

STATE DENSITY BONUS

OVERVIEW



San Francisco
Planning

Planning
Commission
June 10, 2021

OUTLINE

1. State Density Bonus Overview
2. Review Process
3. Intersection with the Housing Accountability Act
4. Planning Commission Discretion



San Francisco
Planning

State Density Bonus Law: Project Requirements



PROJECT REQUIREMENTS

5 units
or more

Residential or
mixed use



AFFORDABILITY REQUIREMENTS

Affordable units
on-site

Affordable for
55 years and if
inclusionary,
life of project

State Density Bonus Law: 3 Components



DENSITY BONUS

- Law specifies percentage bonus based on affordable units provided
-
- Maximum 50% density bonus

INCENTIVES & CONCESSIONS

- 1 to 4 based on % affordable
 - Reduce overall cost of project
-
- Can include height, open space
-
- City may DENY if incentives and concessions would not result in cost reductions or **would have a specific adverse impact upon public health or safety as defined by State law.**

WAIVERS

- Unlimited number if necessary to accommodate increased density (envelope issues)
-
- Can include height, bulk, or open space, rear yard
-
- City may DENY if waivers are not necessary or **would have a specific adverse impact upon public health or safety as defined by State law.**

Incentives and Concessions

- 1 to 4 that reduce the costs of development

Dependent on the affordable units

- Can include: open space, height, ground floor ceiling height

Could also be considered as waivers depending on each project

- City is limited in its discretion and can only deny an incentive or concession if it **would have a specific adverse impact upon public health or safety as defined by State law.**



Waivers of Local Development Standards



**Can include height,
bulk, or rear yard**



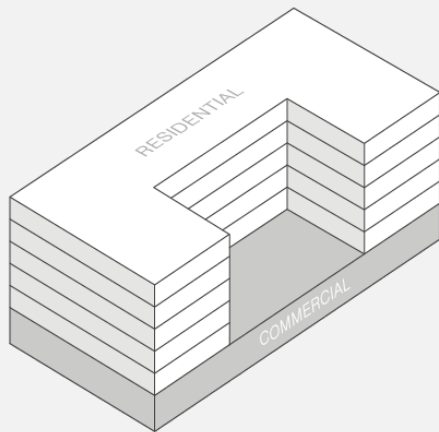
**Necessary to
accommodate increased
density**



**Volumetric
requirements**

Inclusionary Rate and Effective Rate: Example

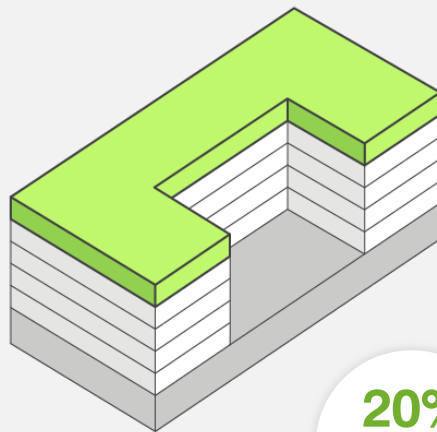
BASE PROJECT



100 Total Units

BASE PROJECT

+ INCLUSIONARY



100 Total Units
20 Inclusionary Units

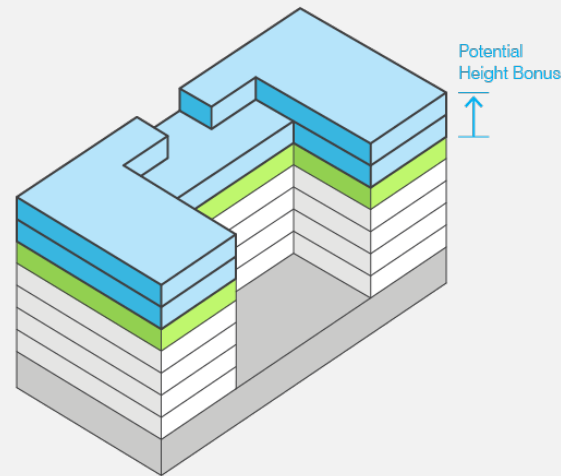
20%

Affordable
(Required)

+ DENSITY BONUS

BASE PROJECT

+ INCLUSIONARY



139 Total Units
20 Inclusionary Units +
Affordable Housing Fee on Bonus Units

Planning Director Bulletin 6

- This bulletin is available to the public and contains our **interpretations regarding State Density Bonus**



This Bulletin is an overview of the State Density Bonus Law and discusses the implementation procedures for projects seeking to use the program in San Francisco.

PLANNING DIRECTOR BULLETIN NO. 6

Implementing the State Density Bonus Program

First Issued:
DECEMBER 2018
Revised:
DECEMBER 2020

References:
Government Code Section 65915
Planning Code Section 206.6

BACKGROUND:

The California State Density Bonus Law ("State Law") offers development incentives to projects that provide on-site affordable housing. The State Law offers three categories of benefits to incentivize on-site affordable housing:

1. A project may seek up to 50% additional residential density or receive form based density if the project is 100% affordable;
2. A project may receive up to four incentives or concessions (generally, defined as a reduction of development standards, modifications of zoning code requirements, or approval of mixed-use zoning) to offset the costs of providing affordable housing on-site; and
3. The City must waive any local development standard required to construct the on-site affordable housing and the incentives or concessions.

The amount of the density bonus and the number of incentives or concessions depends on the amount and level of affordability of the affordable units in the project.

The City adopted the Individually Requested State Density Bonus Program (Planning Code Section 206.6) in 2017 to implement the State Law.

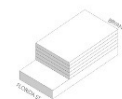
HOW DOES SAN FRANCISCO IMPLEMENT THE STATE DENSITY BONUS PROGRAM?

Calculating a Density Bonus

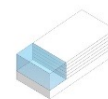
Base Density
State Law allows projects to receive up to 50% additional residential density. To determine the amount of additional density, Planning Department staff must calculate the principally permitted density under current controls ("base density"). This calculation is referred to as a base density study. The "base density" is the maximum allowable gross residential density principally permitted under the current zoning. Residential density regulations in San Francisco vary by zoning district. In some districts, residential density is regulated by a ratio of units to lot area, such as one unit per 600 square feet. In these districts, base density is the maximum number of units allowed by the zoning district. Other districts use form-based density, where residential density is regulated by the permitted building volume – either the maximum floor area ratio (FAR) or a maximum building volume controlled by height, bulk, and setback controls ("form-based zoning"). In areas with form-based zoning, the base density is interpreted to be the maximum residential gross floor area principally permitted on the site under the current zoning.

DIRECTOR
BULLETIN NO. 6

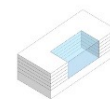
EXHIBIT A



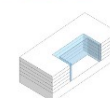
BASLINE: 1.6 ground floor with 3 stories of housing above.
total gross sq. ft. = approx. 40,320



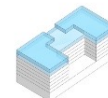
STEP ONE: 1.6 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above.
total gross sq. ft. = approx. 100,800



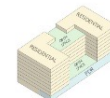
STEP TWO: 1.6 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above.
total gross sq. ft. = approx. 141,120



STEP THREE: 1.6 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above.
total gross sq. ft. = approx. 181,440



STEP FOUR: 1.6 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above.
total gross sq. ft. = approx. 221,760



FINAL BASSING: 1.6 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above, plus 1.0 ground floor with 3 stories of housing above.
total gross sq. ft. = approx. 262,080

MITHUN

Diagram provided by Mithun San Francisco



FOR MORE INFORMATION:
Contact the San Francisco Planning Department

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49 South Van Ness Avenue, Suite 1400
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WWW: www.sfpplanning.org

Planning counter at the Permit Center
49 South Van Ness Avenue, 2nd Floor
San Francisco, CA 94103
EMAIL: plc@sfpplanning.org
TEL: 628.652.7300

Process

- **State Density Bonus law does not affect process**; if there is an underlying entitlement, process to get that entitlement remains.
- The Planning Code requires the **Planning Commission** to make specific **State Density Bonus findings**.

Whether the project has a specific adverse impact upon public health or safety as defined by State law - not discretionary

- State Density Bonus law **does not affect CEQA review**.



Intersection with the Housing Accountability Act

- HAA limits a local jurisdiction's ability to deny or reduce the density of a code complying project
- HAA recognizes State Density Bonus projects as code complying, even with the waivers and incentives
- Projects only have to comply with objective standards to invoke HAA
- If a jurisdiction wrongly denies a housing project, the jurisdiction may be subject to fines of up to \$10,000 per unit



Planning Commission Discretion

- **Most State Density Bonus Projects are protected under the HAA.**
- **Discretion is extremely limited.**

Cannot deny or reduce density under HAA

Cannot deny waivers, incentives, or concessions unless there is a specific adverse impact on public health and safety as defined in State law



Planning Commission Discretion

Some State Density Bonus Projects are not protected under the HAA:

- They may need relief from a Code provision that cannot qualify as an incentive, concession, or waiver.
- State Density Bonus Projects with less than 2/3 residential



What discretion is there?

DESIGN

Fenestration

Massing shifts

Materials



LIMITATIONS

No reduction in density

Project cannot become financially infeasible

No denial of incentives, concessions, or waivers without findings of specific adverse impacts on public health and safety as defined by State law



THANK YOU



San Francisco
Planning

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