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# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

## NOTE TO FILE

**DATE:** February 18, 2016

**TO:** File for Case No. 2014.1304E

**FROM:** Michael Li

**RE:** Affordable Housing Bonus Program  
Amendments to Proposed Legislation

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On January 14, 2016, the Planning Department published an addendum to the *2004 and 2009 Housing Element FEIR*. The addendum analyzed the environmental impacts of the Affordable Housing Bonus Program (AHBP), which is proposed legislation that was introduced by Mayor Lee and Supervisor Tang on September 29, 2015. The analysis in the addendum was based on the proposed AHBP legislation as it was originally introduced by Mayor Lee and Supervisor Tang.

Amendments to the proposed AHBP legislation were introduced by the Planning Department on January 12, 2016, and Supervisor Breed introduced additional amendments during the Planning Commission hearing on January 28, 2016. This Note to File summarizes the proposed amendments and the environmental impacts of those amendments. For the reasons set forth below, the Planning Department has concluded that the amendments would not result in new impacts that were not already identified in the addendum or impacts that are more severe than those identified in the addendum. As discussed below under "January 2016 Amendments," the impacts of the project with the January 2016 amendments would be the same as or slightly less than the impacts discussed in the addendum; in some cases, the amendments would not result in any changes to the impacts discussed in the addendum.

In response to public testimony during the hearing on January 28, 2016, the Planning Department has proposed additional amendments that may be considered by the Planning Commission during the hearing scheduled for February 25, 2016. These amendments are discussed below under "Additional Amendments for Consideration by the Planning Commission."

### JANUARY 2016 AMENDMENTS

#### AHBP Definitions

##### *Amendments:*

The definitions of certain terms associated with the AHBP have been clarified.

##### *Impacts of Amendments:*

These amendments would not result in any physical changes to the environment and would not result in changes to the impacts discussed in the addendum.

## **Eligible Sites and Size of AHBP Study Area**

### *Amendments:*

1. The North of Market Residential Special Use District has been removed from the Local and State Analyzed programs.
2. Language has been added to clarify that for the Local and State Analyzed programs, only sites in South of Market Mixed-Use Districts in which residential density is based on the number of units per square foot of lot area would be eligible; sites in South of Market Mixed-Use Districts that regulate residential density by some other means would not be eligible.
3. Language has been added to clarify that sites in RH-1 and RH-2 Districts that can accommodate five or more dwelling units under current Planning Code controls are eligible for the AHBP under the State Individually Requested program.

### *Impacts of Amendments:*

The first two amendments listed above would reduce the number of sites that are eligible for the AHBP and would, therefore, reduce the theoretical maximum number of housing units that the AHBP could incentivize. The overall number of units developed under the AHBP on a citywide basis would not exceed the maximum of 16,000 units discussed in the addendum. The impacts of the first two amendments would be the same as or slightly less than the impacts discussed in the addendum.

The third amendment listed above clarifies that certain sites in RH-1 and RH-2 Districts would be eligible for the AHBP under the State Individually Requested program. The third amendment would not result in changes to the impacts discussed in the addendum, because the development of qualifying sites in RH-1 and RH-2 Districts can occur now under the existing State Density Bonus Law.

## **Ineligible or Prohibited Projects**

### *Amendments:*

1. Supervisor Breed introduced amendments related to the protection of existing rent-controlled residential units.
2. Language has been added to clarify that group housing units and efficiency dwelling units (a.k.a. micro units) would not be eligible for the Local or State Analyzed programs.
3. Language has been added under the Local and State Analyzed programs to prohibit lot mergers that would result in more than 125 feet of street frontage.
4. Language has been added to clarify that vertical additions to existing buildings would not be eligible for the Local or State Analyzed programs.

### *Impacts of Amendments:*

The amendments related to rent-controlled residential units and lot mergers would reduce potential impacts on rent-controlled residential units and limit the massing or scale of AHBP projects. The impacts of the project with these amendments would be slightly less than the impacts discussed in the

addendum. The amendment related to vertical additions to existing buildings would reduce the number of sites eligible for the Local or State Analyzed programs, thereby resulting in impacts that would be slightly less than the impacts discussed in the addendum. The amendment related to group housing units and efficiency dwelling units would not result in any physical changes to the environment and would not result in changes to the impacts discussed in the addendum.

### **Other Pending Legislation**

#### *Amendments:*

Language has been added to clarify how the eligibility of projects for the Local program would be affected by proposed legislation (the “Dial Legislation”) to amend Planning Code Section 415.

#### *Impacts of Amendments:*

This amendment addresses how the pending Dial Legislation, if adopted, would affect the eligibility of projects for the AHBP. This amendment would not result in any physical changes to the environment and would not result in changes to the impacts discussed in the addendum.

### **AHBP Development Bonuses**

#### *Amendments:*

1. Language has been added to clarify how the 20-foot height bonus must be distributed within a building envelope under the Local program. Language has been added to clarify that the additional five-foot height bonus available under the Local program can only be utilized for the ground floor of a building when the project site is not in a zoning district that already allows the additional five-foot height bonus.
2. Language has been added to clarify that the parking reduction under the Local, 100% Affordable, and State Analyzed programs would only apply to automobile parking, not bicycle parking.
3. A new zoning modification related to the use of inner courts as open space has been added to the Local and 100% Affordable programs.

#### *Impacts of Amendments:*

These amendments clarify when certain development bonuses would be applicable and how those development bonuses would be implemented. The impacts of the project with these amendments would be the same as or slightly less than the impacts discussed in the addendum.

### **AHBP Implementation Procedures**

#### *Amendments:*

These amendments would address the procedures related to implementing the AHBP (e.g., documentation, fees, review of applications, pricing of units, periodic evaluation and monitoring of the AHBP).

*Impacts of Amendments:*

These amendments would not result in any physical changes to the environment and would not result in changes to the impacts discussed in the addendum.

**ADDITIONAL AMENDMENTS FOR CONSIDERATION BY THE PLANNING COMMISSION**

In response to public testimony during the hearing on January 28, 2016, the Planning Department has proposed potential amendments that may be considered by the Planning Commission during the hearing scheduled for February 25, 2016.

*Amendments:*

1. Any project proposing the demolition of an existing dwelling unit would not be eligible for the AHBP.
2. The AHBP Design Guidelines would be amended to add a new principle addressing building height along narrow streets.
3. New lots created by lot mergers would be limited in street frontage to no more than 50 percent of the length of the subject block.
4. In order to address the potential displacement of existing small businesses, notification requirements and relocation assistance would be expanded. Upon completion of an AHBP project with commercial space, the previous business(es) at the project site would be given the first right of refusal to occupy the new commercial space(s). As part of the AHBP entitlement process, the Planning Commission would be given the authority to reduce the size of proposed commercial uses or require proposed commercial uses to protect existing neighborhood-serving businesses.
5. AHBP entitlement actions under Planning Code Section 328 would be appealable to the Board of Supervisors instead of the Board of Appeals.
6. Each staff report for an AHBP project would include an analysis of how the project complies with the AHBP Design Guidelines.
7. The affordability range for some of the middle-income units proposed under the AHBP would be lowered.

*Impacts of Amendments:*

The first amendment listed above would reduce the number of sites that are eligible for the AHBP and would, therefore, reduce the theoretical maximum number of housing units that the AHBP could incentivize. The second and third amendments listed above would potentially limit the footprint, height, and/or massing of AHBP projects. Collectively, these amendments would result in impacts that are the same as or less than the impacts discussed in the addendum.

The amendments related to small businesses facing displacement would result in impacts that are the same as or less than the impacts discussed in the addendum.



The amendments related to procedural changes in how AHBP projects are reviewed or related to the affordability range of middle-income units would not result in any physical changes to the environment and would not result in changes to the impacts discussed in the addendum.