



# SAN FRANCISCO PLANNING DEPARTMENT

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## Memo to the Planning Commission

HEARING DATE: JUNE 30, 2016  
Continued from the May 19, 2016 Hearing  
90 DAY DEADLINE: JULY 4, 2016

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*Date:* June 30, 2016  
*Project Name:* **Change in Affordable Housing Fee or Units in Rezoned Divisadero and Fillmore NCTDs**  
*Case Number:* 2015-016599PCA [Board File No. 151258]  
*Initiated by:* Supervisor Breed / Introduced December 8, 2015 and April 5, 2016  
*Staff Contact:* Menaka Mohan, Legislative Affairs  
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*Recommendation:* **Recommend Approval with Modifications**

### PLANNING CODE AMENDMENT

#### The Way It Is Now:

1. Properties along Divisadero Street and Fillmore Street Neighborhood Commercial Transit District are subject to the rules of Section 415, which require that any housing project of ten or more units is subject to the inclusionary housing ordinance.

For Projects with 10-24 units:

- a. **Fee.** Planning Code Section 415.7 typically requires the following of Project Sponsors who electing the In-Lieu Fee to pay a fee equivalent to 20% of the total number of units produced in the principal project. The fee is deposited into the Housing Trust Fund and is generally required to be used to increase the supply of housing affordable to qualifying households.
- b. **Onsite Housing.** If the project sponsor chooses to provide affordable units on-site of the principal project, the project sponsor should provide 12% of all units constructed as inclusionary units.
- c. **Off-Site Housing.** Code Section 415.7 typically requires Project Sponsors electing the Off-Site alternative to construct off-site units equivalent to 20% of the total number of units produced in the principal project. These units are dedicated to low and very low-income households.

For Projects with 25 units or more:

- a. **Fee.** Planning Code Section 415.7 typically requires the following of Project Sponsors who electing the In-Lieu Fee to pay a fee equivalent to 33% of the total number of units produced in the principal project. The fee is deposited into the Housing Trust Fund and

is generally required to be used to increase the supply of housing affordable to qualifying households.

Projects that are currently in the pipeline may be subject to a lower inclusionary rate, depending on when their EE application was submitted and where they are located. Application dates for the grandfathering of existing projects would be established by the dates of a completed EE application that was submitted as follows:

- prior to 1/1/2013, the inclusionary rates existing on January 12, 2016.
- prior to 1/1/2014, the inclusionary rate is 25%
- prior to 1/1/2015, the inclusionary rate is 27.5%
- on or prior to 1/12/2016, the inclusionary rate is 30%

- b. **Onsite Housing.** If the project sponsor chooses to provide affordable units on-site of the principal project, the project sponsor should provide 25% of all units constructed as inclusionary units with a minimum of 15% of the units affordable to low and very low-income households and another 10% of the units affordable to very low, low- or middle income households.

Projects that are currently in the pipeline may be subject to a lower inclusionary rate, depending on when their Environmental Evaluation (EE) application was submitted and where they are located (See Exhibit A). Application dates for the grandfathering of existing projects would be established by the dates of a completed EE application that was submitted as follows:

- prior to 1/1/2013, the inclusionary rates existing on January 12, 2016.
- prior to 1/1/2014, the inclusionary rate is 13%
- prior to 1/1/2015, the inclusionary rate is 13.5%
- on or prior to 1/12/2016, the inclusionary rate is 14.5%

- c. **Off-Site Housing.** Code Section 415.7 typically requires Project Sponsors electing the Off-Site alternative to construct off-site units equivalent to 33% of the total number of units produced in the principal project. These units are dedicated to low and very low-income households.

Projects that are currently in the pipeline may be subject to a lower inclusionary rate, depending on when their EE application was submitted and where they are located. Application dates for the grandfathering of existing projects would be established by the dates of a completed EE application that was submitted as follows:

- prior to 1/1/2013, the inclusionary rates existing on January 12, 2016.
- prior to 1/1/2014, the inclusionary rate is 25%
- prior to 1/1/2015, the inclusionary rate is 27.5%
- on or prior to 1/12/2016, the inclusionary rate is 30%

#### The Way It Would Be:

Please note that the proposed ordinance intends to incorporate all of the changes as outlined under the current proposal; however, the legislation was not introduced prior to the publication of this case report.

Staff anticipates the recommendations will be incorporated into legislation that will be introduced prior to the June 30<sup>th</sup> Planning Commission hearing.

1. Developments that are proposed along the Divisadero Street and or the Fillmore Neighborhood Commercial Transit District that have increased residential potential due to the rezoning would be subject to the following:

For Projects with more than 10 units-there are no separate provisions for projects with greater than 25 units.

- a. **Fee.** The project shall pay an affordable housing fee equivalent to a requirement to provide 25% of the units in the principal project as affordable units as calculated in Section 415.5
- b. **On-Site Housing.** If the project sponsor chooses to provide affordable units on-site of the principal project, the project sponsor should provide 23% of all units constructed on the project site as affordable housing.
- c. **Off-Site Housing.** If the project sponsor chooses to provide the units off-site from the principal project, the project sponsor shall construct or cause to be constructed 25% of all units constructed on the principal project as affordable units subject to the requirements of Section 415.7
- d. **Grandfathering.** There are no grandfathering provisions, however the ordinance states that if the voters approve the proposed Charter Amendment on June 7, 2016 and the Board adopts permanent inclusionary affordable housing requirements that are higher than those set forth in this ordinance, the higher requirement shall apply.

## **BACKGROUND**

The Planning Commission considered the establishment of the Divisadero Street and Fillmore NCT District on April 2, 2015 (Board File No. 150081, 150082, and Case No. 2015-001388PCA, 2015-001268PCA), and the new districts became effective on August 16, 2015. The rezoning of Divisadero and Fillmore Neighborhood Commercial Districts kept the underlying land use controls but changed the residential density to be governed by height/bulk limitations, open space, rear yard setbacks, and exposure requirements, as opposed to a lot area ratio.

The Planning Commission [Commission] held an adoption hearing for the proposed Ordinance on May 19, 2016. At the hearing, the Commission directed staff to look at the development potential along the corridors and consider the impact of the new inclusionary ordinance, or trailing legislation. In general, the proposed legislation increases the fee amounts for the recently rezoned Neighborhood Commercial Districts.

## **ISSUES AND CONSIDERATIONS**

### **Inclusionary Affordable Housing Fees**

At the last Planning Commission hearing it was unknown whether the trailing legislation for the new inclusionary rates would become effective as the ordinance was dependent on Proposition C passing on the June 7, 2016 election. Proposition C passed with over 67% of the vote, which instituted the new inclusionary rates. At the last hearing, the rates for the Divisadero and Fillmore NCT Districts and the

inclusionary rates differed. The rates for recently passed Citywide Inclusionary Program and those proposed by this Ordinance were based on 2007 Nexus Study completed by Keyser Marston Associates (KMA).<sup>1</sup> The Divisadero and Fillmore NCT rates were slightly lower as it is generally best practice to set an impact fee lower than the full nexus. The Project Sponsor, however, has agreed to make the on-site, off-site, and fees consistent with the inclusionary rates. This ensures that sites within that have similar zoning to the Divisadero and Fillmore corridors are treated the same. In addition, the proposed fees for the Divisadero and Fillmore Corridor were not a significantly higher percentage (25%) than the proposed on-site (23%) which could encourage project sponsors to “fee out” instead of provide units on-site. The Project Sponsor has also agreed that the fees generated through Divisadero and Fillmore Affordable Housing Fee should be deposited into the Citywide Affordable Housing Fund.

**Table 1: Inclusionary Affordable Housing Fee and Proposed Affordable Housing Fee for Divisadero and Fillmore NCT**

Program	Inclusionary Rates	Divisadero/Fillmore NCT-as proposed
Fee (10-24 units)	20%	25%
Fee (≥25 units)	33%	25%
On-Site (10-24 units)	12%	23%
On-Site (≥25 units)	25% (15% VL), and LI 10%(VLI, LI, MI)	23%
Off-site (10-24 units)	20%	25%
Off-site (≥25 units)	33% (20% to VLI and LI), 13% (MI)	25%

#### **Proposed Trailing Legislation Grandfathering Provisions**

The proposed trailing legislation for the Charter amendment being voted on this June provides a lower inclusionary rate for projects in the pipeline depending on when the project submitted an Environmental Evaluation (EE), namely if the EE application was submitted, the new inclusionary rate would be as follows for projects providing affordable housing on-site:

- prior to 1/1/2014, the inclusionary rate would be 13%
- prior to 1/1/2015, the inclusionary rate would be 13.5%
- on or prior to 1/12/2016, the inclusionary rate would be 14.5%
- After 1/12/2016, 25% of units would subject to the new inclusionary rates, 15% for low and very low income households and 10% affordable to middle income households.

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<sup>1</sup> Study can be found online at: [http://sf-planning.org/sites/default/files/FileCenter/Documents/8380-FINAL%20Resid%20Nexus\\_04-4-07.pdf](http://sf-planning.org/sites/default/files/FileCenter/Documents/8380-FINAL%20Resid%20Nexus_04-4-07.pdf)

Note that these rates are dependent on the amendments to the Charter being approved by voters at the June 7, 2016 election. The ordinance being considered under this report does not grandfather any projects; therefore, in the case of a project that has an EE filed that *triggers* a lower inclusionary rate, the Divisadero and Fillmore fee rate would apply.

As of Q1 2016, there are no new pipeline projects (including PPAs) in the Fillmore NCT, but there are a few projects in the Divisadero NCT.

- PL FILED: 400-444 Divisadero Street & 1048-1064 Oak Street 154 units residential building with commercial (PPA letter issued 9/17/15, ENV application submitted 11/24/15)
- PL FILED: 650 Divisadero Street 9 unit residential condominium (ENV submitted 1/21/14 – project is now 60 units over parking and commercial)
- BP ISSUED: 834 Divisadero Street change of use from auto body repair shop to retail
- ON HOLD: 1003 Page Street convert 1 residential unit to commercial tourist hotel

#### **Determination of Residential Potential**

##### ***Soft Site Analysis***

Typically the Department analyzes development potential through a soft site analysis. The soft site analysis includes parcels which exceed 5% but not 30% of potential development by square footage as *potential* candidates for development.

Potential development is counted as residential units and in commercial gross square feet. A parcel may have residential, commercial, or residential and commercial development capacity depending on the specific combination of zoning and height district. The development potential may also be controlled by open space and set back requirements. Once the development potential for residential and commercial space is calculated, information on existing housing units and commercial square footage can be used to calculate the net potential for each parcel. For example, for a parking lot or a one-story building in an 80-foot height zoning district, most of the potential capacity remains unused or underdeveloped; for two-story homes in most residential neighborhoods, however, the potential capacity would be considered built out.

To calculate the development potential for the Divisadero and Fillmore NCT Corridor the soft site analysis assumed that sites that were 30% developed were potential candidates for redevelopment. The analysis was further refined by removing sites with residential units, historic resources, community resources, and irregular shaped lots. To account for open space requirements, lots less than 2,500 square feet were multiplied by a factor of 0.75 while sites with larger areas were multiplied by 0.5 assuming that larger sites need more circulation. Unit size was assumed to be 1,000 gross square feet and the ground floor was assumed to be commercial. Finally, this analysis includes both pipeline projects along the Divisadero Corridor on 400-444 Divisadero Street/1048-1064 Oak Street and 650 Divisadero Street. Generally, pipeline projects are not included in the analysis of development potential. The two projects were included in this analysis as they are projects that have submitted EEs and would be subject to a higher fee inclusionary rate.

Under the old zoning regulations (NCD), the maximum number of units that could potential be built would be around 113<sup>2</sup> units and under the new NCT zoning the most that could be built would be 293 units. This is an increase of 158%. Note that the older NCD zoning is restrictive and may not have made

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<sup>2</sup> Note that this is an estimate based on best available data

sites feasible to develop. For example, a site may be zoned to allow a maximum of 50 units, but the unit size would be too large to make development feasible, therefore leaving a site vacant or underdeveloped.

The ordinance states the Planning Department will determine the development potential of a site as it relates to a specific provision in the Charter, namely section in the 16.110(h)(1)(B)(iii)<sup>3</sup> which describes the Housing Trust Fund. Although the language in the Charter has changed, the specific language should be still be included to determine the residential potential in the ordinance that references the new charter language as well as the old zoning for the Divisadero and Fillmore Commercial Districts.

### ***Feasibility Analysis***

The Board of Supervisors passed a resolution in March of 2016 establishing a City policy to maximizing a feasible inclusionary affordable housing requirement. The resolution directs the Controller's office with the assistance of independent analysts to complete an economic feasibility analysis of the City's Inclusionary Housing fees and off-site alternatives. To date, the study has yet to be completed but is anticipated to be available at the end of July.

Although the study is not available, the NCT zoning on the Divisadero and Fillmore corridors is not new to the City. Several corridors, including, Mission, Hayes-Gough, and Valencia are also zoned NCT with their residential density determined by height/bulk limitations, open space, rear yard setbacks, and exposure requirements, as opposed to a lot area ratio. A new development project on any of these corridors is subject to the new inclusionary rates without additional analysis to ensure that the inclusionary rates are sufficient.

### **REQUIRED COMMISSION ACTION**

The proposed Resolution is before the Commission so that it may recommend approval or disapproval to the Board of Supervisors.

### **PROPOSED RECOMMENDATION**

The Department recommends that the Commission recommend approval with modifications of the proposed Ordinance to the Board of Supervisors.

The project sponsor plans to incorporate the following recommendations which were discussed at the May 19<sup>th</sup>, 2016 Planning Commission Hearing. The sixth recommendation acknowledges that if the inclusionary rates were to change in similar NCT corridors, the rates in Divisadero and Fillmore NCT would also change and has been accepted by the project sponsor:

1. Create Consistency with Varying Inclusionary Affordable Housing Fees
2. Affordable housing fees generated through development on the Divisadero Street NCT and Fillmore Street NCT will be deposited into the Citywide Affordable Housing Fund

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<sup>3</sup>The exact language of the Charter amendment is as follows: A project that, through a Special Use District or other local legislation adopted after November 6, 2012, receives (1) a 20% or greater increase in developable residential gross floor area, as measured by a change in height limits, Floor Area Ratio limits, or use, over prior zoning, or (2) a 50% or greater increase in residential densities over prior zoning. Notwithstanding the foregoing, should a project sponsor seek to develop a project in accordance with zoning in place immediately before the establishment of the Special Use District, this subsection (h) shall apply.

3. Include a subsection in Section 415 that Describes the New Affordable Housing Fee for the Divisadero and Fillmore NCT Districts
4. If the Economic Feasibility Study that is required as part of the Inclusionary Ordinance indicates that Corridors with NCT Zoning should have rates that are higher than the rest of the City, the Divisadero and Fillmore NCT Inclusionary rates should also be higher

### **BASIS FOR RECOMMENDATION**

The Department supports a higher fee rate and a higher percentage of onsite inclusionary for the Divisadero and Fillmore Neighborhood Transit Districts because of the recent rezoning of the Districts and the possibility of producing more affordable units, however modifications described below will ensure that the proposed inclusionary rates are not lower than the City wide rates and they will add greater clarity making the ordinance easier to implement.

#### **Recommendation 1: Create Consistency with Varying Inclusionary Affordable Housing Fees**

The Department recommends that the ordinance mirror the Inclusionary Affordable Housing Fee regarding on-site, off-site, and size of the project. That would mean that projects under a 24 units would be subject to the current rate of 12%, and project with 25 units or more would be subject to the new inclusionary rates. As currently written the proposed rates are lower and higher than the Citywide rates. The Department is concerned that setting a higher rate for projects with less than 25 units could make these projects less attractive in the Divisadero and Fillmore Districts than in other areas with similar zoning. For example, if the proposed inclusionary ordinance were to become effective, a project with less than 25 units in Mission NCT would be subject to the 12% inclusionary rate while a project in the Divisadero NCT would be subject to 23% on-site inclusionary requirement. The new fees would be described as below:

**Table 2: Inclusionary Affordable Housing Fee and Proposed Affordable Housing Fee for Divisadero and Fillmore NCT**

Program	Citywide Inclusionary Rates	Proposed Divisadero/Fillmore NCT Rates
Fee	33%	33%
Fee (10-24 units)	20%	20%
On-Site (10-24 units)	12%	12%
On-Site (≥25 units)	25% (15% VL and LI and 10% VLI, LI, MI)	25%(15% VL and LI and 10% VLI, LI, MI)
Off-site	33% (20% to VLI and LI, 13% VLI, LI, MI)	33%.(20% to VLI and LI, 13% VLI, LI, MI)

Note that the adopted City rates are still lower than what is described in the Divisadero Community Plan, drafted by Affordable Divisadero, which states that “developments over 10 units should have 50% of the units affordable to households under the San Francisco median income and one half of those affordable units must be affordable to households earning below or up to 50% of the SF AMI, one fourth must be affordable to households earning between 50%-80% of the SF AMI and the remaining affordable units

must be affordable to households earning between 80-100% of the AMI.<sup>4</sup> The Department does not want institute requirements in Divisadero and Fillmore NCT that are above and beyond other parts of the City as it may have the consequence of making development along the corridors infeasible or unattractive as compared to other parts of the City.

**Recommendation 2: Affordable housing fees generated through development on the Divisadero Street NCT and Fillmore Street NCT should be deposited into the Citywide Affordable Housing Fund**

To date, all affordable housing fees generated through the Inclusionary Program are deposited in the Citywide Affordable Housing Fund. This allows the City to maximize funds generated throughout the City to increase the affordable housing supply; if the funds are restricted to one specific zoning district it limits the ability of the City to access those funds for affordable housing in other areas of the City. Furthermore, this would set a new precedent for the Citywide Inclusionary program and could lower the total amount of money available in the Citywide Fund by siphoning off one particular zoning district. Therefore, the Department recommends amending the language in the ordinance to have the same criteria for the use of funds as the Citywide Inclusionary Program.

**Recommendation 3: Clarify Determination of Residential Potential and Grandfathering for Divisadero and Fillmore NCT Pipeline Projects.**

The ordinance leaves the determination of residential potential to the Planning Department. To determine the residential potential the Department recommends adding the old Divisadero and Fillmore Neighborhood Commercial District density requirement directly into the ordinance. For reference, the density for Divisadero NCD was one unit per 800 square feet of lot area and Fillmore NCD was 1 unit to 600 square feet of lot area with one parcel of RH-3 (three units per lot), RM-4 (one unit per 200 square feet of lot area) and RM-3 (one unit per 400 square feet of lot area)<sup>5</sup>.

The City Charter now gives the Board of Supervisors the ability to change the inclusionary rate through legislation and no longer needs a calculation based on residential potential. At the same time, projects in the Divisadero and Fillmore NCT Districts are benefiting from the recent rezoning that increased the development potential for some projects. Given that, the Department recommends that projects receiving a 50% increase or more in residential density as compared to the old NCD zoning should be exempt from the grandfathering provisions in the trailing legislation. In other words, projects that have already filled an EE application and have a 50% increase in residential density compared to the old NCD zoning would be subject to the full on-site inclusionary rate, fee, and off-site requirement. If a project with an EE application already submitted has a proposed residential density that is not a 50% increase from old NCD zoning, the grandfathering rates outlined in the inclusionary program would apply. Without this ordinance, projects in the Divisadero and Fillmore pipeline are subject to the Grandfathering rates in the inclusionary ordinance which are lower than what is proposed in this Ordinance:

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<sup>4</sup> The full plan can be found in Exhibit C.

<sup>5</sup> The specific Block and Lots are as follows: 0798/001, 0779/031, 0702/038



**Table 3: Pipeline Projects in Divisadero NCT as of Q1 2016**

Program	400-444 Divisadero Street & 1048-1064 Oak Street-EE-11/24/15	650 Divisadero Street-EE1/21/14s
Fee	30%	27.5%
On-Site (≥25 units)	14.5%	13.5%
Off-site	30%	27.5%

**Recommendation 4: Include a Subsection in Section 415 that Describes the New Affordable Housing Fee for the Divisadero and Fillmore NCT Districts**

Currently, the ordinance creates a new code section (section 428) to implement the new affordable housing fee in the Divisadero and Fillmore NCT Districts. Given that this fee follows the same procedures for the Inclusionary Affordable Housing Program-described in detail in section 415-a new subsection rather than a new code section could describe the different fee rates and direct the public to one consistent code section.

**Recommendation 5: If the Economic Feasibility Study that is required as part of the Inclusionary Ordinance indicates that Corridors with NCT Zoning should have rates that are higher than the rest of the City, the Divisadero and Fillmore NCT Inclusionary rates should also be higher.**

The City is currently waiting on the Economic Feasibility study [Study]. The purpose of this Study is to determine how to set the inclusionary housing obligations in San Francisco at the maximum economically feasible amount in market rate housing development to create housing for lower-, moderate- and middle-income households, with guidance from the City's Nexus Study. The Controller, in consultation with relevant City Departments and the Inclusionary Housing Technical Advisory Committee, is responsible for conducting the Study every three years. If the Study, ever indicates that a higher rate can be accommodated in other NCT Districts, such as but not limited to Mission, Valencia, or Hayes Gough, the inclusionary rates in Divisadero and Fillmore would also apply.

## ENVIRONMENTAL REVIEW

The proposed Ordinance is not defined as a project under CEQA Guidelines Section 15378 and 15060(c) (2) because it does not result in a physical change in the environment.

## PUBLIC COMMENT

To date the Planning Department has received public comment from Gus Hernandez, who represents Affordable Divisadero.

<b>RECOMMENDATION:</b>	<b>Approve with Recommendations</b>
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**Attachments:**

Exhibit A: Draft Resolution

Exhibit B: BOS File No. 150622

Exhibit C: Public Comment



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No.

HEARING DATE: JUNE 30, 2016

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*Date:* June 30, 2016  
*Project Name:* **Change in Inclusionary Rates in Divisadero and Fillmore NCTDs**  
*Case Number:* 2015-016599PCA [Board File No. 151258]  
*Initiated by:* Supervisor Breed / Introduced December 8, 2015 and April 5, 2016  
*Staff Contact:* Menaka Mohan, Legislative Affairs  
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Aaron Starr, Manager of Legislative Affairs  
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*Recommendation:* **Recommend Approval with Modifications**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT WITH MODIFICATIONS A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO REQUIRE ADDITIONAL AFFORDABLE HOUSING OR PAYMENT OF A FEE FOR CERTAIN SITES THAT OBTAINED HIGHER RESIDENTIAL DEVELOPMENT POTENTIAL AS A RESULT OF THE REZONING OF THE DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT AND THE FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, PLANNING CODE, SECTION 302, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1.

WHEREAS, on December 8, 2015 and April 5, 2016 Supervisor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 151258, which would amend the Planning Code to require additional affordable housing or payment of a fee for certain sites that obtained higher residential development potential as a result of the rezoning of the Divisadero street Neighborhood Commercial Transit (NCT) District and the Fillmore Street Neighborhood Commercial Transit (NCT) District; and

WHEREAS, If the project sponsor chooses to provide the units off-site from the principal project, the project sponsor shall construct or cause to be constructed 25% of all units constructed on the principal project as affordable units subject to the requirements of Section 415.7; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve with modifications** the proposed ordinance. Specifically, the Commission recommends the following modification\*:

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\* Note that if there is an ordinance introduced prior to the Planning Commission Hearing, that incorporates the following modifications the modifications listed below are no longer needed

**1. Create Consistency with Varying Inclusionary Affordable Housing Fees**

The ordinance should reflect the recently adopted inclusionary fees.

**2. Modify that the use of Affordable Housing fees generated through development on the Divisadero Street NCT and Fillmore Street NCT should be deposited into the Citywide Affordable Housing Fund and use the same criteria as Citywide Inclusionary Program.** To date, all affordable housing fees generated through the Inclusionary Program are deposited in the Citywide Affordable Housing Fund. This allows the City to maximize funds generated throughout the City to increase the affordable housing supply; if the funds are restricted to one specific zoning district it limits the ability of the City to access those funds for affordable housing in other areas of the City. Furthermore, this would set a new precedent for the Citywide Inclusionary program and could lower the total amount of money available in the Citywide Fund by siphoning off one particular zoning district. Therefore, the Department recommends amending the language in the ordinance to have the same criteria for the use of funds as the Citywide Inclusionary Program.

**3. Clarify Determination of Residential Potential and Grandfathering for Divisadero and Fillmore NCT Pipeline Projects will be modified**

Projects that have a 50% increase or more in residential density as compared to the old NCD zoning should be exempt from the grandfathering provisions in the proposed inclusionary ordinance while projects with less a 50% increase in residential potential would be subject to the grandfathering rules in the proposed inclusionary. The old density for Divisadero NCD (1/800 square feet of lot area and Fillmore NCD (1/600 square feet of lot area with one parcel of RH-3 (three units per lot, Block/Lot: 0798/001) RM-4 (one unit per 200 square feet of lot area, Block/Lot 0779/031) and RM-3 (one unit per 400 square feet of lot area, Block/Lot 0702/038) should be included to determine if a 50% or greater increase in residential densities exists.

**4. Include a Subsection in Section 415 that Describes the New Affordable Housing Fee for the Divisadero and Fillmore NCT Districts.**

Currently, the ordinance creates a new code section (section 428) to implement the new affordable housing fee in the Divisadero and Fillmore NCT Districts. Given that this fee follows the same procedures for the Inclusionary Affordable Housing Program-described in detail in section 415-a new subsection rather than a new code section could describe the different fee rates and direct the public to one consistent code section.

**5. If the Economic Feasibility Study that is required as part of the Inclusionary Ordinance indicates that Corridors with NCT Zoning should have rates that are higher than the rest of the City, the Divisadero and Fillmore NCT Inclusionary rates should also be higher.**

The City is currently waiting on the Economic Feasibility study [Study]. The purpose of this Study is to determine how to set the inclusionary housing obligations in San Francisco at the maximum economically feasible amount in market rate housing development to create housing for lower-, moderate- and middle-income households, with guidance from the City's Nexus Study. The Controller, in consultation with relevant City Departments and the Inclusionary Housing Technical Advisory Committee, is responsible for conducting the Study every three years. If the Study, ever indicates that a higher rate can be accommodated in other NCT Districts, such as but not limited to Mission, Valencia, or Hayes Gough, the inclusionary rates in Divisadero and Fillmore would also apply.

## 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 City adopted legislation rezoning the area along Divisadero Street between Haight and O'Farrell Streets to become the Divisadero Neighborhood Commercial Transit District ("NCT") in Ordinance No. 127-15 in August 2015, and the area along Fillmore Street between Bush and McAllister Streets to become the Fillmore NCT in Ordinance No. 126-15 in August 2015. The rezoning for both NCTs removed any residential density limits based on lot area, and instead restricted residential uses by physical envelope controls like height, bulk, and setback requirements for each site. This removal of density limits based on lot areas should afford for greater development on certain sites within each NCT.
2. On November 6, 2012, the voters adopted Proposition C ("Prop C"), The Housing Trust Fund, which is set forth in San Francisco Charter Section 16.110. Prop C established a limitation on the Inclusionary Housing Cost Obligation that the City could impose on residential development projects. Prop C set forth certain exceptions to this limitation, including but not limited to circumstances in which a project receives a 20% or greater increase in developable residential uses, as measured by a change in height limits, Floor Area Ratio limits, or use, over prior zoning, or a 50% or greater increase in residential densities over prior zoning, through a special use district or other local legislation adopted after November 6, 2012. The Divisadero Street NCT and the Fillmore Street NCT rezonings were adopted after this date.
3. The City conducted a Nexus Study in 2007, performed by Keyser Marston and Associates, in support of the Inclusionary Affordable Housing Program, or an analysis of the impact of development of market rate housing on affordable housing supply and demand. The Board of Supervisors reviewed the Nexus Study and staff analysis and report of the Study and, on that basis, found that the Study supported the inclusionary affordable housing requirements combined with the additional affordable housing fee set forth in Planning Code Sections 415 et seq., prior to enactment of Prop C. The City is now in the process of updating this nexus analysis.
4. The 2015 rezoning of the Divisadero and Fillmore NCTs will allow a 20% or greater increase in residential densities over prior zoning, or a 50% increase in residential density, through a special use district, or other local legislation adopted after November 6, 2012, on certain sites contained within the two NCTs. Current Charter Section 16.110 contains exemptions that would allow imposition of a higher Inclusionary Housing Cost Obligation because the Divisadero and Fillmore NCT rezonings took place after November 6, 2012 and result in higher development potential for certain sites located within both NCTs.
5. **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 (Staff discussion is added in *italic font* below):

## HOUSING ELEMENT

### OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

#### Policy 4.4

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

*The proposed ordinance will require more inclusionary units than is currently required in the Planning Code. Inclusionary units can be rental and are permanently affordable housing.*

#### **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.

*The proposed ordinance will increase the amount of money that individual developers would have to pay into the City's Housing Trust Fund. This money would then be used to pay for permanently affordable housing.*

#### **OBJECTIVE 8**

BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.

##### **Policy 8.1**

Support the production and management of permanently affordable housing.

*This ordinance supports the production of permanently affordable housing by increasing the inclusionary housing requirement for individual projects.*

- 6. 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 Ordinance will not have a negative effect on existing neighborhood serving retail uses as it only addresses the City's inclusionary housing program.*

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

*The proposed Ordinance will help maintain a diversity of housing types and income types in the City's various neighborhoods; helping to preserving the cultural and economic diversity of the City's neighborhoods.*

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

*The proposed Ordinance will have a positive effect on the City's supply of affordable housing by increasing the inclusionary requirement for individual projects with 25 units or more.*

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

*The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking as it only addresses the City's inclusionary housing program.*

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 Ordinance will 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.*

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

*The proposed Ordinance will not have an adverse effect on City's preparedness against injury and loss of life in an earthquake because the Ordinance modifies the City's inclusionary housing requirements.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance will not have an adverse effect on the City's Landmarks and historic buildings because the Ordinance only addresses the City's inclusionary housing requirements.*

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

*The proposed Ordinance will not have an adverse effect on the City's parks and open space and their access to sunlight and vistas because it only addresses the City's inclusionary housing requirements.*

- 7. 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 hereby recommends that the Board ADOPT the proposed Ordinance with the modification as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 30, 2016.

Jonas P. Ionin  
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

[Planning Code - Affordable Housing Requirement and Fee in Divisadero and Fillmore Neighborhood Commercial Transit Districts]

**Ordinance amending the Planning Code to require additional affordable housing or payment of a fee for certain sites that obtained higher residential development potential as a result of the rezoning of the Divisadero Street Neighborhood Commercial Transit District and the Fillmore Street Neighborhood Commercial Transit District; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, 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. Findings.

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

(b) On \_\_\_\_\_, 2016, the Planning Commission, in Resolution No. \_\_\_\_\_, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board



1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that the actions  
4 contemplated in this ordinance will serve the public necessity, convenience, and welfare for  
5 the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_ and the Board  
6 incorporates such reasons herein by reference. A copy of the Planning Commission  
7 Resolution No. \_\_\_\_\_ is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

8 (d) The City adopted legislation rezoning the area along Divisadero Street between  
9 Haight and O'Farrell Streets to become the Divisadero Neighborhood Commercial Transit  
10 District ("NCT") in Ordinance No. 127-15 in August 2015, and the area along Fillmore Street  
11 between Bush and McAllister Streets to become the Fillmore NCT in Ordinance No. 126-15 in  
12 August 2015. The rezoning for both NCTs removed any residential density limits based on lot  
13 area, and instead restricted residential uses by physical envelope controls like height, bulk,  
14 and setback requirements for each site. This removal of density limits based on lot areas  
15 should afford for greater development on certain sites within each NCT.

16 (e) On November 6, 2012, the voters adopted Proposition C ("Prop C"), The Housing  
17 Trust Fund, which is set forth in San Francisco Charter Section 16.110. Prop C established a  
18 limitation on the Inclusionary Housing Cost Obligation that the City could impose on  
19 residential development projects. Prop C set forth certain exceptions to this limitation,  
20 including but not limited to circumstances in which a project receives a 20% or greater  
21 increase in developable residential uses, as measured by a change in height limits, Floor Area  
22 Ratio limits, or use, over prior zoning, or a 50% or greater increase in residential densities  
23 over prior zoning, through a special use district or other local legislation adopted after  
24 November 6, 2012. The Divisadero Street NCT and the Fillmore Street NCT rezonings were  
25 adopted after this date.

1 (f) The City conducted a Nexus Study in 2007, performed by Keyser Marston and  
2 Associates, in support of the Inclusionary Affordable Housing Program, or an analysis of the  
3 impact of development of market rate housing on affordable housing supply and demand. The  
4 Board of Supervisors reviewed the Nexus Study and staff analysis and report of the Study  
5 and, on that basis, found that the Study supported the inclusionary affordable housing  
6 requirements combined with the additional affordable housing fee set forth in Planning Code  
7 Sections 415 *et seq.*, prior to enactment of Prop C. The City is now in the process of updating  
8 this nexus analysis.

9 (g) On June 7, 2016, the voters will consider a Charter Amendment eliminating the  
10 limits on inclusionary affordable housing set forth in Charter Section 16.110. The Board of  
11 Supervisors is also considering legislation to implement changes to the inclusionary affordable  
12 housing requirements, if the voters approve the Charter Amendment at the June 7, 2016  
13 election.

14 (h) The 2015 rezoning of the Divisadero and Fillmore NCTs will allow a 20% or greater  
15 increase in residential densities over prior zoning, through a special use district or other local  
16 legislation adopted after November 6, 2012, on certain sites contained within the two NCTs.  
17 Current Charter Section 16.110 contains exemptions that would allow imposition of a higher  
18 Inclusionary Housing Cost Obligation because the Divisadero and Fillmore NCT rezonings  
19 took place after November 6, 2012 and result in higher development potential for certain sites  
20 located within both NCTs.

21  
22 Section 2. The Planning Code is hereby amended by adding Section 428, including  
23 Sections 428.1, 428.2, 428.3, 428.4, and 428.5, to read as follows:  
24  
25

1           **SEC. 428. DIVISADERO STREET NCT AND FILLMORE STREET NCT AFFORDABLE**  
2 **HOUSING FEE AND REQUIREMENTS.**

3           Sections 428.1 through 428.5, hereafter referred to as Section 428.1 et seq., set forth the  
4 requirements and procedures for the Divisadero Street and Fillmore Street Neighborhood Commercial  
5 Transit Districts Affordable Housing Fee.

6           **SEC. 428.1. FINDINGS.**

7           The Board of Supervisors hereby finds that:

8           (a) The additional affordable housing fee requirement of this Section 428.1 et seq. is supported  
9 by the Nexus Study performed by Keyser Marston and Associates found in Board File No. 081152. The  
10 Board of Supervisors has reviewed the Nexus Study and other documents and, on that basis, finds that  
11 the Study supports the inclusionary affordable housing requirements combined with the additional  
12 affordable housing fee and requirements set forth in this Section 428.1 et seq. Specifically, the Board  
13 finds that the Study: (1) identifies the purpose of the additional fee and requirements to mitigate  
14 impacts on the demand for affordable housing in the City; (2) identifies the use of the additional fee to  
15 increase the City's affordable housing supply; and (3) establishes a reasonable relationship between  
16 the use of the additional fee for affordable housing and the need for affordable housing and the  
17 construction of new market rate housing. The study identified a different nexus for ownership housing  
18 and rental housing, and the City has imposed an inclusionary housing requirement based on the lower  
19 of the 2 amounts, since the City does not impose different fees on rental or ownership housing.  
20 Moreover, the current inclusionary affordable housing fees provided herein are less than the cost of  
21 mitigation, as identified in the nexus study, and this amount provides a margin for possible calculation  
22 differences among projects and analyses. Further, the affordable housing fee and requirements do not  
23 include the costs of remedying any existing deficiencies and do not duplicate other City requirements or  
24 fees.

1           **(b) An account has been established, funds appropriated, and a construction schedule adopted**  
2 **for affordable housing projects funded through the Inclusionary Affordable Housing Program. The**  
3 **Affordable Housing Fee will reimburse the City for expenditures on affordable housing that have**  
4 **already been made and that will be made in the future.**

5           **(c) A major objective of the Divisadero Street and Fillmore Street NCTs, set forth in Planning**  
6 **Code Sections 746 and 747, respectively, is to encourage and promote development that enhances the**  
7 **walkable, mixed-use character of the corridor and surrounding neighborhoods and to encourage**  
8 **housing development in new buildings above the ground floor. New market rate housing development**  
9 **could outnumber both the number of units and potential new sites within the area for permanently**  
10 **affordable housing opportunities. The City has adopted a policy in its General Plan to meet the**  
11 **affordable housing needs of its general population and to require new housing developments to**  
12 **produce sufficient affordable housing opportunities for all income groups, both of which goals are not**  
13 **likely to be met by the potential housing development in the area. In addition, the Nexus Study**  
14 **indicates that market rate housing itself generates additional lower income affordable housing needs**  
15 **for the workforce needed to serve the residents of the new market rate housing proposed for the area.**  
16 **To meet the demand created for affordable housing by the Divisadero Street NCT and Fillmore Street**  
17 **NCT zoning and to be consistent with the policy of the City, additional affordable housing requirements**  
18 **should be included for all market rate housing development in these NCTs, with priority for its use**  
19 **being given to the area.**

20           **(d) The Divisadero Street NCT and Fillmore Street NCT rezonings will allow greater**  
21 **residential development on certain sites within the NCTs, and the amount of the Inclusionary Housing**  
22 **Cost Obligation may be increased consistent with current Charter Section 16.110 if the City determines**  
23 **that a site within the NCTs would allow greater residential development, consistent with the exceptions**  
24 **set forth in Charter Section 16.110(h)(1)(B).**

1           (e) If the voters approve the Charter Amendment on June 7, 2016, and the Board adopts  
2           permanent inclusionary affordable housing requirements that are higher than those set forth in  
3           Sections 428 et seq., the higher requirement shall apply.

4           **SEC. 428.2. DEFINITIONS.**

5           See Section 401 of this Article 4.

6           **SEC. 428.3. APPLICATION OF AFFORDABLE HOUSING FEE REQUIREMENT.**

7           (a) **Applicability.** In the event that the Planning Department determines that the residential  
8           development potential on a site within the Divisadero Street NCT or the Fillmore Street NCT has been  
9           increased through the adoption of the NCT rezoning set forth in Ordinance Nos. 126-15 and 127-15  
10           consistent with certain exceptions set forth in Charter Section 16.110(h)(1)(B), the requirements of  
11           Sections 415.1 through 415.9 of the Planning Code shall apply, except that the following affordable  
12           housing requirements shall be applied to such residential development:

13                   (1) **Fee.** For a development project that is subject to the Residential Inclusionary  
14                   Affordable Housing Program, the development project shall pay an affordable housing fee equivalent  
15                   to a requirement to provide 25% of the units in the principal project as affordable units, using the  
16                   method of fee calculation set forth in Section 415.5(b).

17                   (2) **On-Site Housing.** If the project sponsor of a housing development project is  
18                   eligible and elects to construct units affordable to qualifying households on-site of the principal project  
19                   as set forth in Planning Code Section 415.5(g), the project sponsor shall construct 23% of all units  
20                   constructed on the project site as affordable housing and shall comply with all otherwise applicable  
21                   requirements of Section 415.6.

22                   (3) **Off-Site Housing.** If the project sponsor of a housing development project is  
23                   eligible and elects to provide units affordable to qualifying households off-site of the principal project  
24                   as set forth in Section 415.5(g), the project sponsor shall construct or cause to be constructed  
25

1 affordable housing equal to 25% of all units constructed on the principal project site as affordable  
2 housing and shall comply with all otherwise applicable requirements of Section 415.7.

3 (b) **Exemption for Affordable Housing.** A project applicant shall not pay the affordable  
4 housing fee for any space designated as a below market rate unit under Section 415.1 et seq., the  
5 Citywide Inclusionary Affordable Housing Program, or any other residential unit that is designated as  
6 an affordable housing unit under a Federal, State, or local restriction in a manner that maintains  
7 affordability for a term no less than 50 years.

8 (c) **Timing of Payment.** The Affordable Housing Fee shall be paid at the time of and in no  
9 event later than the City issues a first construction document, with an option for the project sponsor to  
10 defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral  
11 surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

12 **SEC. 428.4. IMPOSITION OF AFFORDABLE HOUSING REQUIREMENTS.**

13 (a) **Determination of Requirements.** The Planning Department shall determine the  
14 applicability of Section 428.1 et seq. to any development project requiring a first construction  
15 document and, if Section 428.1 et seq. is applicable, shall impose any such requirements as a condition  
16 of approval for issuance of the first construction document. The project sponsor shall supply any  
17 information necessary to assist the Department in this determination.

18 (b) **Department Notice to Development Fee Collection Unit of Fee Requirements.** After the  
19 Department has made its final determination regarding the application of the affordable housing  
20 requirements to a development project pursuant to Section 428.1 et seq., it shall immediately notify the  
21 Development Fee Collection Unit at DBI of the applicable affordable housing fee amount in addition to  
22 the other information required by Planning Code Section 402(b).

23 (c) **Process for Revisions of Determination of Requirements.** If the Department or the  
24 Commission takes action affecting any development project subject to Section 428.1 et seq. and such

1 action is subsequently modified, superseded, vacated, or reversed by the Board of Appeals, the Board  
2 of Supervisors, or a court, the procedures of Planning Code Section 402(c) shall be followed.

3 **SEC. 428.5. USE OF FUNDS.**

4 The additional affordable housing fee specified in this Section 428.1 et seq. for the Divisadero  
5 Street NCT and the Fillmore Street NCT shall be paid into the Citywide Affordable Housing Fund,  
6 established in Administrative Code Section 10.100-49, but the funds shall be separately accounted for.  
7 The Mayor's Office of Housing and Community Development shall expend the funds according to the  
8 following priorities: first, to increase the supply of housing affordable to qualifying households in the  
9 Divisadero Street NCT and the Fillmore Street NCT; second, to increase the supply of housing  
10 affordable to qualifying households within one mile of the boundaries of the Divisadero Street NCT and  
11 the Fillmore Street NCT; and third, to increase the supply of housing affordable to qualifying  
12 households in the City. The funds may also be used for monitoring and administrative expenses subject  
13 to the process described in Planning Code Section 415.5(f).

14  
15 Section 3. The Planning Code is hereby amended by revising Sections 746 and 747,  
16 to read as follows:

17 **SEC. 746. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
18 **DISTRICT.**

19 The Divisadero Street Neighborhood Commercial Transit District ("Divisadero Street  
20 NCT") extends along Divisadero Street between Haight and O'Farrell Streets. Divisadero  
21 Street's dense mixed-use character consists of buildings with residential units above ground-  
22 story commercial use. Buildings typically range in height from two to four stories with  
23 occasional one-story commercial buildings. The district has an active and continuous  
24 commercial frontage along Divisadero Street for most of its length. Divisadero Street is an  
25 important public transit corridor and throughway street. The commercial district provides

1 convenience goods and services to the surrounding neighborhoods as well as limited  
2 comparison shopping goods for a wider market.

3 The Divisadero Street NCT controls are designed to encourage and promote  
4 development that enhances the walkable, mixed-use character of the corridor and  
5 surrounding neighborhoods. Rear yard requirements above the ground story and at residential  
6 levels preserve open space corridors of interior blocks. Housing development in new buildings  
7 is encouraged above the ground story. Existing residential units are protected by limitations  
8 on demolition and upper-story conversions.

9 Consistent with Divisadero Street's existing mixed-use character, new commercial  
10 development is permitted at the ground and second stories. Most neighborhood-serving  
11 businesses are strongly encouraged. Controls on new Formula Retail uses are consistent with  
12 Citywide policy for Neighborhood Commercial Districts; Eating and Drinking and  
13 Entertainment uses are confined to the ground story. The second story may be used by some  
14 retail stores, personal services, and medical, business and professional offices. Additional  
15 flexibility is offered for second-floor Eating and Drinking, Entertainment, and Trade Shop uses  
16 in existing non-residential buildings to encourage the preservation and reuse of such  
17 buildings. Hotels are monitored at all stories. Limits on late-night activity, drive-up facilities,  
18 and other automobile uses protect the livability within and around the district, and promote  
19 continuous retail frontage.

20 If the Planning Department determines that the residential development potential on a site  
21 within the Divisadero Street NCT has been increased through the adoption of the NCT rezoning set  
22 forth in Ordinance No. 127-15, consistent with certain exceptions set forth in Charter Section  
23 16.110(h)(1)(B), any development project that is subject to the Residential Inclusionary Affordable  
24 Housing Program on such site shall pay the Affordable Housing Fee, or provide one of the Alternatives  
25 to Payment of the Affordable Housing Fee, set forth in Planning Code Sections 415 et seq., except that



1 the amount of the Affordable Housing Fee or Alternatives to Payment of the Affordable Housing Fee  
2 shall be modified as set forth in Planning Code Section 428 et seq. If the voters approve the Charter  
3 Amendment on June 7, 2016, and the Board adopts permanent inclusionary affordable housing  
4 requirements that are higher than those set forth in Sections 428 et seq., the higher requirements shall  
5 apply.

6 \* \* \* \*

7  
8 **SEC. 747. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
9 **DISTRICT.**

10 The Fillmore Street Neighborhood Commercial Transit District ("Fillmore Street NCT")  
11 extends along Fillmore Street between Bush and McAllister Streets. Fillmore Street's dense  
12 mixed-use character consists of buildings with residential units above ground-story  
13 commercial use. Buildings range in height from one-story commercial buildings to high-rise  
14 towers. Fillmore Street and Geary Boulevard are important public transit corridors. The  
15 commercial district provides convenience goods and services to the surrounding  
16 neighborhoods as well as shopping, cultural, and entertainment uses that attract visitors from  
17 near and far.

18 The Fillmore Street NCT controls are designed to encourage and promote  
19 development that enhances the walkable, mixed-use character of the corridor and  
20 surrounding neighborhoods. Rear yard requirements at residential levels preserve open space  
21 corridors of interior blocks. Housing development in new buildings is encouraged above the  
22 ground story. Existing residential units are protected by limitations on demolition and upper-  
23 story conversions.

24 Consistent with Fillmore Street's existing mixed-use character, new commercial  
25 development is permitted at the ground and second stories. Most neighborhood- and visitor-

1 serving businesses are strongly encouraged. Controls on new Formula Retail uses are  
2 consistent with Citywide policy for Neighborhood Commercial Districts; Eating and Drinking  
3 and entertainment uses are confined to the ground story. The second story may be used by  
4 some retail stores, personal services, and medical, business, and professional offices.  
5 Parking and hotels are monitored at all stories. Limits on drive-up facilities and other  
6 automobile uses protect the livability within and around the district and promote continuous  
7 retail frontage.

8 If the Planning Department determines that the residential development potential on a site  
9 within the Fillmore Street NCT has been increased through the adoption of the NCT rezoning set forth  
10 in Ordinance No. 126-15, consistent with certain exceptions set forth in Charter Section  
11 16.110(h)(1)(B), any development project that is subject to the Residential Inclusionary Affordable  
12 Housing Program on such site shall pay the Affordable Housing Fee, or provide one of the Alternatives  
13 to Payment of the Affordable Housing Fee, set forth in Planning Code Sections 415 et seq., except that  
14 the amount of the Affordable Housing Fee or Alternatives to Payment of the Affordable Housing Fee  
15 shall be modified as set forth in Planning Code Section 428 et seq. If the voters approve the Charter  
16 Amendment on June 7, 2016, and the Board adopts permanent inclusionary affordable housing  
17 requirements that are higher than those set forth in Sections 428 et seq., the higher requirements shall  
18 apply.

19 \* \* \* \*

20  
21 Section 4. Effective Date. This ordinance shall become effective 30 days after  
22 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
23 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
24 of Supervisors overrides the Mayor's veto of the ordinance.  
25

1           Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
5 additions, and Board amendment deletions in accordance with the "Note" that appears under  
6 the official title of the ordinance.

7  
8  
9 APPROVED AS TO FORM:  
10 DENNIS J. HERRERA, City Attorney

11 By: \_\_\_\_\_  
12 KATE H. STACY  
13 Deputy City Attorney

14 n:\legana\as2016\1600294\01095746.docx

## Mohan, Menaka (CPC)

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**From:** Gus Hernandez <gushernandez1@gmail.com>  
**Sent:** Thursday, May 19, 2016 7:33 AM  
**To:** Mohan, Menaka (CPC); Secretary, Commissions (CPC); Rahaim, John (CPC); rodney@waxmuseum.com; cwu.planning@gmail.com; mooreurban@aol.com; Richards, Dennis (CPC); wordweaver21@aol.com; richhillissf@yahoo.com; Johnson, Christine (CPC)  
**Subject:** Re: Change in Affordable Housing Fee or Units in Rezoned Divisadero and Fillmore NCTs  
**Attachments:** 2016-divis-comm-plan-final.pdf; 2016-05-19-Affordabel-Divis-Letter-to-Planning-Divis-Fillmore-Ordinance.pdf  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Re: Item 8 on 5/19/16 Agenda  
Case Number: 2015-016599PCA [Board File No. 151258]

Dear Planning Commissioners,

Affordable Divisadero just learned that the Divisadero-Fillmore Affordability Ordinance is up for hearing today. Affordable Divis opposes the current ordinance as drafted because it will have no impact whatsoever in increasing affordable housing on Divisadero or Fillmore.

We request that the Planning Commission recommend modifications to the ordinance to achieve the stated goal of increasing the number of affordable units in exchange for the density increase granted last year.

Any affordability requirement increase must be the maximum allowable in exchange for the density granted, must apply to filed projects already in the pipeline (per Planning Department's recommendation), and must be in **addition** to the existing (2015) or proposed (Prop C 2016) baseline.

Please see our letter attached with our request to make this ordinance truly require additional affordable housing in exchange for the density increase already granted.

Thank you,

Gus Hernandez  
Affordable Divisadero



May 19, 2016

Dear Planning Commissioners,

Affordable Divisadero just learned that the Divisadero-Fillmore Affordability Ordinance is up for hearing on Thursday, May 19. Once again there was no community outreach to neighbors and residents of District 5 for their input on this ordinance. Planning staff did not even reference the Divisadero Community Plan – developed over several months with hundreds of area residents – that has been presented to Planning Commission and has been highlighted by affordable housing advocates as a model for community planning.

Affordable Divis opposes the current ordinance as drafted because it will have no impact whatsoever in increasing affordable housing on Divisadero or Fillmore. We request that the Planning Commission recommend modifications to the ordinance to achieve the stated goal of increasing the number of affordable units in exchange for the density increase granted last year.

Any affordability requirement increase must be the maximum allowable in exchange for the density granted, must apply to filed projects already in the pipeline (per Planning Department's recommendation), and must be in addition to the existing (2015) or proposed (Prop C 2016) baseline.

We request the following:

- Community consultation before rezoning of our neighborhood
- Incorporate the Divisadero Community Plan into the discussion and ordinance
- State the maximum allowable additional affordability that can be legally required in exchange for the density increase, and use that percentage
- Any affordability required in exchange for greater density is in addition to baseline affordability required under current law or Prop C should it pass
- Increase the in-lieu fee so that it does not incentivize Fee Outs, but instead encourages building on-site affordable housing

The stated goal for the Divisadero-Fillmore Ordinance is to increase affordability requirements for developments that have increased residential potential due to recent rezoning of Divisadero and Fillmore to NCTs. Comparing the Divisadero-Fillmore Affordability Ordinance requirements to this June's Prop C's requirements, it is clear that if Prop C passes, the Divisadero-Fillmore Ordinance as drafted will not accomplish its goal of requiring additional affordability requirements in exchange for the additional density granted. To accomplish the goal, Affordable Divisadero requests that the Planning Commission make any additional affordability requirements **additive** to whichever baseline requirements are in effect.

- Current (2015) Baseline: 12% on-site, 20% fee/off-site.
- Proposed Prop C (2016) Baseline: 25% on-site, 33% fee/off-site
- Divisadero-Fillmore Ordinance as drafted: 23% on-site, 25% fee/off-site (an increase from the current baseline but not an increase to the proposed Prop C 2016 baseline)
- Affordable Divis Recommendation: Baseline + Additional Requirement = Maximum allowable affordability requirement the City can legally require in exchange for additional density\*

In addition, we note that the Divisadero-Fillmore Ordinance as drafted increases the on-site requirement from 12% to 23%, but only increases the in-lieu fee from 20% to 25%, in essence creating a program where the "Fee Out" option is the more favorable option for developers, in direct contrast to Affordable Divisadero's Community Plan, Part 2.5, requiring all affordable units to be built on site. By encouraging developers to Fee Out rather than include affordable units on site, this ordinance, authored by Supervisor Breed, is inconsistent with Supervisor Breed's stated commitment to not support any projects that do not include on-site affordable housing.

- Prop C changes the on-site requirement baseline to 25%, and the in-lieu fee baseline to 33%
- If Prop C passes, the Divisadero-Fillmore Ordinance as drafted no longer applies since the requirements of Prop C are higher
- Problem: The intent is to require **additional** affordable housing requirements to projects on Divisadero and Fillmore due to upzoning of Divisadero and Fillmore NCTs

- Solution: Make the Divisadero-Fillmore Ordinance affordability requirements **additive** to either the 2015 baseline or the Prop C 2016 proposed baseline

See below for a comparison of the current baseline requirements (2015 baseline), Prop C proposed new baseline requirements (proposed 2016 baseline) and how the Divisadero-Fillmore Ordinance compares.

\* We request the City Attorney to advise on the maximum allowable affordability requirement for development projects in San Francisco based on the following finding from the Planning Department:

....In circumstance in which a project receives a 20% or greater increase in developable residential area as a result of a rezoning, height limit, Floor Area Ratio, limits, or use over prior zoning, or a 50% or greater increase in residential densities over prior zoning, **the City can impose a higher Inclusionary Housing Cost Obligation**. Given that the Divisadero and Fillmore NCT rezoning could constitute a 50% or greater increase in residential density over the previous zoning, for some projects a higher Inclusionary Rate can be imposed....

Program	Current Rate – 2015 <u>Baseline</u>	Prop C – Proposed 2016 <u>Baseline</u>	Divisadero/Fillmore Ordinance as drafted	Divisadero/Fillmore Planning Staff recommended modifications	<b>Affordable Divis recommendation</b>
Fee	17-20%	<b>33%</b>	25%	<b>33%</b>	<b>baseline + maximum allowable % for added density</b>
Fee (10-24 units)	17-20%	20%	<b>25%</b>	20%	<b>baseline + maximum allowable % for added density</b>
On-Site (10-25 units)	12% VL and LI	12% VLI and LI	<b>23% VLI and LI</b>	12% VLI and LI	<b>baseline + maximum allowable % for added density</b>
On-Site (25+ units)	12% VL and LI	15% VLI and LI <b>10% VLI, LI, MI</b> <b>25% TOTAL</b>	<b>23% VLI and LI</b>  23% TOTAL	15% VLI and LI <b>10% VLI, LI, MI</b> <b>25% TOTAL</b>	<b>baseline + maximum allowable % for added density</b>
Off-Site	17-20%	20% VLI and LI <b>13% VLI, LI, MI</b> <b>33% TOTAL</b>	<b>25% VLI and LI</b>  25% TOTAL	20% VLI and LI <b>13% VLI, LI, MI</b> <b>33% TOTAL</b>	<b>baseline + maximum allowable % for added density</b>

Thank you for your attention to this matter.

Sincerely,

Gus Hernandez

Affordable Divisadero Steering Committee



## **DIVISADERO COMMUNITY PLAN**

### **Adopted 1/12/2016**

Alarmed by City Hall's unaffordable, high density development plans for our neighborhood, the Affordable Divis coalition formed in September 2015 to make sure the community had a part in shaping the future of the neighborhood. In a series of five community meetings from September through January 2016, residents of the Divisadero area came together to discuss development and identify points of unity. This community plan is the result of that community driven process. Over 500 residents participated in the development of this plan.

### **Community Plan Area:**

**The boundaries of the plan area are Geary Blvd., Pierce St., Waller St., Baker St.**

### **Part 1. Height/Bulk and Design Principals for New and Infill development**

1. Allow bulk, density, and height increases only if affordability and all other development requirements of this plan are strictly adhered to. Any project seeking bulk, density, or height increase within the Divisadero Community Plan Area must go through the Conditional Use authorization process with the San Francisco Planning Department.
2. Except for 100% affordable projects, no height increase shall exceed two floors above current zoning, as depicted in the attached map as of January 2016.
3. No unit shall be less than 400 square feet in any new development; exceptions may be granted for developments that include 100% senior housing.
4. Unit types must be varied in any new private development and include 40% 2-bedroom or 30% 3-bedroom units to accommodate families.
5. Project design must maintain and contribute to the architectural character of the neighborhood. No demolition of buildings that are architecturally and/or historically contributory to the character of the neighborhood.
6. The "Affordable Housing Density Bonus Program" (AHBP) as currently proposed as of January 2016 threatens neighborhood character, fails to require sufficient affordability, and fails to protect existing rent controlled units and neighborhood serving retail businesses. The AHBP shall not apply in the community plan area for this reason, and affordability and density levels defined in this plan shall apply instead.

### **Part 2. Affordability**

1. Rent controlled units and/or subsidized units shall not be demolished, eliminated, or reduced in any way.
2. Development shall not displace current residents.
3. In light of the acute need for affordable housing, the community wishes to prioritize and affirmatively attract development projects that are 100% affordable to low, moderate, and middle income San Franciscans.

4. Area Median Income shall be for the city of San Francisco only, not the HUD Metro AMI, which includes Marin and San Mateo counties.
5. In mixed income developments, all affordable units shall be built onsite.
6. Any new development of 10 units or more shall have 50% of the units affordable to households under the San Francisco median income. One half of those affordable units must be affordable to households earning below or up to 50% of the San Francisco AMI, one fourth must be affordable to households earning between 50%-80% of the AMI, and the remaining affordable units must be affordable to households earning between 80-100% of the AMI.
7. Affordability restrictions must be permanent.
8. Affordable rental units in new developments must be maintained as affordable permanently even if the building converts to ownership units.
9. The community is particularly concerned with the lack of housing for seniors. Housing affordable to seniors on fixed incomes is a neighborhood priority.

### **Part 3. Infrastructure and Transit**

1. Infrastructure and transit improvements must be linked to development. The City, SFMTA, and PG&E must present a plan including a timetable and budget on these improvements as a condition of new high-density development (10 units or more). The City shall publicize any proposed infrastructure/transit plan and budget for the Divisadero neighborhood prior to processing any high-density project application. The proposed plan shall be released to the public as a draft through mailings to property owners, renters, and residents, as well as neighborhood groups, with an opportunity for public comment. No new high-density development shall be approved without infrastructure and public transit improvements.
2. Developer shall pay a Transit Impact Development Fee as shown below. The funds shall be used for public transit improvements that benefit the neighborhood.
  - a. **Residential projects up to 50 units:** \$7.74 per square foot
  - b. **Residential projects of 51 to 99 units:** \$8.98 per square foot
  - c. **Residential projects of 100 units or more:** \$10.21 per square foot
3. The City shall conduct a community benefit nexus study for the Divisadero Community Plan Area to determine a Community Benefit Fee, and the developer shall pay the maximum Community Benefit Fee as determined by the nexus study.
4. Pedestrian use must be maximized in all new development with minimum number of curb cuts to minimize car interactions with pedestrians/bikers.
5. No new curb cuts on Divisadero Street. Curb cuts on Oak and Fell streets pose particular problems in light of the volume of traffic on these streets, and are disfavored.
6. Bike friendly street design, which reduces bike conflicts between both cars and pedestrians, must be established. Publically accessible bike sharing pods shall be sited inside new developments whenever possible.
7. Development shall add green space for community and natural areas. This includes space between buildings, on sidewalks, and rear garden areas. Maximize public access to open spaces created as part of new developments.
8. Minimum sidewalk width abutting new developments over 10 units shall be 12 feet. The depth of the front setback requirement shall be the average of the existing setbacks of the two adjacent buildings.
9. The City shall provide more public trash cans with any increase in population.



#### **Part 4: Preservation and Enhancement of Neighborhood Serving Retail Uses**

1. Neighborhood-serving retail uses, as defined in the Planning Code, are a priority in the plan area.
2. High-density new development must dedicate at least 50% of its proposed retail space as neighborhood-serving retail.
3. No new formula retail shall be allowed in any development seeking a density bonus
4. Nonprofit use of commercial space shall be encouraged. The community also favors local hiring, businesses that serve a range of income groups, and businesses that are family friendly
5. Current requirement of Conditional Use authorization for businesses over 4000 sq. feet shall be maintained and strictly enforced by the City.

#### **Part 5: Neighborhood Notice**

1. Neighborhood Notice. In addition to notice required by law, for any proposed high-density development (10 units or more) in the Community Plan Area, the project developer shall notify all residents and merchants in the Community Plan Area at least 60 days before its required pre-application meeting. Such notice includes, but is not limited to, mailings to both renters and owners near the proposed project, outreach to neighborhood associations and groups, posting in public view, and notice to anyone who has signed up for such notice.
2. Rezoning – Community Meeting. Any rezoning of the neighborhood must be preceded by a community meeting hosted by the Planning Department and the District 5 Supervisor, and the Affordable Divis organization, and shall be preceded by 60 days' notice calculated to reach all residents and merchants in the Community Plan Area. In advance of that meeting, the Planning Department shall prepare a written summary of the zoning change that includes specific examples of what would be newly allowable under the change.
3. Opportunity to Comment on Transit/Infrastructure Plan. The City shall release its draft infrastructure/transit plan and budget for the plan area prior to processing any high-density development applications. The City shall notify neighbors and neighborhood groups in the Community Plan Area of the draft plan, with 60 days' notice, with an opportunity for public comment.
4. Amendments to Existing Applications. In addition to any notification already required for changes in development applications, any project increasing density, bulk or height by more than 10% from that specified in an original application must begin with a new application, and Planning Department must commence review as if the project is new.

## Mohan, Menaka (CPC)

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**From:** Gus Hernandez <gushernandez1@gmail.com>  
**Sent:** Thursday, June 09, 2016 3:34 PM  
**To:** Richards, Dennis (CPC); Johnson, Christine (CPC); cwu.planning@gmail.com; mooreurban@aol.com; richhillissf@yahoo.com; rodney@waxmuseum.com; wordweaver21@aol.com; Rahaim, John (CPC); Secretary, Commissions (CPC); Mohan, Menaka (CPC)  
**Subject:** No mention of Divisadero/Fillmore Affordability Ordinance in last two D5 Newsletters

Dear Planning Commissioners,

Please see Supervisor Breed's District 5 Newsletter -- no mention of the Divisadero/Fillmore Affordability Ordinance, yet again. Will there be any community outreach to District 5 residents about this proposal? Thank you.

Gus Hernandez

----- Forwarded message -----

**From:** Supervisor London Breed <[breedstaff@sfgov.org](mailto:breedstaff@sfgov.org)>  
**Date:** Thu, Jun 9, 2016 at 2:37 PM  
**Subject:** Supervisor London Breed's May/June 2016 Newsletter  
**To:** Gus <[gushernandez1@gmail.com](mailto:gushernandez1@gmail.com)>



## May/June 2016 Newsletter

**Supervisor London Breed**  
1 Dr. Carlton B. Goodlett Place, Room 256  
San Francisco, California 94102  
Call me: [\(415\) 554-7630](tel:4155547630)

Email me: [breedstaff@sfgov.org](mailto:breedstaff@sfgov.org)  
[Visit my website](#)

## Policy Updates

### Passing the Strongest Styrofoam Ban in the Country

Three days before Earth Day, I introduced one of the strongest pieces of environmental legislation in the country—to ban almost all sales and uses of Styrofoam in San Francisco, including cups, egg cartons, coolers, and those incessant packing peanuts.

Styrofoam cannot be recycled in our blue bins. It essentially never decomposes. It's a significant source of litter in the City and ultimately the Bay and ocean. Styrofoam is a public health and environmental pollutant that endangers every species, including humans.

[My legislation](#) will change that. We will replace hazardous products with compostable and recyclable ones, continue moving toward Zero Waste, and protect our public health and waterways.

This is a landmark proposal and it has already passed the Small Business AND Environment Commissions unanimously!

Thank you to Russell Long, Clean Water Action, Save the Bay, the Department of Environment, and all the stakeholders who helped us refine the legislation. We're on our way to leading the country on environmental policy—again!

[Click here to read my oped in the SF Chronicle.](#)

In the News:

["Foam Fight: SF Plan Would Ban Styrofoam"](#) - *SF Chronicle*

["SF's Proposed Styrofoam Ban Picks Up Support Amid Industry Opposition"](#) - *SF Examiner*



On April 16th, Sup. Breed served as a judge with the **Sisters of Perpetual Indulgence** and other pup lovers at the **9th Annual DogFest**, whose proceeds went to benefit **McKinley Elementary School**.

## Police Reform and Violence Prevention Funding

I'm proud to share that after years of supporting violence prevention efforts in our district, we as a City are making real progress in this area by fully funding the African American Violence Prevention Community Collaborative, also known as **Black to the Future**. It is now a City supported, community-driven consortium whose goal is to take on five specific issue areas supporting young people to reach their best success: Advocacy, Education, Mental Health, Violence Prevention, and Workforce.

Finally, we'll have a comprehensive, systemic operation that is targeted, consistent and specific to the African American community. This is a necessary and significant investment we've been needing for decades, and I'm thrilled the program will be launching in the coming months thanks to the City's commitment to their work.

Some other important efforts we're helping to fund this year include:

- The expansion of our Street Violence Intervention Prevention program
- The expansion of the Interrupt, Predict, Organize (IPO) employment program
- An increase of 50% of the City's crisis response system
- An increase in investigators for the Office of Citizen Complaints, an independent party to investigate all officer involved shootings
- Training for police officers which focuses on implicit bias, cultural competency, crisis intervention which will enhance police reforms that are currently underway

With increased support for community engagement, significant investments in violence prevention, and systemic police reforms, we will help lead the way to a thriving and safe community.



*President Breed met up with volunteers on Walk to Work Day on April 7th in Hayes Valley.*

## Funding for Homeless Programs in District 5

The homeless community in the Haight-Ashbury and other parts of District 5 are unlike any other homeless population in the City. That's why I'm committed to making significant investments in the programs that we know are working and taking preventative measures to keep folks off our streets and in sustainable support systems.

I'm very happy to announce we've secured additional funding for **Larkin Street Youth** and **Taking it to the Streets** in the Mayor's budget this year. Many of you have seen Taking it to the Streets' Street Sweepers along Upper and Lower Haight, but you may not know that **they are actually taking homeless youth off the streets and into supportive housing**. What they are doing is really working, and I'm so thrilled they'll be able to triple the size of their operation with our City's investment. Please continue to follow these developments as we move our priorities through the budget process this Summer.





On April 16th, President Breed joined volunteers from ***Taking it to the Streets*** and many others at the D5 Community Clean Team. Thank you to everyone who came out to clean and green our neighborhoods.

## Contractor Reform Legislation: Improving Public Safety

I wrote previously about the disastrous construction that befell Haight Street last year. A contractor hired by the City's Department of Public Works to do road and sewer work on Haight Street accidentally ruptured gas lines on FIVE separate occasions. You can imagine how frightening and disruptive this was for residents and merchants on Haight. I'm thankful no one was hurt. And I want to ensure something like this never happens again.

I sponsored [legislation](#) with Supervisor Wiener to reform how City departments select contractors. Currently they must take the lowest bidder, every time. Our legislation allows the City to consider other factors like reliability, safety, and past performance.

Price isn't everything, and companies that provide shoddy work or jeopardize public safety should not be working on our streets. With our legislation, which passed ten to one last week, I am optimistic they won't.

In the News:

["S.F. May Consider Value, Not Just Price, When Rewarding Contracts"](#) - *SF Chronicle*



*On April 17th, President Breed participated in the **49th Annual Northern California Cherry Blossom Festival Parade**.*

## **Refurbishing 52 Units of Affordable Housing**

I sponsored [legislation](#) to refinance and rehabilitate 52 units of affordable housing for low and very low income families at the **Laurel Garden Apartments** on 1555 Turk St. The legislation passed unanimously in late April, and I am excited for the new and improved affordable homes residents will soon enjoy.

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## **Community Updates**

**Join My Pride Contingent!**



*President Breed*

*and her contingent at the 2015 Pride Parade.*

Celebrate with me at the Pride Parade this year! The 46th Annual San Francisco Pride Parade will be held on **Sunday, June 26th, 2016, starting at 11 am**. It begins at Market and Beale Street, goes along Market Street, and ends on 8th Street.

Visit the [Facebook event page](#) to learn more details, or register directly [here](#). You can also sign up to be a **contingent monitor** to help make sure our contingent stays safe during the parade. If you're interested, please indicate it on your registration form, and we will send you more details.

## **Housing for 179 Formerly Homeless Families**

In 2014, I helped secure \$2.1 million to renovate unused public housing units and make them available to homeless families. Two years later, we're finally reaping the fruits of our labor. As of last month, 179 formerly homeless families have officially moved into these newly renovated units! With creativity and a smart investment, we were able to take 179 families off the streets and into stable, permanent housing. Ideas like this and others are what we need to help address the severe homelessness crisis in our City.

## **Lava Mae Now in District 5**

After months of collaboration with Lava Mae and City Departments, we finally got our very own Lava Mae trailer to help those in need of a nice warm shower. Regardless of income or status, everyone deserves the basic right to sanitation - thank you, Lava Mae, for bringing these vital services to the district! The new showers will be parked at the DMV at Baker & Fell **every Saturday from 10:00 am to 3:30 pm**.





## Fillmore Heritage Center Reservations Now Open

The Fillmore Heritage Center on 1330 Fillmore Street now has four spaces available from now until December 31st for community meetings, parties, art events, and more.

- Koret Lobby
- Gallery
- Screening Room
- Cocktail Lounge

Events hosted by the community can apply for a special discount. To rent out a space or learn more, visit [fillmoreheritage.com](http://fillmoreheritage.com) or contact [event.coordinator@andreabakerconsulting.com](mailto:event.coordinator@andreabakerconsulting.com).

## Alamo Square Park Closed for Construction

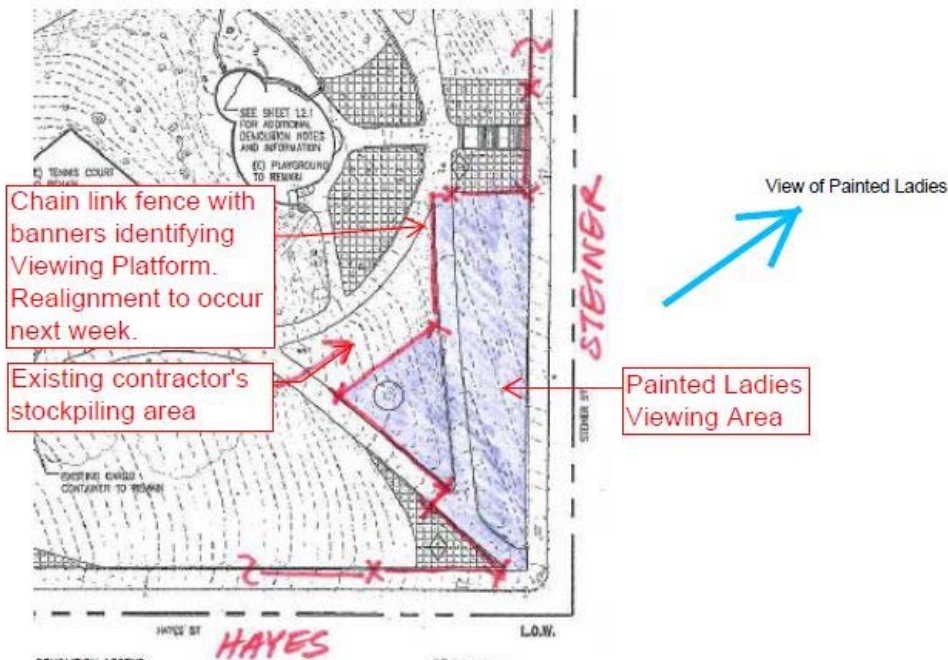


*President Breed joined **Alamo Square residents** to commemorate the closing of Alamo Square Park on May 9th.*

The Alamo Square Park closed on May 10th for renovation of the park's irrigation system, construction of a new wheelchair-accessible restroom, and installation of new landscaping. It is projected to re-open in the fall/winter of 2016, and I can't wait to see the new park.

However, since the closure, I heard many of your concerns around safety, inability to use the space for your dogs, and lack of space for tourists who are coming to see our famous Painted Ladies. After working with the Rec and Park Department, **I'm very happy to announce that we were able to open up a portion of the park for public use!**

Together we worked to create a space on Steiner to increase pedestrian safety, reduce impact on neighbors, and allow tourists a view corridor to snap their pictures of the Painted Ladies. We've also asked for bigger banner signage that notifies visitors of the park renovation and whom to call for questions and/or concerns. We're also thrilled to share that this will not delay the project nor increase the cost significantly. Thank you to everyone who engaged with our office to make this a reality! See the plans for the viewing area below:



In the news:

["Alamo Square To Open Tourist-Friendly 'Viewing Area' During Construction" - Hoodline](#)

["Picture Imperfect: Alamo Square Construction Blocks Famed View" SF Gate](#)

["Portion of Alamo Square Park to Open This Week" - Kron 4](#)

["Alamo Square To Partially Reopen Through November to Accommodate Selfie-Taking Tourists" - SFist](#)

["Alamo Square Park to Partially Open This Week" - Curbed SF](#)

On a related note, Alamo Square Park neighbors are also banning together to raise **\$100,000 for 100 trees** in Alamo Square Park during the renovation, and are almost at their goal! To donate and learn more, visit the Trees for Future Generations website [here](#).

Learn more about the renovation project at [sfrecpark.org/closure-alamo-square-park](http://sfrecpark.org/closure-alamo-square-park).

Alternative children play areas include:

- Margaret S. Hayward Playground - Golden Gate Ave & Laguna St
- Duboce Playground - Duboce Ave & Noe St
- Buena Vista Park Playground - Buena Vista Ave W & Waller St
- Golden Gate Park Panhandle Playground - Oak & Ashbury St
- Hayes Valley Playground - Buchanan & Hayes St
- Patricia's Green Playground - Fell St & Octavia Blvd
- Koshland Park Playground - Page St & Buchanan St

Alternative dog play areas include:

- Jefferson Square Dog Play Area - Turk St between Laguna St & Gough St
- Duboce Dog Play Area - Duboce Ave & Walter St



- Buena Vista Park Dog Play Area - Buena Vista Ave & Haight St

## Car Break-in Decreases in Alamo Square

In my last newsletter, I announced that we installed signs around Alamo Square warning visitors not to leave valuables in their cars. I recently received some good news from Captain John Jaimerena of Northern Station: since the signs went up, car break-ins have decreased by nearly 50 percent! Although these are preliminary results, and although we know that adding signs isn't the only solution to this problem, it is clear that the signs making an impact. Thank you to the Alamo neighbors who helped make this a reality.



*On May 12th, President Breed joined District 5 residents and volunteers for **Bike to Work Day** and biked from **Flywheel Coffee Roasters** to City Hall.*

## Construction Set to Begin for Masonic Streetscape Project

This month, the SFMTA, Department of Public Works, and Public Utilities will begin construction to completely rebuild Masonic Avenue from Fell to Geary, including new sewer and water infrastructure, upgraded lighting, new street trees, a landscaped median, street trees, widened sidewalks, new bikeways, transit boarding islands, a small plaza at Masonic and Geary, and fresh pavement. Construction will finish in late 2017.

This project has been a long-time coming. After final designs were approved in 2012, I led the effort to secure \$10.2 million in federal funds to implement it. Masonic Avenue

has been the scene of several tragic accidents in recent years, and it's time we ensure our residents can travel safely along this corridor. I'm excited for the project to finally begin!

## Reactivation of Buchanan Mall

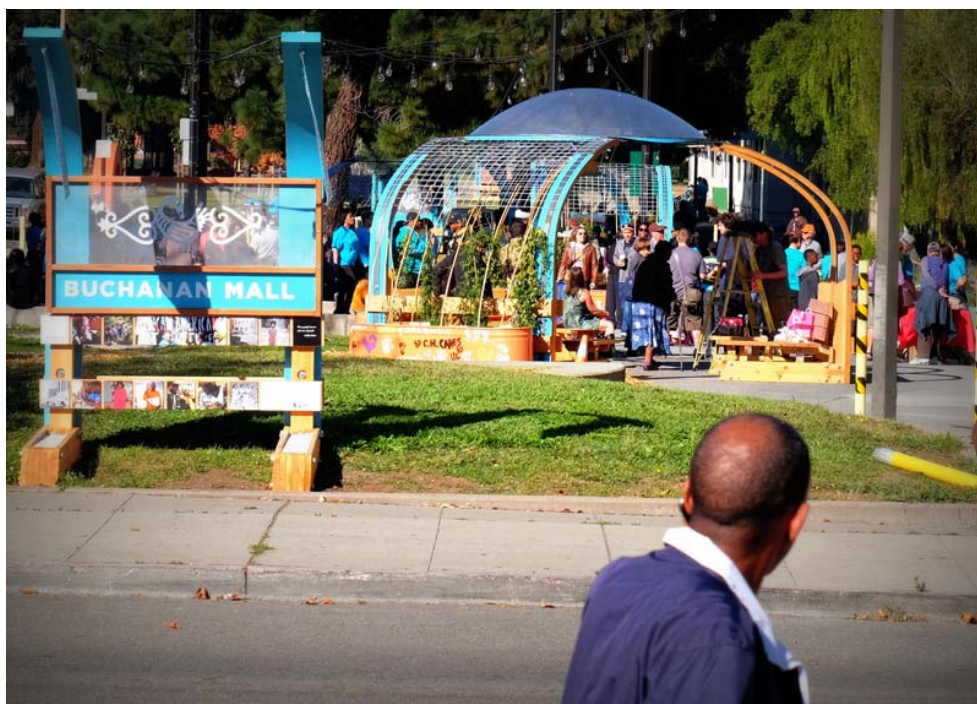
Buchanan Street Mall is a stretch of green space located on Buchanan Street that extends from Grove Street to Eddy Street. I spent much of my childhood walking the Mall when it was an incredibly active community hub. Unfortunately, as crime and violence ripped our community apart in the '90s, most people avoided the area.

It's been my dream to reactivate this space for residents to gather, children to play, and families to enjoy once again. Last year, I pushed for funding to do just that. Now, through a partnership with **Trust for Public Land, Citizen Film, Green Streets, The Exploratorium**, and **residents** along the Buchanan Mall, we are making plans to revitalize the space!

We will be hosting several workshop for residents to provide feedback on Buchanan Mall events and activities. If you're interested in participating in our workshops, please join us:

- Thursday, July 14th, 6 - 8 pm at Rosa Parks Senior Center (Golden Gate Avenue and Buchanan Street)
- Thursday, August 11th, 5 - 7 pm at Ella Hill Hutch Community Center (1050 McAllister Street)
- Thursday, September 29th, 6 - 8 pm at African American Art & Culture Complex (762 Fulton Street)

For more information, please contact Citizen Film at [415-206-1880](tel:415-206-1880).



## Van Ness Bus Stops To Be Consolidated on June 4th

In preparation of construction of the Van Ness Improvement Project, bus stops are being consolidated on Saturday, June 4th to maintain traffic circulation and transit service reliability and efficiency. These changes will affect customers who ride on [47 Van Ness](#), [49 Van Ness/Mission](#), [90 San Bruno Owl](#), and [Golden Gate Transit](#) routes.

Below are the bus stops that will be discontinued and where customers should board:

- Greenwich - Board at Chestnut (northbound) and Union (southbound)
- Pacific - Board at Jackson
- California - Board at Clay
- Pine - Board at Sacramento
- Post - Board at O'Farrell
- Turk - Board at Eddy
- Grove - Board at McAllister

For more information, visit [sfmta.com/vanness](https://sfmta.com/vanness).

## Pit Stops Coming to The Haight!

With summer travelers coming into our Haight-Ashbury neighborhood, we'll need additional public restrooms to keep our streets clean. After months of collaboration with our Department of Public Works, I'm excited to share that Pit Stops are coming to the Upper Haight this month! The program is operated by DPW and provides clean and safe public toilets, sinks, used needle receptacles, and dog waste stations in San

Francisco's most impacted neighborhoods.

The program utilizes both portable toilets, which are trucked to and from the sites daily after overnight servicing at a remote location, and the semi-permanent JCDecaux self-cleaning toilets. All the Pit Stop facilities are staffed by paid attendants who help ensure the toilets are well maintained and used for their intended purpose. Not only do the people who need a bathroom benefit, but so do the neighborhoods.

The Upper Haight Pit Stops will be arriving on **June 15th** and will be located on **Haight Street at Buena Vista Avenue**. They will operate from **2:00 pm-9:00 pm Monday-Friday**.



## Hayes Valley Arts

Come and say farewell to Kate Raudenbush's *Future Past* Temple Installation before it's removed on June 14th. More information on what will be coming next to Patricia's Green can be found on the [Hayes Valley Neighborhood Association's Website](#). Additionally, the Hayes Valley Art Works will be getting new art installations on the corner of Fell & Laguna to continue to activating the space beginning June 4th - come check it out!





***Hayes Valley Art Works** is currently activating a lot on Fell & Laguna as it awaits the development of 100% affordable housing units for low income families!*

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## Community Resources

### **Become a Clean Power Super Hero with CleanPowerSF!**

Visit [www.cleanpowersf.com](http://www.cleanpowersf.com) for more information and sign up today!

### **Affordable Housing Applications**

55 Laguna, home to affordable, LGBT-welcoming housing for Seniors and Openhouse is now accepting applications for their affordable units! Sign up [here](#) to request more information and apply.

For more information on any affordable housing applications opening up City-wide, check the Mayor's Office of Housing and Community Development regularly, or sign up for email notifications [here](#).





*President Breed spoke to a standing-room crowd at the **More Than Magic** fundraising event on May 4th. The event supports **Mo'MAGIC** (Mobilization for Adolescent Growth in Our Community), a non-profit organization that provides quality, no-cost programming for children who live in the Western Addition.*

## **2016-2017 Senior Citizen Tax Exemption Application Now Open**

The following parcel tax exemptions applications are available for eligible homeowners for the 2016-2017 tax year:

- **The Quality Teacher and Education Act of 2008:** \$236.98 per parcel
  - The owner of the parcel must occupy it as his/her primary residence and be 65 years or older as of June 30th, 2017
- **The School Facilities Special Tax of 2010:** \$36.06 for single family dwellings, condominiums, and commercial properties, and \$18.04 per unit in apartments, flats, or mixed-use dwellings
  - The unit must be the primary residence of at least one occupant (either an owner or tenant) who will be 65 years or older by June 30th, 2017.

Applications must be submitted by **June 30th, 2016**. To apply for the exemption, please complete the form [here](#). For more information about the tax exemption, please visit the [Senior Citizen Exemption Office's website](#), email them at [seniorexemptionoffice@sfusd.edu](mailto:seniorexemptionoffice@sfusd.edu), or call [415-355-2203](tel:415-355-2203).



*On April 28th, President Breed participated in a cooking demonstration with **Crystal Jones**, Seed to Mouth Coordinator at **Community Grows** on Buchanan Mall. Ingredients included vegetables grown in the planters installed at the Mall!*

## San Francisco Budget Challenge

Want to learn more about the City's budget? Ever wonder about the details of the City's costs and revenues?

Check out the City and County of San Francisco's Budget Challenge! It is a tool to help everyone learn about the City's budget by enabling residents to balance the City's upcoming Fiscal Year (FY) 2016-17 and FY 17-18 budget.

If you have any questions or input, please contact the Mayor's Budget Office at [budget@sfgov.org](mailto:budget@sfgov.org).

## Take the Child Transportation Survey Today!

Getting young kids to school is often difficult, but the City wants to help. The San Francisco County Transportation Authority is trying to find ways to make commute to and from school easier for our students. Whether the school is public, private, parochial, or charter, we want to hear your thoughts about your transportation options! [Click here to take the 10-minute survey today!](#)

## Western Addition Neighborhood Access Point

Looking for a job? Western Neighborhood Access Point hosts regular workshops and career fairs that can help you connect with potential employers!

**The center is located at 1449 Webster Street, and is open:**

**Monday - Thursday: 9 am - 7 pm**

**Friday: 9 am - 12 pm**

For more information on the services available and upcoming events, [check out the center's website](#); visit the center; or call [\(415\) 549-7000](tel:4155497000).



*President Breed hosted a **Mother's Day Brunch** on May 6th for mothers who lost their children.*

### **Free Legal Service from Housing and Economic Rights Advocates**

Housing and Economic Rights Advocates aims to support the economic well being of all residents by providing free legal services focusing on all household financial concerns. From medical debt and identity theft to student loan concerns, how to build credit safely, unfair debt collection, and mortgage concerns, the organization's goal is to help people be successful and break free from abuse.

For more information, please visit [www.heraca.org](http://www.heraca.org).

## **Intern for me in City Hall!**

Do you want to be involved in local neighborhood and citywide issues? Would you like to gain experience working in a local government office? I am looking for hard-working and passionate District 5 residents and/or college students to help support me and my staff!

For more information and to apply, [visit my website](#).

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## **Upcoming Events**

### **Northern Police Station Coffee with a Cop**

**Friday, June 10th**

**7:30 - 9:30 am**

**La Boulangerie De San Francisco - 500 Hayes Street**

Come and get to know your police officers, ask questions, and voice concerns!

### **Grillin' in the 'Mo**

**Saturday, June 11th**

**12 - 5 pm**

**Hamilton Recreation Center - 1900 Geary Blvd**

Join the Village Project and Bayview YMCA to kick off Fillmore's annual Summer-fest with a FREE Blues concert featuring Fillmore Slim, Big Cat Tolefree & the Hipnotics Band, DJ Mr. C, and Tia Carol! Enjoy food, get your face painted, make some tie-dyed shirts, and more!

For more information, visit [www.thevillageprojectsf.org](http://www.thevillageprojectsf.org).



The Village Project and Bayview Y present:

# The Fillmore Summerfest Kick-off

Co-sponsored by: The Fillmore Auditorium, SF Rec & Parks & WAFRC

## Grillin in The 'Mo

SATURDAY | JUNE 11TH | 12 PM - 5 PM | HAMILTON REC CENTER | 1900 GEARY BLVD @ STEINER

- Free Blues Concert • \$1 Food Tickets • Kiddie Park • Jumpers
- Face Painting • Giant Bubbles & Games for Kids + More

For More Information Contact | The Village Project | Ms. Adrian Williams  
 awilliamsassoc@yahoo.com | 415-424-2980 | www.thevillageprojectsf.org  
 Partially funded by the Dept. of Public Health



## 39th Annual Haight Ashbury Street Fair

Sunday, June 12th

11 am - 5:30 pm

Haight Street - between Ashbury and Stanyan Streets

Supervisor Breed Office Hours

11 am - 1 pm

Enjoy good music, arts and crafts, and food at this annual San Francisco cultural event!  
 Stop by Supervisor Breed's booth between Cole and Shrader Streets from 11 am - 1

pm to chat or share your concerns. This year's Stanyan Street Stage will feature music dedicated to **Paul Kantner**, a founding member of the psychedelic rock band Jefferson Airplane, who passed away in January 2016.



Congratulations to our own Park Station Officer **Elizabeth "Lily" Prillinger** for winning the Haight-Ashbury Street Fair Poster Contest for the second year in a row!

## Boxing Room Turns Five!

Thursday, June 16th

6 - 10 pm

Boxing Room - 399 Grove Street

Hayes Valley's coastal Louisiana restaurant Boxing Room wants to thank you for five fabulous years! A party ticket includes all-you-can-eat crawfish and other classic Cajun eats, drink specials, and live music by Grammy-nominated accordion artist Andre Thierry.

Buy your ticket [here](#), or call [415-430-6590](tel:415-430-6590).

## 18th Annual San Francisco Black Film Festival

Friday, June 16th to Sunday, June 19th

Visit [sfbff.org](http://sfbff.org) for full schedule and locations

Created 18 years ago by San Francisco resident, the late Ave Montague, the San Francisco Black Film Festival provides an opportunity for emerging artists producing films for, by, and about the African Diaspora to showcase their works and interact with the entertainment industry in California and beyond. Films will be screened throughout the weekend at Yoshi's (1330 Fillmore St), the African American Art & Culture Complex (762 Fulton St), Origin (1538 Fillmore St), the BooM BooM Room (1601 Fillmore St), and Lush Life Gallery (1320 Fillmore St). Visit [sfbff.org](http://sfbff.org) for exact showtimes and locations!



## 66th Annual Juneteenth Festival

**Saturday, June 18th**

**10 am - 6 pm**

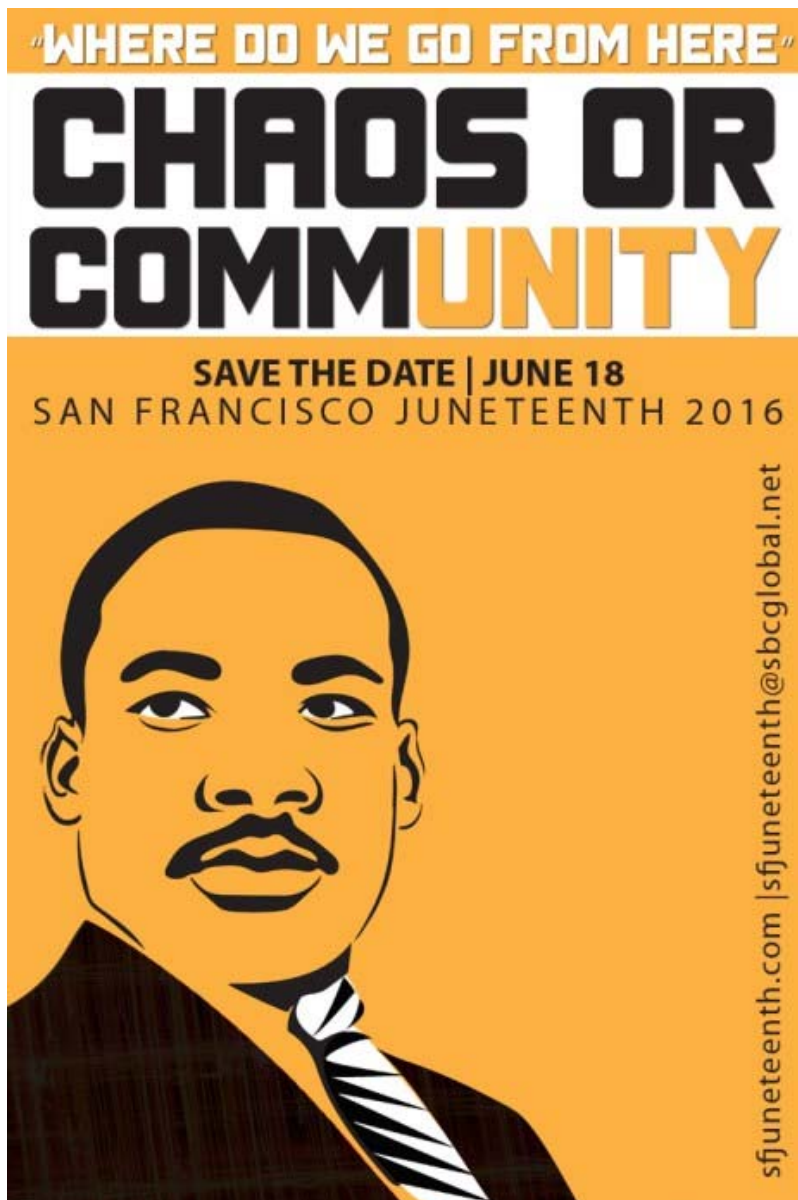
**Juneteenth Festival Location: Fillmore Street between Turk and Sutter Streets**

**Juneteenth Parade begins at 11am: Reviewing stands located on Turk and Fillmore Streets**

Saturday, June 18th marks the 66th Annual San Francisco Juneteenth Festival, the largest gathering of African-Americans in northern California. Come and celebrate with us as thousands of people from the community come out, share their history, pride and triumph. This festival commemorates the end of slavery in the United States, bringing together families from all across the Bay Area. This year's celebration will be especially memorable with performances by the original **Prince & the Revolution** and **New Power Generation!**

*For more information, visit [www.sfjuneteenth.com](http://www.sfjuneteenth.com).*





## Housing Expo

**Saturday, June 25th**

**11 am - 2 pm**

**St. Mary's Cathedral - 1111 Gough St**

**First time homebuyer? Need affordable housing? It's not as far from reality as you think!** Hosted by HomeownershipSF, this FREE housing resource fair will have information about affordable homeownership and rental housing opportunities, including Below Market Rate Homes and down-payment assistance programs! You'll also be able to connect with free or low-cost resources for housing, credit building, and money management!

Register today at [www.homeownershipsf.org](http://www.homeownershipsf.org).



# San Francisco Housing Expo



**June 25, 2016. 11 am - 2 pm @ St. Mary's Cathedral**  
**REGISTER HERE**

## **31st Annual Fillmore Jazz Festival**

**Saturday, July 2nd to Sunday, July 3rd**

**10 am - 6 pm**

**Fillmore Street between Jackson and Eddy Streets**

Blending art and soul in one of the country's most unique neighborhoods, the Fillmore Jazz Festival is the largest free Jazz festival on the West Coast, drawing over 100,000 visitors over the Independence Day weekend. Celebrate the music of jazz, cuisine, and culture in the Fillmore, rain or shine!

For full schedule of performances and to learn more, visit [www.fillmorejazzfestival.com](http://www.fillmorejazzfestival.com).

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